

MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
March 10, 2021, 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 McVicker, Chair
Director Dick
Director Thomas

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

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 – February 2021
 - b. Disbursement Approval Report for the month of March 2021
 - c. Disbursement Ratification Report for the month of February 2021

- d. GM Approved Disbursement Report for the month of February 2021
 - e. Consolidated Summary of Cash and Investment – January 2021
 - f. OPEB and Pension Trust Fund monthly statement
2. FINANCIAL REPORT - Combined Financial Statements and Budget Comparative for the Period Ending January 31, 2021

ACTION ITEMS

- 3. CHANGE ORDER FOR VASQUEZ & COMPANY LLP, FY 2020 ANNUAL AUDIT
- 4. REQUEST FOR WAIVER OF LATE PAYMENT PENALTY FOR IRVINE RANCH WATER DISTRICT
- 5. NATURAL RESOURCES RESULTS (NRR), INCREASE IN MONTHLY RETAINER – CHANGE ORDER

DISCUSSION ITEM

- 6. SEND LETTER TO ACWA RE: CONCERNS WITH MEDIMPACT PRESCRIPTION PLAN
- 7. FY 2021-22 SECOND DRAFT BUDGET
- 8. UPDATE ON MWDOC'S 2021 RATE STUDY
- 9. REVIEW OF DISTRICT'S AUTO ALLOWANCE POLICY
- 10. REVIEW OF REQUIREMENTS FOR CSDA'S DISTRICT OF DISTINCTION AWARD (VARIOUS LEVELS)

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. PUBLIC HEARING DATE SCHEDULED FOR APRIL 21, 2021 RE ORDINANCE SUPERSEDING AND REPEALING MWDOC ORDINANCE NO. 54 REGARDING COMPENSATION FOR DIRECTORS
- 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
February 2021**

WATER REVENUES

<u>Date</u>	<u>From</u>	<u>Description</u>	<u>Amount</u>
2/01/2021	City of Fountain Valley	December 2020 Water deliveries	\$ 11,923.47
2/01/2021	City of La Habra	December 2020 Water deliveries	\$ 4,858.57
2/04/2021	Laguna Beach County Water District	December 2020 Water deliveries	\$ 157,652.48
2/05/2021	City of Brea	December 2020 Water deliveries	\$ 14,345.68
2/08/2021	City of Buena Park	December 2020 Water deliveries	\$ 136,702.92
2/08/2021	El Toro Water District	December 2020 Water deliveries	\$ 442,584.58
2/08/2021	City of La Palma	December 2020 Water deliveries	\$ 3,579.73
2/08/2021	City of Seal Beach	December 2020 Water deliveries	\$ 8,899.39
2/08/2021	Santa Margarita Water District	December 2020 Water deliveries	\$ 1,810,123.16
2/08/2021	South Coast Water District	December 2020 Water deliveries	\$ 361,763.42
2/10/2021	City of San Juan Capistrano	December 2020 Water deliveries	\$ 480,931.31
2/11/2021	East Orange Co Water District	December 2020 Water deliveries	\$ 309,948.45
2/11/2021	Serrano Water District	December 2020 Water deliveries	\$ 234,024.73
2/11/2021	City of Orange	December 2020 Water deliveries	\$ 131,165.07
2/11/2021	Yorba Linda Water District	December 2020 Water deliveries	\$ 212,310.09
2/12/2021	City of Garden Grove	December 2020 Water deliveries	\$ 303,220.15
2/12/2021	Golden State Water Company	December 2020 Water deliveries	\$ 409,756.17
2/12/2021	Moulton Niguel Water District	December 2020 Water deliveries	\$ 2,153,945.59
2/12/2021	Orange County Water District	December 2020 Water deliveries	\$ 417,795.53
2/12/2021	City of San Clemente	December 2020 Water deliveries	\$ 687,614.12
2/16/2021	Irvine Ranch Water District	December 2020 Water deliveries	\$ 1,842,166.97
2/26/2021	City of Brea	January 2021 Water deliveries	\$ 15,078.35
2/26/2021	City of Huntington Beach	January 2021 Water deliveries	\$ 212,302.88

TOTAL WATER REVENUES \$ 10,362,692.81

**Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
February 2021**

MISCELLANEOUS REVENUES

<u>Date</u>	<u>From</u>	<u>Description</u>	<u>Amount</u>
2/01/2021	Meszaros, Patricia	Feb-Mar 2021 Retiree Health insurance	81.26
2/01/2021	Stan Sprague	February 2021 Retiree Health insurance	241.40
2/01/2021	Keith Lyon	February 2021 Retiree Health insurance	271.85
2/04/2021	Karl Seckel	February 2021 Retiree Health insurance	241.40
2/25/2021	Stan Sprague	March 2021 Retiree Health insurance	241.40
2/25/2021	Keith Lyon	March 2021 Retiree Health insurance	271.85
2/16/2021	Igoe and Company Inc	January 2021 COBRA insurance	882.54
2/01/2021	US Bank Custodial Account	Morgan Stanley investment matured	253,150.69
2/11/2021	US Bank Custodial Account	Capital One and Goldman Sachs interest payment	7,057.56
2/17/2021	US Bank Custodial Account	National Rural Utilities Coop and Comenity Capital interest payment	756.40
2/18/2021	US Bank Custodial Account	Chase Bank interest payment	1,000.00
2/22/2021	US Bank Custodial Account	Societe Generale interest payment	1,250.00
2/26/2021	US Bank Custodial Account	Bank of America interest payment	406.25
2/26/2021	US Bank	Monthly interest	3.30
2/18/2021	Paymac, Inc.	Sold fixed asset property	101.00
2/18/2021	Metropolitan Water District	Refund for the unused portion of the Service Connection CM-12 Modifications for Laguna Beach County Water District	28,359.94
2/18/2021	Laguna Beach County Water District	December 2020 Smartimer rebate program	57.99
2/18/2021	Moulton Niguel Water District	December 2020 Smartimer rebate program	5,095.43
2/18/2021	Trabuco Canyon Water District	December 2020 Smartimer rebate program	85.00
2/12/2021	City of Tustin	December 2020 Turf Removal rebate program	222.00
2/08/2021	City of Orange	September 2020 Turf Removal and Spray to Drip rebate program	555.00
2/01/2021	City of Newport Beach	November 2020 Turf Removal and Spray to Drip rebate program	222.00
2/25/2021	City of Orange	December 2020 Turf Removal and Spray to Drip rebate program	1,328.71
2/01/2021	Laguna Beach County Water District	October 2020 So Cal Watersmart rebate program	260.00
2/08/2021	El Toro Water District	December 2020 So Cal Watersmart rebate program	805.00
2/08/2021	Moulton Niguel Water District	December 2020 So Cal Watersmart rebate program	9,200.00
2/12/2021	City of San Clemente	December 2020 So Cal Watersmart rebate program	1,125.00
2/18/2021	Laguna Beach County Water District	December 2020 So Cal Watersmart rebate program	415.00
2/04/2021	City of Anaheim	Jan-Jun 2020 School Billing	7,111.77
2/12/2021	City of Fullerton	Jul-Dec 2020 School Billing	1,256.60
2/08/2021	City of La Habra	AWIA Phase 3 Emergency Response Plans	61,886.00
2/01/2021	Mesa Water District	Water Loss Control Shared Services program FY 2020-21	7,958.00
2/01/2021	City of La Habra	2020 - 5 Year Update Urban Water Management Plan	44,240.00
2/01/2021	South Coast Water District	2020 - 5 Year Update Urban Water Management Plan	44,460.00
2/05/2021	City of Fullerton	2020 - 5 Year Update Urban Water Management Plan	52,500.00
2/08/2021	City of Orange	2020 - 5 Year Update Urban Water Management Plan	28,200.00
2/08/2021	City of Seal Beach	2020 - 5 Year Update Urban Water Management Plan	32,950.00
2/11/2021	East Orange Co Water District	2020 - 5 Year Update Urban Water Management Plan	41,400.00

TOTAL MISCELLANEOUS REVENUES \$ 635,650.34
TOTAL REVENUES \$ 10,998,343.15


Robert J. Hunter, General Manager


Hilary Chumpitazi, Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of March 2021**

Vendor/ Invoice	Description	Amount to Pay
Core Disbursements:		
ABSG Consulting Inc		
5107051	January 2021 Owner's Representative preconstruction/plan check & bidding services for MWDOC office remodel	18,095.00
Total		18,095.00
ACCO Engineered Systems Inc		
20087358	Repair HVAC system in server room	711.82
Total		711.82
Richard C Ackerman		
1298	February 2021 Legal and regulatory matters consulting	2,750.00
Total		2,750.00
Adobe Systems Incorporated		
1350879085	Adobe Pro DC license for J. Thorsell	80.94
1355822719	Adobe Creative Cloud license for K. Vincent	441.54
Total		522.48
Aleshire & Wynder LLP		
61008	February 2021 Legal services	1,811.50
Total		1,811.50
Arcadis US Inc		
34214842	December 2020 Urban Wtr Management Plan Development services	59,094.67
Total		59,094.67
Best Best and Krieger LLP		
55401-JAN21	January 2021 Legal services	13,922.70
897842	January 2021 Services for State legislative advocacy	8,000.00
Total		21,922.70
Black & Veatch		
1339102	January 2021 Services for Hydraulic Model Phase 2 build and model calibration	26,246.50
Total		26,246.50
California Board of Equalization		
123120	2020 Use tax on purchases	154.58
Total		154.58
CDM Smith		
90117595	January 2021 Services for water resource planning	8,134.00
Total		8,134.00

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of March 2021**

Vendor/ Invoice	Description	Amount to Pay
The Centre for Organization Effectiveness		
TCFOE3412	Supervisors Academy held on dates from Feb. to May 2021 - Registration for H. Baez and J. Berg	1,550.00
Total		1,550.00
Hunter T Cook		
33120	January-March 2021 Retiree medical premium	1,536.00
Total		1,536.00
CSU Fullerton ASC		
AR170853	FY 2020/21 3rd Quarter Center for Demographic Research support	13,275.08
Total		13,275.08
Edward G Means III		
MWDOC-1091	February 2021 Consulting on MET issues and guidance to Engineering staff	2,250.00
Total		2,250.00
GovConnection Inc		
70734684	Annual support for Cisco network equipment	695.31
70926367	Cisco AP Smart Net and Switch Smart Net total care maintenance agreement	273.17
Total		968.48
Greenshades		
189448	2020 Tax form upload fee	112.70
Total		112.70
Hashtag Pinpoint Corporation		
1387	February 2021 Strategic digital communications consulting services	7,913.00
Total		7,913.00
LA Design Studio-Tony Badalato		
5336	Oct.-Dec. 2020 Services for MWDOC website support and ADA compliance software	1,100.00
Total		1,100.00
Lawnscapes Systems Inc		
416689	2/17/21 Landscape maintenance for atrium	495.00
Total		495.00
Lewis Consulting Group		
2021-107	February 2021 Consulting services	2,500.00
Total		2,500.00
Mega Maids Cleaning Service		
11677	February 2021 Cleaning services for COVID-19 prevention	480.00
Total		480.00

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of March 2021**

Vendor/ Invoice	Description	Amount to Pay
Mission RCD		
2965	February 2021 Field inspection and verification for Water Use Efficiency rebate programs	4,112.78
Total		<u>4,112.78</u>
Municipal Resource Group, LLC		
03-21-66REV	Feb. 26 and Mar. 5, 2021 Staff virtual training	21,500.00
Total		<u>21,500.00</u>
MyBinding LLC		
12906-2021	Annual maintenance contract for binding machine	745.00
Total		<u>745.00</u>
Natural Resource Results LLC		
3331	February 2021 Federal legislative advocacy services	6,500.00
Total		<u>6,500.00</u>
NDS		
781609	2/5/21 Board packet delivery service	160.92
781693	2/12/21 Board packet delivery service	160.92
Total		<u>321.84</u>
Office Depot Inc		
2469894419	2/4/21 Office Supplies	48.84
Total		<u>48.84</u>
Office Solutions		
I-01841081	Date stamp for accounting department	61.94
I-01842089	Date stamp for mail	61.94
I-01844692	Office supplies	87.28
I-01844967	Office supplies	16.31
Total		<u>227.47</u>
Optima RPM Inc		
5000347	February 2021 Construction services for MWDOC office seismic Improvements and remodel	234,422.49
Total		<u>234,422.49</u>
County of Orange		
R1009	Nov. 3, 2020 General Election expense - Division 1	209,747.96
R1100	Nov. 3, 2020 General Election expense - Division 3	199,727.32
R1101	Nov. 3, 2020 General Election expense - Division 4	230,791.32
R1102	Nov. 3, 2020 General Election expense - Division 7	231,055.02
Total		<u>871,321.62</u>

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of March 2021**

Vendor/ Invoice	Description	Amount to Pay
Orange County Water District		
22586	January 2021 Postage, shared office and maintenance expense	9,148.32
Total		<u>9,148.32</u>
Raftelis Financial Consultants Inc		
17797	December 2020 Rate Study services	6,055.00
18139	January 2021 Rate Study services	25,640.00
Total		<u>31,695.00</u>
Sonoma County Water Agency		
WTR-00001973	2021 QWEL Program annual license fee	1,000.00
Total		<u>1,000.00</u>
Joey C Soto		
MWDOC #034	February 2021 Grant research and acquisition assistance	3,250.00
Total		<u>3,250.00</u>
SPS Data Communications		
22106	Remove obsolete phone cables and clean up phone panel for MWDOC office remodel	905.00
Total		<u>905.00</u>
Vasquez & Company LLP		
2210090-IN	2020 Audit of the financial statements	7,724.00
Total		<u>7,724.00</u>
WageWorks Inc		
INV2602769	February 2021 Cafeteria plan administration fees	196.07
Total		<u>196.07</u>
Water Systems Optimization Inc		
1930	December 2020 Services for water loss audit validation research	4,000.00
Total		<u>4,000.00</u>
Pauline D Wennerstrom		
33120	January-March 2021 Retiree medical premium	397.50
Total		<u>397.50</u>
Total Core Expenditures		<u>1,369,139.44</u>

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of March 2021**

Vendor/ Invoice	Description	Amount to Pay
Choice Expenditures:		
Bolsa Chica Conservancy		
30321	February 2021 Choice High School program for grades 9-12	3,000.00
Total		<u>3,000.00</u>
Bryton Printing Inc		
16000	WUE Spring 2021 Bill inserts for member agencies	4,242.59
Total		<u>4,242.59</u>
Building Block Entertainment Inc		
3419-1	February 2021 Choice Elementary School program for grades TK-2	5,110.00
Total		<u>5,110.00</u>
Discovery Science Center of Orange County		
1424	February 2021 Choice Elementary School program for grades 3-6	4,795.00
Total		<u>4,795.00</u>
Inland Group LLC		
211091011	PRV Program door hangers for IRWD	271.53
Total		<u>271.53</u>
Orange County Water District		
22586	January 2021 Postage for Water Use Efficiency rebate programs	13.56
Total		<u>13.56</u>
US Bank Voyager Fleet Systems		
869434993109	1/25/21-2/24/21 Fuel for Water Loss Control Shared Services vehicles	279.00
Total		<u>279.00</u>
Total Choice Expenditures		<u>17,711.68</u>
Other Funds Expenditures:		
EcoTech Services Inc		
1848	January 2021 Services for Pressure Regulating Valve program	1,080.00
1851	January 2021 Landscape Design and Maintenance Assistance programs	11,250.00
1869	February 2021 Services for Pressure Regulating Valve program	560.00
Total		<u>12,890.00</u>
Herndon Solutions Group LLC		
INV-0000000627	December 2020 Services to assist with America's Water Infrastructure Act compliance	31,694.61
INV-0000000702	January 2021 Services to assist with America's Water Infrastructure Act compliance	62,283.75
Total		<u>93,978.36</u>

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of March 2021**

Vendor/ Invoice	Description	Amount to Pay
Mission RCD		
2965	February 2021 Field inspection and verification for Water Use Efficiency rebate programs	222.00
Total		222.00
County of Orange		
SC12693	1/1/21-3/31/21 800 MHz radio operation maintenance and management cost share	313.00
Total		313.00
TerraWorks Studio		
MW0010	January 2021 Landscape Design and Maintenance Assistance programs	1,750.00
Total		1,750.00
Total Other Funds Expenditures		109,153.36
Total Expenditures		1,496,004.48

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of February 2021**


Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
Hilary Chumpitazi				
2/12/2021	EFT	13121	January 2021 Business expense	122.06
Total				122.06
Corodata Records Management Inc				
2/12/2021	EFT	RS4668704	January 2021 Archived document storage fees	52.25
Total				52.25
Cort Business Services Corp				
2/12/2021	140155	7465039	January 2021 Furniture lease for 2 temporary workstations	144.48
Total				144.48
Patrick Dinh				
2/12/2021	EFT	13121	January 2021 Business expense	44.80
Total				44.80
Cathleen Harris				
2/12/2021	EFT	1312021	January 2021 Business expense	94.58
Total				94.58
Daniel Harrison				
2/12/2021	EFT	13121	January 2021 Business expense	30.00
Total				30.00
Christina Hernandez				
2/12/2021	EFT	22821	February 2021 Business expense	45.24
Total				45.24
Judy Roberts				
2/12/2021	EFT	13121	January 2021 Business expense	42.88
Total				42.88
Karl Seckel				
2/12/2021	EFT	13121	January 2021 Business expense	364.15
Total				364.15
Spectrum Business				
2/26/2021	140169	343564021021	February 2021 Telephone expense for 1 analog fax line	2.69
2/08/2021	140150	375210013021	February 2021 Telephone and internet expense	1,411.54
Total				1,414.23


**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of February 2021**

Name/ Date	Check/ EFT	Invoice	Description	Amount
US Bank				
2/12/2021	140165	0208/4192/4279/7659-JAN21	12/23/20-1/22/21 Cal Card charges	5,130.03
Total				5,130.03
Verizon Wireless				
2/08/2021	140151	9871924448	January 2021 4G Mobile broadband unlimited service	114.03
Total				114.03
Total Core Disbursements				7,598.73
Choice Disbursements:				
Total Choice Disbursements				
Other Funds Disbursements:				
AT&T				
2/12/2021	140152	1812-FEB21	February 2021 U-Verse internet service for WEROC	64.20
Total				64.20
AT&T				
2/12/2021	140154	15951957	January 2021 Telephone expense for WEROC N. & S. EOC	339.26
2/12/2021	140154	15951958	January 2021 Telephone expense for WEROC N. EOC	117.82
Total				457.08
Mesa Water District				
2/12/2021	EFT	10385	December 2020 Credit for Local Resources program	10,227.79
Total				10,227.79
Metropolitan Water District				
2/26/2021	EFT	10297	December 2020 Water deliveries	10,495,464.48
Total				10,495,464.48
Santa Margarita Water District				
2/26/2021	EFT	12152020	SCP Surcharge for December 2020	26,100.10
Total				26,100.10

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of February 2021**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Santiago Aqueduct Commission				
2/26/2021	140167	12152020	SAC Surcharge for December 2020	3,140.15
Total				3,140.15
Spray to Drip Rebate				
2/25/2021	140172	S2D3-R-IRWD-39868-17705	S. Enriquez	269.50
2/25/2021	140171	S2D3-R-O-39408-17581	R. Currier	639.00
2/25/2021	140176	S2D4-R-HB-41432-17842	E. Peterson	476.50
2/25/2021	140170	S2D4-R-SM-41201-17803	H. Balian	728.37
Total				2,113.37
Turf Rebate				
2/25/2021	140175	TR13-C-SM-26835-38479	Pacific Hills HOA (Orange)	119,619.00
2/25/2021	140173	TR13-R-HB-39863-38684	M. Gilliland	655.56
2/25/2021	140171	TR13-R-O-39408-38251	R. Currier	2,838.00
2/25/2021	140177	TR14-C-IRWD-39407-40077	The Springs Condo Association (Irvine)	15,720.00
2/25/2021	140174	TR14-R-HB-40018-39837	L. McCauley	1,935.00
2/25/2021	140176	TR14-R-HB-41432-40217	E. Peterson	992.00
2/25/2021	140170	TR14-R-SM-41201-40000	H. Balian	2,249.84
Total				144,009.40
US Bank				
2/12/2021	140165	42279-JAN21	12/23/20-1/22/21 Cal Card charges	2,116.21
Total				2,116.21
Verizon Wireless				
2/08/2021	140151	9871924448	January 2021 4G Mobile broadband unlimited service	76.02
Total				76.02
Total Other Funds Disbursements				10,683,768.80
Total Disbursements				10,691,367.53


Robert J. Hunter, General Manager


Hilary Chumpitazi, Treasurer

Cal Card Charges
Statement Date: January 22, 2021
Payment Date: February 12, 2021

Date	Description	Amount
Public Affairs Card:		
01/01/2021	January 2021 Storage unit for Public Affairs department use during MWDOC office remodel	269.00
01/02/2021	1/2/21-2/1/21 Zoom Video Communications monthly fee with audio licenses	174.95
01/12/2021	CAPIO membership renewal for T. Baca	275.00
01/20/2021	Website and ADA Compliance webinar on Jan. 14, 2021 - Registration for T. Baca	20.00
	Total	738.95
K. Seckel Card:		
12/24/2020	11/25/20-12/24/20 Web hosting service for MWDOC website	15.65
01/13/2021	January 2021 Subscription for prework screening for COVID-19 prevention	179.55
	Total	195.20
C. Harris Card:		
12/18/2020	OCWA Membership renewal for Director McVicker	70.00
12/21/2020	CMUA Virtual Capitol Days from Jan. 25-26, 2021-Registration for H. Baez	129.00
12/30/2020	Two Accucold Pharmacy refrigerators for vaccine storage	2,116.21
01/04/2021	National Registry of Environmental Professionals Certified Environmental Scientist application fee for R. Waite	100.00
01/04/2021	Bereavement flowers for staff	78.25
01/06/2021	National Registry of Environmental Professionals Certified Environmental Scientist exam fee and study guide for R. Waite	365.00
01/07/2021	Airfare cancellation charge to AMWA 2020 conference for R. Hunter - full refund check issued for airfare cost	75.00
01/08/2021	2 MSI Prestige spare laptops	2,511.23
01/14/2021	Wilco gift card for M. Snow retirement gift	75.00
01/18/2021	CSMFO Membership renewal for H. Chumpitazi	110.00
01/18/2021	SHRM membership renewal for C. Harris	219.00
01/19/2021	OCWA Membership for Director Nederhood	70.00
01/19/2021	2 laptop cases for spare laptops	48.86
01/20/2021	Replacement Dell hard disk drive server	94.54
	Total	6,062.09
R. Hunter Card:		
01/20/2021	CalDesal Virtual Conference from Feb. 10-11, 2021 - Registration for Director Thomas	250.00
	Total	250.00

**Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the Month of February 2021**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
Total Core Disbursements				-
Choice Disbursements:				
Total Choice Disbursements				-
Other Funds Disbursements:				
California Emergency Services Assoc				
2/12/2021	140153	300001278	Annual membership renewal for V. Osborn	75.00
Total				75.00
International Assoc of Emergency Managers				
2/26/2021	140166	181603	Membership renewal for V. Osborn	195.00
Total				195.00
Total Other Funds Disbursements				270.00
Total Disbursements				270.00


Robert J. Hunter, General Manager


Hilary Chumpitazi, Treasurer

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



Municipal Water District of Orange County **Consolidated Summary of Cash and Investment** January 31, 2021

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

Megan Yoo Schneider, P.E.
 Vice President

Al Nederhood
 Director

Larry D. Dick
 Director

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

Karl W. Seckel, 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	\$3,738,505	20.66%
Grant & Project Cash Flow	1,500,000	8.29%
Election Expense	1,333,000	7.37%
Building Repair	436,542	2.41%
OPEB	297,147	1.64%
Total Designated Reserves	7,305,194	40.37%
General Fund	8,153,835	45.06%
Water Fund	1,469,815	8.12%
Conservation Fund	(607,254)	(3.36%)
WEROC Fund	1,777,549	9.82%
Trustee Activities	(1,469)	(0.01%)
Total	\$18,097,670	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.61%	\$110,419	\$110,419
Short-term investment			
• LAIF	14.69%	\$2,658,340	\$2,658,340
• OCIP	67.57%	12,228,323	12,228,323
Long-term investment			
• Corporate Bond	7.74%	1,400,588	1,402,585
• Certificates of Deposit	9.39%	1,700,000	1,785,028
Total	100.00%	\$18,097,670	\$18,184,695

The average number of days to maturity/call as of January 31, 2021 equaled 112 and the average yield to maturity is 0.845%. During the month, the District's average daily balance was \$23,487,796.86. Funds were invested in Negotiable Certificate of Deposit's, Corporate Bonds, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of January 2021.

The \$87,025 difference between the book value and the market value on January 31, 2021 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Robert J. Hunter
 General Manager

Hilary Chumpitazi
 Treasurer



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary

January 31, 2021

1/31/2021	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,700,000.00	1,785,028.50	1,700,000.00	9.45	752	2.566
Corporate Bond	1,400,000.00	1,402,584.50	1,400,587.43	7.78	510	1.341
Local Agency Investment Funds	2,658,340.25	2,658,340.25	2,658,340.25	14.78	1	0.452
Orange County Investment Pool	12,228,322.89	12,228,322.89	12,228,322.89	67.99	1	0.635
Total Investments	17,986,663.14	18,074,276.14	17,987,250.57	100.00	112	0.845
Cash						
Cash	110,419.25	110,419.25	110,419.25		1	0.00
Total Cash and Investments	18,097,082.39	18,184,695.39	18,097,669.82		112	0.845

Total Earnings **Month Ending January** **Fiscal Year to Date**

Current Year **14,734.93** **142,623.35**

Average Daily Balance **23,487,796.86**

Effective Rate of Return **0.845%**

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 months estimated expenditure. The source for the market values are from U.S. Bank. Per Resolution 2059 there are no compliance exceptions to report.


Robert J. Hunter, General Manager

Date

3-4-21


Hilary Chumipitazi, Treasurer

Date

03/04/2021

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
January 31, 2021

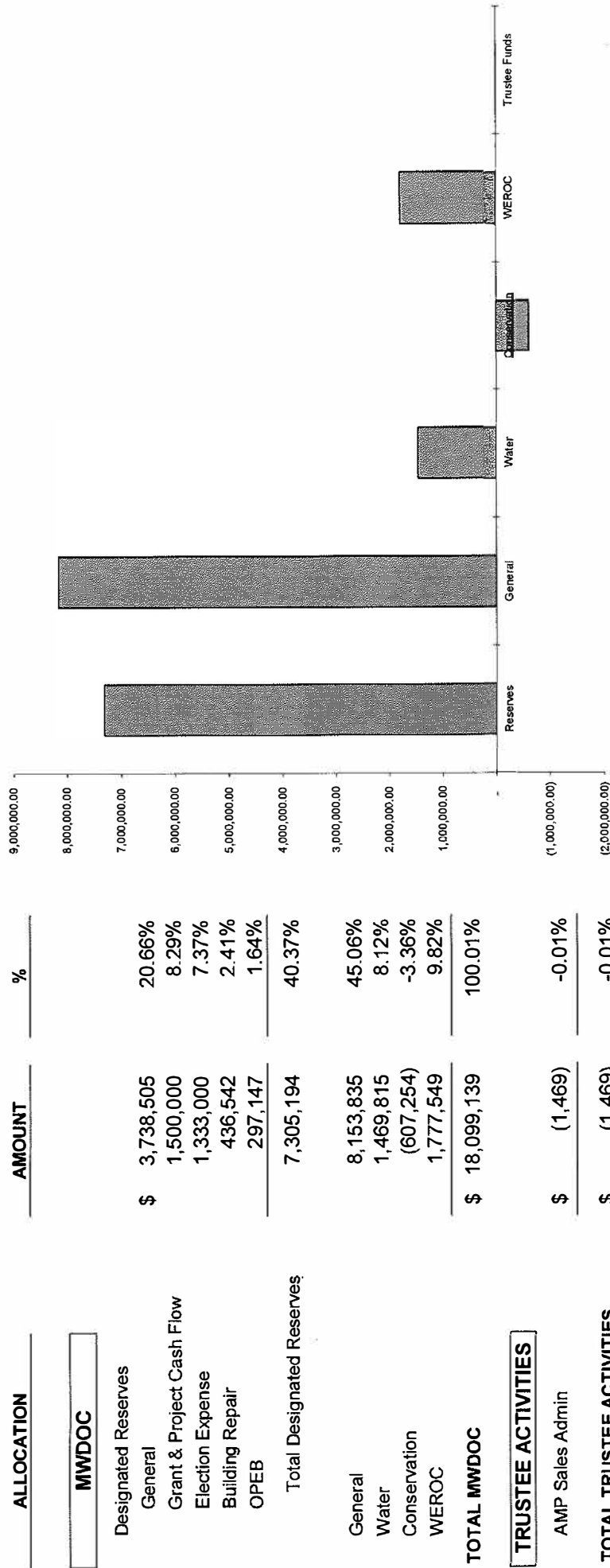
Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Negotiable Certificate Of Deposit									
Barclays Bank	06740KKY2	9/27/2017	250,000.00	258,935.00	250,000.00	2.250	2.250	604	9/27/2022
Capital One Bank	14042TBQ9	8/7/2019	250,000.00	267,545.00	250,000.00	2.250	2.250	1,284	8/7/2024
Capital One NA	14042RMJ7	7/24/2019	250,000.00	266,965.00	250,000.00	2.200	2.200	1,270	7/24/2024
Comenity Capital	20033AUX2	7/25/2017	200,000.00	201,836.00	200,000.00	2.000	2.000	166	7/16/2021
Discover Bank	254673RV0	7/25/2018	250,000.00	269,560.00	250,000.00	3.300	3.300	905	7/25/2023
Goldman Sachs Bank	38148PT98	8/8/2018	250,000.00	270,137.50	250,000.00	3.350	3.350	919	8/8/2023
Morgan Stanley Bank	61747MJ36	2/1/2018	250,000.00	250,050.00	250,000.00	2.500	2.500	1	2/1/2021
Sub Total			1,700,000.00	1,785,028.50	1,700,000.00	2.566	2.566	752	
Corporate Bond									
Bank of America Corp	06048WK41	12/7/2020	250,000.00	249,667.50	250,000.00	0.650	0.800	298	11/25/2025
Citigroup Global Markets	17328WFZ6	9/16/2020	250,000.00	247,392.50	250,000.00	1.000	1.000	228	9/16/2025
JP Morgan Chase	48128GV56	8/18/2020	250,000.00	246,920.00	250,000.00	0.800	0.800	1,295	8/18/2025
National Rural Utili Coop	63743FE51	7/27/2017	200,000.00	204,958.00	200,000.00	2.500	2.500	530	7/15/2022
Societe Generale	83369MD25	8/19/2020	250,000.00	247,362.50	250,000.00	1.000	1.088	200	8/19/2025
Westpac Banking Corp	961214DQ3	7/25/2017	200,000.00	206,284.00	200,587.43	2.500	2.278	513	6/28/2022
Sub Total			1,400,000.00	1,402,584.50	1,400,587.43	1.330	1.341	510	
Total Investments			3,100,000.00	3,187,613.00	3,100,587.43	2.008	2.013	643	

Total Earnings	Month Ending January	Fiscal Year To Date
Current Year	5,221.74	37,573.27

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
January 31, 2021

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds									
LAIF LGIP	LAIF	6/30/2010	2,658,340.25	2,658,340.25	2,658,340.25	0.452	0.452	1	N/A
Sub Total			2,658,340.25	2,658,340.25	2,658,340.25	0.452	0.452	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	12,228,322.89	12,228,322.89	12,228,322.89	0.635	0.635	1	N/A
Sub Total			12,228,322.89	12,228,322.89	12,228,322.89	0.635	0.635	1	
Total Investments			14,886,663.14	14,886,663.14	14,886,663.14	0.602	0.602		
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	109,919.25	109,919.25	109,919.25	0.000	0.000	1	N/A
Total Cash			110,419.25	110,419.25	110,419.25	0.000	0.000	1	
Total Cash and Investments			14,997,082.39	14,997,082.39	14,997,082.39	0.602	0.602	1	
Total Earnings									
Current Year			9,513.19		105,050.08				

**Municipal Water District of Orange County
Cash and Investments at January 31, 2021**



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS Post-Employment Benefits TrustAccount Report for the Period
1/1/2021 to 1/31/2021Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708

Account Summary

Source	Balance as of 1/1/2021	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 1/31/2021
OPEB	\$2,602,522.88	\$0.00	-\$5,051.96	\$542.19	\$0.00	\$0.00	\$2,596,928.73
PENSION	\$724,040.59	\$0.00	-\$1,405.49	\$150.84	\$0.00	\$0.00	\$722,484.26
Totals	\$3,326,563.47	\$0.00	-\$6,457.45	\$693.03	\$0.00	\$0.00	\$3,319,412.99

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	-0.19%	9.95%	11.93%	7.41%	9.52%	-	10/26/2011
PENSION	-0.19%	9.95%	11.80%	-	-	-	7/31/2018

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

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

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

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

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2020 THRU JANUARY 31, 2021**

**Municipal Water District of Orange County
Combined Balance Sheet
As of January 31, 2021**

	<u>Amount</u>
<u>ASSETS</u>	
Cash in Bank	110,419.25
Investments	17,987,250.57
Accounts Receivable	20,066,605.14
Accounts Receivable - Other	317,011.09
Accrued Interest Receivable	42,024.10
Prepays/Deposits	347,451.38
Leasehold Improvements	4,284,127.08
Furniture, Fixtures & Equipment	649,773.62
Less: Accumulated Depreciation	<u>(3,338,129.34)</u>
TOTAL ASSETS	<u>40,466,532.89</u>
<u>LIABILITIES AND FUND BALANCES</u>	
<u>LIABILITIES</u>	
Accounts Payable	19,879,737.78
Accounts Payable - Other	154.58
Accrued Salaries and Benefits Payable	550,224.29
Other Liabilities	2,309,824.19
Unearned Revenue	<u>642,897.15</u>
TOTAL LIABILITIES	<u>23,382,837.99</u>
<u>FUND BALANCES</u>	
<u>Restricted Fund Balances</u>	
Water Fund - T2C	<u>1,030,695.70</u>
Total Restricted Fund Balances	<u>1,030,695.70</u>
<u>Unrestricted Fund Balances</u>	
<u>Designated Reserves</u>	
General Operations	3,738,505.00
Grant & Project Cash Flow	1,500,000.00
Election Expense	1,333,000.00
Building Repair	436,542.00
OPEB	<u>297,147.00</u>
Total Designated Reserves	<u>7,305,194.00</u>
General Fund	4,089,121.68
General Fund Capital	964,158.72
WEROC Capital	159,687.58
WEROC	<u>239,613.59</u>
Total Unrestricted Fund Balances	<u>12,757,775.57</u>
<u>Excess Revenue over Expenditure</u>	
Operating Fund	3,512,854.05
Other Funds	<u>(217,630.42)</u>
TOTAL FUND BALANCES	<u>17,083,694.90</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>40,466,532.89</u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2020 thru January 31, 2021

	<u>Month to Date</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Encumbrance</u>	<u>Budget Remaining</u>
REVENUES						
Retail Connection Charge	0.00	7,837,792.40	7,837,792.00	100.00%	0.00	(0.40)
Ground Water Customer Charge	0.00	595,323.00	595,323.00	100.00%	0.00	0.00
Water Rate Revenues	0.00	8,433,115.40	8,433,115.00	100.00%	0.00	(0.40)
Interest Revenue	14,499.97	139,981.26	458,000.00	30.56%	0.00	318,018.74
Subtotal	14,499.97	8,573,096.66	8,891,115.00	96.42%	0.00	318,018.34
Choice Programs	6,123.00	1,203,377.79	1,510,618.00	79.66%	0.00	307,240.21
MWD Revenue - Shared Services	0.00	51,025.00	0.00	0.00%	0.00	(51,025.00)
Miscellaneous Income	315.62	3,161.96	3,000.00	105.40%	0.00	(161.96)
Revenue - Other	0.00	1,258.00	0.00	0.00%	0.00	(1,258.00)
School Contracts	8,788.85	15,238.85	120,376.00	12.66%	0.00	105,137.15
Delinquent Payment Penalty	0.00	1,735.27	0.00	0.00%	0.00	(1,735.27)
Gain on Sale of Asset	0.00	380.00	0.00	0.00%	0.00	(380.00)
Transfer-In from Reserve	0.00	0.00	97,415.00	0.00%	0.00	97,415.00
Subtotal	15,227.47	1,276,176.87	1,731,409.00	73.71%	0.00	455,232.13
TOTAL REVENUES	29,727.44	9,849,273.53	10,622,524.00	92.72%	0.00	773,250.47

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2020 thru January 31, 2021

	<u>Month to Date</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Encumbrance</u>	<u>Budget Remaining</u>
<u>EXPENSES</u>						
Salaries & Wages	409,414.18	2,580,110.62	4,152,072.00	62.14%	0.00	1,571,961.38
Director's Compensation	22,265.24	137,848.03	258,909.00	53.24%	0.00	121,060.97
MWD Representation	7,858.32	73,016.89	157,070.00	46.49%	0.00	84,053.11
Employee Benefits	142,561.58	817,484.25	1,335,387.00	61.22%	0.00	517,902.75
CalPers Unfunded Liability Contribution	0.00	207,000.00	207,000.00	100.00%	0.00	0.00
Director's Benefits	20,390.46	78,060.63	101,971.00	76.55%	0.00	23,910.37
Health Insurance for Retirees	5,239.07	36,520.31	87,449.00	41.76%	0.00	50,928.69
Training Expense	525.00	5,478.20	64,500.00	8.49%	42,895.60	16,126.20
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Personnel Expenses	608,253.85	3,935,518.93	6,374,358.00	61.74%	42,895.60	2,395,943.47
Engineering Expense	33,329.90	221,986.26	340,000.00	65.29%	243,609.26	(125,595.52)
Legal Expense	14,830.70	111,818.05	210,500.00	53.12%	98,681.95	0.00
Audit Expense	0.00	19,000.00	29,725.00	63.92%	10,725.00	0.00
Professional Services	92,206.29	475,152.78	1,581,338.00	30.05%	961,962.36	144,222.86
Professional Fees	140,366.89	827,957.09	2,161,563.00	38.30%	1,314,978.57	18,627.34
Conference - Staff	0.00	2,044.00	26,515.00	7.71%	0.00	24,471.00
Conference - Directors	250.00	2,110.00	18,695.00	11.29%	0.00	16,585.00
Travel & Accom. - Staff	75.00	1,424.38	62,495.00	2.28%	0.00	61,070.62
Travel & Accom. - Directors	0.00	0.00	24,900.00	0.00%	0.00	24,900.00
Travel & Conference	325.00	5,578.38	132,605.00	4.21%	0.00	127,026.62
Membership/Sponsorship	52,853.22	132,044.36	127,161.00	103.84%	0.00	(4,883.36)
CDR Support	13,275.08	39,825.24	53,158.00	74.92%	13,275.08	57.68
Dues & Memberships	66,128.30	171,869.60	180,319.00	95.31%	13,275.08	(4,825.68)
Business Expense	0.00	0.00	4,500.00	0.00%	0.00	4,500.00
Office Maintenance	1,455.00	50,880.54	125,420.00	40.57%	78,904.46	(4,365.00)
Building Repair & Maintenance	0.00	12,050.32	15,000.00	80.34%	5,016.40	(2,066.72)
Storage Rental & Equipment Lease	876.80	1,433.12	1,750.00	81.89%	316.88	0.00
Office Supplies	1,220.40	4,786.05	39,000.00	12.27%	3,153.35	31,060.60
Supplies - Water Loss Control	136.77	8,258.01	10,000.00	82.58%	0.00	1,741.99
Postage/Mail Delivery	643.68	6,212.17	9,300.00	66.80%	1,762.20	1,325.63
Subscriptions & Books	0.00	239.97	1,000.00	24.00%	0.00	760.03
Reproduction Expense	0.00	3,743.65	83,700.00	4.47%	5,745.50	74,210.85
Maintenance - Computers	143.40	1,688.80	8,000.00	21.11%	0.00	6,311.20
Software Purchase	1,044.15	24,127.19	57,000.00	42.33%	0.00	32,872.81
Software Support	2,084.13	33,208.88	47,640.00	69.71%	700.00	13,731.12
Computers and Equipment	3,879.23	13,953.05	33,550.00	41.59%	2,948.64	16,648.31
Maintenance Expense	0.00	0.00	6,000.00	0.00%	0.00	6,000.00
Automotive Expense	44.80	123.46	20,000.00	0.62%	0.00	19,876.54
Vehicle Expense	231.11	2,165.74	6,350.00	34.11%	0.00	4,184.26
Toll Road Charges	0.00	0.00	2,300.00	0.00%	0.00	2,300.00
Insurance Expense	8,876.73	75,458.38	110,000.00	68.60%	0.00	34,541.62
Utilities - Telephone	3,070.87	21,935.04	30,850.00	71.10%	572.79	8,342.17
Bank Fees	567.53	1,864.32	1,200.00	155.36%	0.00	(664.32)
Miscellaneous Expense	1,659.51	19,698.82	113,800.00	17.31%	2,148.40	91,952.78
MWDOC's Contrb. to WEROC	20,103.00	140,721.00	241,236.00	58.33%	0.00	100,515.00
Depreciation Expense	4,485.38	31,397.63	0.00	0.00%	0.00	(31,397.63)
Other Expenses	50,522.49	453,946.14	967,596.00	46.91%	101,268.62	412,381.24
Capital Aquisition	10,400.00	220,722.27	79,200.00	278.69%	225,371.57	(366,893.84)
Building Expense	266,592.39	720,827.07	726,883.00	99.17%	1,359,889.94	(1,353,834.01)
TOTAL EXPENSES	1,142,588.92	6,336,419.48	10,622,524.00	59.65%	3,057,679.38	1,228,425.14
NET INCOME (LOSS)	<u>(1,112,861.48)</u>	<u>3,512,854.05</u>	<u>0.00</u>	<u>0.00%</u>	<u>(3,057,679.38)</u>	<u>(455,174.67)</u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
July 1, 2020 thru January 31, 2021

	<u>Month to Date</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Budget Remaining</u>
<u>WATER REVENUES</u>					
Water Sales	7,273,166.10	77,624,648.90	208,407,327.00	37.25%	130,782,678.10
Readiness to Serve Charge	928,529.00	6,711,933.46	11,583,326.00	57.94%	4,871,392.54
Capacity Charge CCF	394,384.17	2,340,504.19	3,892,240.00	60.13%	1,551,735.81
SCP/SAC Pipeline Surcharge	26,394.99	219,766.94	315,000.00	69.77%	95,233.06
Interest Revenue	513.80	4,442.16	22,000.00	20.19%	17,557.84
TOTAL WATER REVENUES	8,622,988.06	86,901,295.65	224,219,893.00	38.76%	137,318,597.35
<u>WATER PURCHASES</u>					
Water Sales	7,273,166.10	77,624,648.90	208,407,327.00	37.25%	130,782,678.10
Readiness to Serve Charge	928,529.00	6,711,933.46	11,583,326.00	57.94%	4,871,392.54
Capacity Charge CCF	394,384.17	2,340,504.19	3,892,240.00	60.13%	1,551,735.81
SCP/SAC Pipeline Surcharge	26,394.99	219,766.94	315,000.00	69.77%	95,233.06
TOTAL WATER PURCHASES	8,622,474.26	86,896,853.49	224,197,893.00	38.76%	137,301,039.51
EXCESS OF REVENUE OVER EXPENDITURE	513.80	4,442.16	22,000.00	20.19%	17,557.84

**Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Use Efficiency
July 1, 2020 thru January 31, 2021**

	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
Spray To Drip Conversion			
Revenues	34,209.89	38,900.00	87.94
Expenses	48,460.41	38,900.00	124.58
Excess of Revenues over Expenditures	(14,250.52)	0.00	
Member Agency Administered Pass-Thru			
Revenues	1,080.00	175,000.00	0.62
Expenses	0.00	175,000.00	0.00
Excess of Revenues over Expenditures	1,080.00	0.00	
ULFT Rebate Program			
Revenues	1,100.00	2,000.00	55.00
Expenses	1,100.00	2,000.00	55.00
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	46,697.66	77,000.00	60.65
Expenses	46,680.00	77,000.00	60.62
Excess of Revenues over Expenditures	17.66	0.00	
CII Rebate Program			
Revenues	0.00	12,500.00	0.00
Expenses	0.00	12,500.00	0.00
Excess of Revenues over Expenditures	0.00	0.00	
Turf Removal Program			
Revenues	755,947.70	648,000.00	116.66
Expenses	837,021.80	648,000.00	129.17
Excess of Revenues over Expenditures	(81,074.10)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	142,939.17	130,784.00	109.29
Expenses	227,031.34	130,784.00	173.59
Excess of Revenues over Expenditures	(84,092.17)	0.00	
Recycled Water Program			
Revenues	2,642.00	61,750.00	4.28
Expenses	39,762.10	61,750.00	64.39
Excess of Revenues over Expenditures	(37,120.10)	0.00	
WSIP - Industrial Program			
Revenues	13,471.46	30,000.00	44.90
Expenses	28,471.46	30,000.00	94.90
Excess of Revenues over Expenditures	(15,000.00)	0.00	
Land Design Program			
Revenues	82,720.00	404,000.00	20.48
Expenses	151,300.00	404,000.00	37.45
Excess of Revenues over Expenditures	(68,580.00)	0.00	
Total WUE Projects			
Revenues	1,080,807.88	1,579,934.00	68.41
Expenses	1,379,827.11	1,579,934.00	87.33
Excess of Revenues over Expenditures	(299,019.23)	0.00	
WEROC			
Revenues	387,280.33	482,472.00	80.27
Expenses	278,904.17	482,472.00	57.81
Excess of Revenues over Expenditures	108,376.16	0.00	



ACTION ITEM

March 17, 2021

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: **Change Order for Vasquez & Company LLP, FY 2020 Annual Audit**

STAFF RECOMMENDATION

It is recommended that the Board of Directors authorize the General Manager to approve a change order for a \$6,562 increase with Vasquez & Company LLP for FY 2020 Annual Audit not-to-exceed \$26,724.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

During our annual audit for FY 2020, our auditors at Vasquez & Company LLP incurred additional hours due to the SAS 99 interviews, which increased the audit risk, higher sample sizes and testing of additional internal controls. All of which still gave us a clean audit.

BOARD OPTIONS

Option #1: Staff recommends that the Board of Directors authorize the General Manager to approve a change order for a \$6,562 increase with Vasquez & Company LLP for FY 2020 Annual Audit not-to-exceed \$26,724.

Fiscal Impact: \$29,725 was included in the 2020-2021 budget for our Annual Audit, Single Audit and a WUE Grant Review. The latter two will not occur this fiscal year.

Option #2: Not move forward with staff's recommendation and deny Vasquez & Company LLP's request for payment for additional services rendered.

Fiscal Impact: Remaining budget balance for Audit services will be \$9,563.

STAFF RECOMMENDATION

Option # 1

Budgeted (Y/N):	Budgeted amount:	Core	Choice _
Action item amount:			
Fiscal Impact (explain if unbudgeted): Not applicable			



ACTION ITEM

March 17, 2021

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: REQUEST TO WAIVE A LATE PAYMENT FEE FOR IRVINE RANCH WATER DISTRICT

STAFF RECOMMENDATION

It is recommended that the Board of Directors waive Irvine Ranch Water District's late water payment penalty of \$18,421.67

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

The Irvine Ranch Water District (IRWD) is requesting the District to waive the late payment penalty of \$18,421.67 because of a late payment from their December 2020 water deliveries invoice. The payment was due on Friday, February 12th and received Tuesday, February 16th. Due to IRWD's Administrative Office being closed on Friday's (due to COVID-19), they were not made aware of a wire error until Monday the 15th (a bank holiday) delaying the payment by one business day (See Attachment).

According to MWD OC's Rate Ordinance (Section 7.2 - Delinquent Payment) if a member agency payment is received between 1-5 days late a 1% penalty will be assessed. But upon written request by the member agency the Board may waive such penalty if the late payment was "caused by excusable neglect or circumstances beyond the control of the MWD OC member agency..."

Budgeted (Y/N):	Budgeted amount:	Core	Choice _
Action item amount:			
Fiscal Impact (explain if unbudgeted): Not applicable			

Based on impacts COVID-19 is having on day-to-day operations, MWDOC staff recommends waiving IRWD's late payment penalty.

BOARD OPTIONS

Option #1 – Recommend that the MWDOC Board of Directors **waive** IRWD's late water payment penalty of \$18,421.67

Fiscal Impact: The District does not receive an additional \$18,421.67 of unanticipated revenue.

Business Analysis: Due to COVID-19 affecting many member agency's day-to-day operations, delays in payment can be deemed "beyond the control of the MWDOC member agency" and warrant a penalty waiver.

Option #2 – Recommend that the MWDOC Board of Directors **does not waive** IRWD's late water payment of \$18,421.67

Fiscal Impact: The District receives an additional \$18,421.67 of unanticipated revenue.

Business Analysis: Determine the circumstances do not warrant a waiver and impose the late water payment penalty.

STAFF RECOMMENDATION

Option # 1

Attachment – IRWD's Letter to MWDOC, February 16, 2021



February 16, 2021

Mr. Robert Hunter
General Manager
MWDOC
18700 Ward Street
Fountain Valley, CA 92708

Re: Request for waiver of late payment penalties in accordance with section 7.2 of the MWDOC Rate ordinance.

Dear Rob,

Payment for invoice 10381 was delayed by 1 day due to an error in the wire process. Lina Gunawan reached out to Irvine Ranch Water District on the due date, which fell on a Friday. The individuals that received the email or voice message are not responsible for wires and during the pandemic our Administrative Office schedules were temporarily shifted to Monday – Thursday. Therefore, the messages were not forwarded. The error was corrected on Monday morning, however it was a bank holiday so the wire could not be sent until the following day. This was an isolated incident. The individual responsible for wires has been added to the MWDOC distribution list and additional measures have been put in place to prevent this type of incident from reoccurring.

Sorry for the inconvenience and thank you in advance for the consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl Clary", is written over the printed name.

Cheryl Clary
Executive Director of Finance and Administration



ACTION ITEM

March 17, 2021

TO: Board of Directors

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

Robert Hunter, General Manager

Staff Contact: Heather Baez

**SUBJECT: NATURAL RESOURCE RESULTS (NRR), INCREASE IN MONTHLY
RETAINER – CHANGE ORDER**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve a change order to the Natural Resource Results (NRR) contract raising their monthly retainer from \$6,500/month to \$8,000/month.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Staff is seeking Board authorization to increase NRR's contract by \$1,500 per month.

DETAILED REPORT

On November 18, 2020, the Board approved entering into an agreement with Natural Resource Results to provide federal legislative advocacy services. At that time, the Board agreed upon \$6,500/month for the first three months of the contract. After that time, the scope of services and monthly retainer would be reassessed.

Based on the standard scope of services, and requests from MWDOC staff and the Board of Directors, NRR staff is spending the amount of hours needed to fully staff a standard water district lobbying contract. This includes the additional requests for research and

Budgeted (Y/N): Y	Budgeted amount: \$96,000 (FY 2020-21)	Core X	Choice __
Action item amount:		Line item: 31-7040	
Fiscal Impact (explain if unbudgeted):			

information gathering on specific topics; presenting at a larger forum (Joint Board Workshop vs. PAL) which includes additional questions, requests, and follow-up with member agencies. For those full services, NRR's rate is \$8,000/month, which is what they proposed in their contract submitted to the Board of Directors.

BOARD OPTIONS

Option #1

- Approve the Change Order

Fiscal Impact: None. The MWDOC Board of Directors has already approved \$8,000/month for federal advocacy services in its FY 2020/2021 budget.

Business Analysis: This will allow NRR to service MWDOC's contract at the high level that it requires.

Option #2

- Do not approve the Change Order

Fiscal Impact: \$6,000 savings

Business Analysis: NRR will need to reduce the amount of time spent on MWDOC's contract and requests

STAFF RECOMMENDATION

Option #1

CHANGE ORDER #1 FOR 2020

TERMS & CONDITIONS FOR BILLING

**Natural Resource Results
601 13th St, NW, Suite 580 South
Washington, DC 20005
(202) 295-7595
Advocacy Agreement 2020
Increase in monthly Consultant's Fee**

1. **Scope of Work** – No change to the scope; when the Agreement was approved in November 2020, the Board and NRR agreed to a reduction in the proposed amount for 3 months (\$6500); it is now scheduled to revert to the proposed \$8000 per month.

March 1, 2021 – December 31, 2021

- 2 Fees/Rates to be billed - \$8,000 **Consultant's** fees shall be billed by the 25th day of the month and paid by **DISTRICT** on or before the 15th of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**.

Consultant Representative – David Anderson, Managing Partner

All other terms and conditions of the agreement remain unchanged and in full force and effect.

APPROVED BY:

Municipal Water District of
Orange County

CONSULTANT ACCEPTANCE:

Natural Resource Results

Robert J. Hunter, General Manager

David Anderson, Managing Partner

Date

Date



DISCUSSION ITEM

March 10, 2021

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

FROM: Robert Hunter, General Manager

Staff Contact: Cathleen Harris

**SUBJECT: SEND LETTER TO ASSOCIATION OF CALIFORNIA WATER AGENCIES
RE: CONCERNS WITH MEDIMPACT PRESCRIPTION PLAN**

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee discuss and direct staff as appropriate.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

At its meeting held on February 18th, the Executive Committee recommended this item be agendaized for review and discussion at the March A&F Committee Meeting.

Effective January 1, 2019, ACWA entered into a new contract with MedImpact as the new mail order prescription provider thereby no longer using Xpress Scripts. The contract is set to expire December 31, 2021. At this time it is uncertain as to whether they will renew however, JPIA has stated that since changing to MedImpact a significant cost savings has been realized.

During this time, there have been some changes whereby some drugs are no longer covered under the prescription plan and are being replaced with a generic drug or the formulary is changing whereby an individual is having to take two medications instead of one.

As issues are brought to the attention of Human Resources, they are addressed with JPIA. JPIA has provided some guidance in attempting to make this process easier for the patient.

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

They have advised that when a Doctor is issuing a prescription, they should check the box marked "Dispense As Written" or "Do Not Substitute". It may put the medication in a different formulary group which may result in a different co-pay. It should also prevent further intervention from the Doctor if done correctly when the prescription is sent over.

When a drug is no longer covered by the plan, the participant can pay the full cost of the drug or they can get a new prescription for a drug that is covered. MedImpact generally notifies patients when a drug is no longer covered under the plan and provides a grace period to allow some time to get this taken care of with their Doctor before denying the prescription.

MWDOC staff was surveyed regarding their experience with MedImpact and some participants commented that they had transitional problems when the change from Express Scripts to MedImpact first occurred.

Comments indicate that plan participants are pleased with the services from MedImpact and like the website and auto refill feature.



DISCUSSION ITEM

March 10, 2021

TO: Board of Directors

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

**Robert Hunter
General Manager**

Staff Contact: Hilary Chumpitazi

SUBJECT: FY 2021-22 Second Draft Budget

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee, MWD OC Board of Directors, Member Agencies, and the public review, discuss and provide input and comments on the second draft of MWD OC's budget for FY 2021-22.

Pertinent aspects of the second draft budget include:

1. The second draft budget includes a proposed increase of \$0.40 (3.3%) to the retail service charge bringing the retail rate to \$12.60 per retail meter. The groundwater customer charge to OCWD decreases by \$23,107 (3.9%) to \$572,216. These charges are calculated under the current rate structure. It is possible that the rate structure may be modified as the result of the ongoing rate study.
2. The second draft has a budget total of \$184,732,353 (revenue) including Core & Choice, water sales, outside funding, and WEROC. This is a decrease of approximately 22% almost exclusively attributable to the two-year decrease in water sales.
3. The consolidated general fund budget is \$10,514,814 (revenue) with a decrease of \$10,297 (0.1%).
4. The total revenue amount for the Core budget is \$8,895,303; an increase of \$1,187 over the current year's budget. This includes a \$238,000 (52%) reduction in interest revenue.
5. The proposed second draft budget includes a planned reserves draw of \$40,365 and essentially fully funds the reserves to the target levels.
6. The unfunded CALPERS liability annual payment of \$207,000 is proposed. This will be the fourth year of the ten-year funding program.

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

7. The proposed salary contribution pool is at 3.64% of salaries and wages and reflects the rate of inflation (CPI = 1.64%) and merit considerations. No COLA (Cost of Living Adjustment) is being proposed.
8. There is a slight reduction (0.75 FTE) in the Full-time Employee staffing level (32.25 FTE) associated with staff retirement and succession planning. There is also a very small reduction in WEROC staffing (0.09 FTE) and a reduction in Part-time employees and Interns (1.07 FTE).
9. The invoice for the 2020 election was approximately \$177,000 less than the estimate used in the first draft budget. The election reserve had been increased by a transfer of funds to cover potentially five division elections. The allocation of this reduced expenditure results in an election reserve carryover of \$362,000 plus \$100,000 transferred/reversed for other expense categories.
10. The Building Improvement expenses has a significant carryover from the current fiscal year budget. The project is in the midst of active construction and the currently planned phases of the construction will be completed in FY 2021-22.
11. The Consolidated Professional Fee expenses are significantly reduced from this year (\$120,721 or 7.6%) but partially offset by a \$40,000 increase in the Engineering Expense. The two largest factors in the Professional Fee reduction are the completion of two periodic studies; the triennial Benchmark Study comparing MWDOC job classifications and salaries to the market and the 5-year rate study.
12. An additional project was added to the WUE cost center (Water Use Efficiency Potential & Opportunity Study) at a cost of \$100,000 which was offset by the lower election expense.
13. There is a decrease in the staff development/technical training/leadership training (\$12,500) associated with COVID-19 impacts on the program.
14. Conference & Travel expenses remain significantly below those of two years ago as it is assumed that COVID-19 will significantly reduce, but not eliminate, activity and/or travel in the first half of the fiscal year. This is similar to the assumption for the last budget cycle.
15. Outside funding for Water Use Efficiency (WUE) from rebates and grants is budgeted at \$2,618,752; an increase of \$1,038,818 over this year's budget.
16. Annual Local Resource Project (LRP) funding will decrease 15.3% from this year's budget as projects complete their funding cycle but are slightly above projected actuals for this year.
17. Total outside funding (WUE & Local Resource Project (LRP) sources) is budgeted to be approximately \$6,754,840.
18. Similar to 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 second draft budget should be considered preliminary.

Proposed new items that are not incorporated in the budget pending Committee discussion include:

- A. Capital funding of the WEROC South Emergency Operations Center.

The fixed Retail Meter Charge and Rate and the Ground Water Customer Charge presented in this budget are based on the current rate structure implemented in FY 2016-17. A new rate study is currently being conducted. The results of that rate study will not change the revenue requirements for this budget, but may change the rate structure. That may change the proportion of revenue collected from retail Member Agencies and OCWD.

A reminder that memberships outlined in the Budget (Exhibit D) are approved by the Board with approval of the budget and therefore, each membership will not be brought to the Board for approval on an individual basis. Any new memberships not included in the budget will be brought to the Board for consideration.

Similar to memberships, budget approval for conferences includes Board and Staff approval for attendance at “standard conferences”. Standard conferences are those listed on Exhibits E and F and approval includes staff travel/attendance at any out of state conferences listed on Exhibits E and F. Subsequent to the budget adoption, any new, out of state conferences will be brought to the Board for consideration.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

CHANGES FROM THE PRIOR DRAFT TO CURRENT DOCUMENT

This is the second draft budget and the following items are the major changes from the previous draft:

- Election expense invoice and effect on reserve calculations;
- Inclusion of proposed Water Use Efficiency Potential & Opportunity Study - study of per capita use reduction gains, opportunities and limits;
- WEROC South Emergency Operations Center (EOC) capital cost refinement and schedule.

MAJOR YEAR-TO-YEAR CHANGES IN THE CURRENT BUDGET

COVID-19 had significant impacts on the development of both this year's and next year's budgets. This resulted in an actual rate reduction last year for both the Retail Meter Rate (-\$0.20/meter) and the Groundwater Customer Charge (-\$2,925). The proposed Retail Meter Rate in the proposed budget is an increase of \$0.40/meter or 3.3% over last year and 1.6% over the rate for FY 2019-20. The proposed Groundwater Customer Charge is a further reduction of \$23,107 or 3.9% from last year.

The year-to-year (Y-T-Y) changes in the total Core expenses between FY 2020-21 and FY 2021-22 produce a decrease of \$55,861 (0.6%).

- The multi-year seismic retrofit and office remodel project will complete the planned phases in FY 2021-22. Funding for this project has been spread over multiple years and reflects a combination of single year revenues and carry-over funding from previous years.

- The largest Core expense is in the cost categories for Employee, MWDOC Director and MWD Director salaries, wages and benefits with a Y-T-Y increase of \$51,641. However, this represents only a 1.0% increase in these categories.
- The other large increases in descending order are Engineering Expense (\$40,000), Maintenance Expense (\$21,980), Insurance Expense (\$20,000), and MWDOC's Contribution to WEROC (\$19,184).
- The Membership/Sponsorship expenses only include items previously approved by the Board of Directors.
- Significant Y-T-Y Core expense decreases include Professional Fees (\$230,343), Miscellaneous Expense (\$26,619), and Training Expense (\$12,500).

Choice Y-T-Y expenses are largely unchanged at this point in the budget process. The year-to-year changes in the total Choice expenses between FY 2020-21 and FY 2021-22 are down \$11,484 (0.7%).

DETAILED REPORT

This committee and board item presents information and discusses the MWDOC FY 2021-22 budget. There is a simultaneous process being conducted to review and possibly modify the current MWDOC rate structure. The annual budget details expenses and revenue requirements for MWDOC's fiscal year. The rate study evaluates different methods to allocate and collect the revenue to meet those revenue requirements. The final rate structure does not change the size of the annual budget but can significantly change the distribution of the cost allocations between Member Agencies. MWDOC's budget process normally includes three versions of draft budget with the final budget being approved at the April Board of Directors meeting. It is anticipated that the rate structure (modified or not) will be approved at the same April 21st meeting. The second draft budget presents revenue figures based on the current rate structure. Later drafts may include alternative revenue distributions and rates based on alternative rate structures being considered in the rate study.

The FY 2021-22 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 2021-2022
7. Core/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. Under this schedule, the Year-End Projections and Conceptual Budget were discussed at the January 13th Administration & Finance (A&F) Committee and the first draft budget was presented at the February 10th A&F Committee meeting. This is the second draft budget (March 10th A&F) and the third draft budget is scheduled for the April 14th committee meeting. The final budget is scheduled for approval by the MWDOC Board of Directors at the April 21, 2021 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 or October 2021 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 FY 2021-22**

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

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

Goals and objectives for the eight MWDOC departments (Cost Centers) have been presented and discussed at two MWDOC committee meetings. The input from these public

meetings are incorporated into this budget.

3. Projected Year-End Estimates & Reserve Fund Balances

Projected Year-End Estimates for FY 2020-21

Expense projections have been prepared for the remaining months of the current fiscal year in order to calculate the FY 2020-21 Year-End estimates. It is important to note, the initial projections utilized only four months of actual expenditures and estimated the remaining months in order to meet the budget schedule. These projections are reviewed and updated during the budget process as appropriate. Preliminary variance estimates for the FY 2020-21 Core budget include:

1. The total variance for the Core Budget is projected to be a performance of \$36,713 (0.4%) better than the budget, including revenues being \$245,000 under budget and expenses being \$281,713 under budget. The budgeted draw on reserves was \$97,413 but the projected draw on reserves is only \$60,700. The most significant expense activities involved the election for five divisions and the Building Renovation & Seismic Retrofit Project. The largest variance for revenue was the Interest Revenue category.
2. MWDOC received the election invoice from Orange County and the total cost for the four division elections was \$871,321.62; approximately \$177,000 less than the previous projection. The Election Reserve has been updated and there will be no contribution to this reserve for FY 2021-22. In addition, \$100,000 that was previously added to the Election Reserve in anticipation of a larger expense invoice is being reversed to offset the cost of the Water Use Efficiency Potential & Opportunity Study.
3. The Building Renovation Project (both Building Expense and Capital Acquisition Expense) is a comparatively large expense and includes significant year-to-year carryover of funds. The project will be completed in FY 2021-22.
4. Interest revenue is projected to be \$245,000 (53.5%) less than budgeted due to the rapid reduction of investment interest rates.
5. Other major budget expense variances in the year-end projections include Professional Fees projected to be \$131,137 under budget and Engineering Expenses at \$234,896 over budget. Other below budget expense categories include Miscellaneous Expense (\$62,554), Printing et al (\$42,695), Salaries & Wages (\$38,657), Maintenance Expense (\$32,420), and MWD Representation (\$30,027). COVID-19 operational impacts influenced many of these variances.

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. The target balances for the reserves are set by approved MWDOC Board policy and procedures. 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 plus 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 MWDOC designated reserve targets for FY 2021-22 and the projected reserve balances for FY 2020-21 (financial audit balances) are summarized in the table below. The total unfunded balance is (-) \$111,624 (i.e., Total Target of \$6,322,570 (-) Total Planned Balance of \$6,434,194). As indicated in 3.1 (above), a total of \$60,700 is projected to be a draw on reserves from the FY 2020-21 operations. This draw is allocated to the General Operations Reserves as indicated in the table column "FY 2020-21 Projected Year End Reclass to Reserves". An additional \$100,000 previously added to the Election Reserve will also be reclassified (see 3.2 above). The result is an unfunded total reserve balance of \$49,076.

Therefore, the goal for rate setting in the FY 2021-22 budget will be a budget surplus of \$49,076 to fully fund the reserves.

	# Days Cash	FY 2021-22 Reserve Target	FY 2020-21 Planned Reserve Balance	FY 2020-21 Projected Year End Reclass to Reserves	FY 2021-22 Projected Reserve Balance
General Operations	90-180	\$ 3,727,775	\$ 3,380,505	\$ (60,700)	\$ 3,677,805
Grant & Project Cash Flow		1,500,000	1,500,000	-	1,500,000
Building Reserve	10-15	435,648	436,542	-	436,542
Election Reserve	N/A	362,000	462,000	\$ (100,000)	362,000
OPEB Reserve est.9/2018	N/A	297,147	297,147	-	297,147
TOTALS		\$ 6,322,570	\$ 6,434,194	\$ (160,700)	\$ 6,273,494

The second draft budget has a draw on reserves of \$40,365, which is supplemented by the \$100,000 Election Reserve Fund reversal and resulting in a surplus of \$59,635, indicating an overage of being fully funded by \$10,559.

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 2020 CPI for the LA/Long Beach/Anaheim area was 1.64%. This is 49.8% lower than the 2019 number. The CPI of 1.64% falls into MWDOC's low inflation range. 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 being conducted during the current fiscal year and will be completed for inclusion in the third draft budget. Budget impacts are expected to be minor. In general, MWDOC has found limited range corrections to be necessary. Therefore, we will continue the CPI adjustment for FY 2021-22.

Employee-Specific Salaries

MWDOC does not have a Cost of Living Adjustment (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 seven prior years of 1% salary increases implemented to offset the annual 1% transfer of benefit costs to employees.

MWDOC also conducts an annual survey of 20 water utilities as a comparison of proposed salary increases. As is usual for the second draft budget, this comparative information is not yet available from the other utilities but will be provided in the third draft budget.

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 $1.85 \times \text{CPI}$ function appears to be a reasonable calculation for the mid-inflation range (CPI 2.4% to 4.7%) but breaks down at the more extreme ranges of CPI. For example, 0% CPI would calculate as a 0% compensation pool increase and would obviously not reward merit as intended. At the other end of the range, other problems arise. For example, in 1980 the CPI was 13.5% and this would calculate at the unlikely compensation pool of 25%. Therefore compensation pool formulas were developed for four CPI ranges: high, medium, low, and negative inflation.

The 2020 CPI is 1.64% for the region which is in the 0.0% to 2.4% "low inflation" effective range. Applying the $\text{CPI} + 2\%$ low-inflation range formula to the 1.64% CPI yields a

compensation pool of 3.64% which was used to calculate the employee salary expense increase in the second draft budget.

The Director per diem adjustment is determined by the lesser of the employee increase or 5.0%. This budget has used the 3.64% rate.

5. Budget Input from Member Agencies

In December 2020, MWDOC sent a letter to all of its member agencies informing them of the start of the MWDOC FY 2021-22 Budget Process, and invited their formal participation in the process which can include suggestions of activities and general comments. The FY 2020-21 budget year-end projections and the conceptual FY 2021-22 budget were discussed at the January 13, 2021 Administration & Finance Committee meeting as well as the January 21, 2021 MWDOC Member Agencies Managers Meeting. The first draft budget was discussed at the February 10th A&F meeting and the February 18th Managers meeting. Member Agency input and comment is requested, encouraged and received during each meeting.

Two comment letters have been received from the Orange County Water District (OCWD) and have been forwarded to the MWDOC Board of Directors. Their first letter (December 29, 2020) deals with policy issue priorities to be addressed at MET by MWDOC and not specific aspects of the budget per se. That OCWD letter repeats four policy issues from previous years, as listed below with comments on current status:

- Establish a permanent regional In-lieu program that encourages the storage of additional water during periods when MWD is at risk of losing excess imported water supplies. – This program has already been largely established under the Cyclic Storage Program. This program allows groundwater agencies to take delivery of replenishment water during such periods and pay for it over a multiple-year period. It includes a standing authorization for MET's General Manager to recommend In-lieu deliveries, with a financial equalization, based on his/her assessment of conditions. As there is a financial expenditure involved, it is unlikely that the program will be modified to be any more "permanent" in nature.
- Modify the Water Supply Allocation Plan rules to include Groundwater Basin Agencies in a more consistent manner. – Heading into the last allocation, groundwater agencies were not included in the allocation process. MWDOC worked with MET and the other MET member agencies to implement the inclusion of groundwater agencies in the allocation. MWDOC will continue to work to achieve "a more consistent manner". However, this will remain low on the MET priority list due to the immediate issues of concern at MET (IRP, GM hiring, Rate Structure Review), the near record high water storage levels, and the unlikely implementation of the Water Supply Allocation Plan in the next three years. The priority of the WSAP will remain low but will increase somewhat due to this year's low winter precipitation levels.
- Determine the terms necessary to phase-out the MWD Conjunctive Use Program (CUP) storage agreement. – MWDOC has discussed this issue with MET staff several times and MET has not been interested in phasing-out the program. We will continue to press the issue.

- Obtain MWD's approval to pump potable water supplies into MWD pipeline facilities. – MWDOC was able to work with MET staff to advance and receive Board approval of a program to allow and facilitate the introduction of non-MET water into MET pipelines during emergency conditions. MWDOC is currently working with MET as the "test case" to develop and implement the various agreements necessary to put this program into effect. This is a significant step towards the broader non-emergency use.

OCWD's second letter (February 24, 2021) makes three comments on the first draft budget for consideration by the MWDOC Board.

- Further reduce travel and conferences in the end of calendar year 2021
- Consider removal of the AMWA membership and travel expenses
- Review and reduce Cash Reserve amounts

MWDOC staff have reviewed the proposed staff registration and travel budget (Exhibit E). There is a total of six conferences listed from October through December 2021 (American Water Works Association – 3, Association of California Water Agencies – 1, Association of Metropolitan Water Agencies – 1, Colorado River Water Users Association -1). Staff has been monitoring the status of these programs and any potential change to a virtual format. Given the availability and pace of vaccinations, the ongoing return to classrooms and the progress on metrics for business operations, staff believe that these conferences will likely occur as scheduled. Minor expense reductions resulted from the staff review.

The other two items have been referred to the A&F Committee and Board of Directors for review and discussion.

6. Key Priorities & Initiatives for FY 2021-22

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, provide water supply reliability, and make imported water available throughout Orange County. In 2021, these remain MWDOC's primary purposes. Although this mission 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. All functions included in the annual budget address components of MWDOC's mission

MWDOC's key priorities and initiatives are discussed for the following major departments and cost centers:

- Reliability Planning & Engineering (Cost Center 21)
- Metropolitan (MET) Issues & Water Policy (Cost Center 23)

- Water Use Efficiency (WUE) (Cost Centers 35, 62 & 70)
- Water Emergency Response (WEROC) (Cost Center 25)
- Communication/Public Affairs (Cost Center 32 & 63)
- Government 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.

Presentations and discussions of departmental priorities and goals have occurred during the December 2020 through January 2021 period at MWDOC committee meetings. The results of these discussions have been incorporated into the budget. In addition, the MWDOC Board has requested that the subset of those priorities and goals that will be completed in the fiscal year be specifically identified in the budget.

Reliability Planning and Engineering (Cost Center 21)

The Reliability Planning and Engineering (Engineering) Department efforts are varied and aimed at helping MWDOC member agencies navigate and understand the implications of long-term supply and emergency planning as well as the numerous intricacies involved in coordinating with MET to provide imported water (e.g., service connections, metering of water, pipeline operations, water quality, etc.). Engineering Department activities tie directly back to MWDOC's Mission Statement **"To provide reliable, high-quality supplies from the Metropolitan Water District of Southern California (Metropolitan) and other sources to meet present and future needs, at an equitable and economical cost..."**.

Engineering activities include;

- shutdown planning,
- coordination of operations and maintenance activities and responsibilities of various regional pipelines in Orange County,
- identification and resolution of water quality issues in the regional distribution system,
- analysis and planning for Orange County water reliability,
- coordination of MET's pipeline relining program (particularly the AMP),
- developing the ability and protocols to allow for pumping of local water supplies into the East Orange County Feeder #2 pipeline (EOCF#2) and other pipelines,
- work on integration aspects of potential, future local water supply projects into the regional water distribution system including Poseidon, Doheny and San Juan Watershed projects.

The Engineering Department also provides internal support to other MWDOC departments; most notably Administration and WEROC by providing project management for MWDOC's office building seismic retrofit and remodel improvements. Support is also provided to MET Issues and Water Policy Department as many MET issues overlap between the two departments in covering MET activities and their implications to MWDOC member agencies.

Areas of overlap with MET Issues and Water Policy include:

- analysis of various reliability improvement projects and MET initiatives including; the MET Regional Recycled Water Program (Carson Project), and IRWD's Strand Ranch Project,
- MET's Local Resources Program (LRP),
- water quality issues in the regional distribution system that may impact MWDOC member agencies,
- MET emergency storage planning,
- emergency use of MET pipelines in circumstances when MET is unable to supply water,
- MET's Water Supply Allocation Plan (WSAP),
- MET System Resiliency Study,
- MET's Integrated Resources Plan (IRP),
- MET rates,
- Coordination with OCWD in examining opportunities to refill or maintain levels in the groundwater basin.

Regional Water Reliability and OC Water Reliability Studies

The completion of the initial OC Water Reliability Study in 2016, which comprehensively evaluated the then current and future water supply and system reliability for all of Orange County, established much of the analysis methodology for supply and system reliability planning in Orange County. As conditions continued to evolve, and understanding of climate and ecosystem changes improved, an updated Study was completed in 2018.

Now in 2021, efforts to further enhance the OC Water Reliability Study continue through updates to water demand forecasts and additional analysis of the economic impacts of drought reductions and catastrophic disruptions (earthquakes) to Orange County's water supplies. Efforts to mitigate these impacts require that Orange County have a credible estimate of the value of water supply reliability to avoid over-investing or under-investing in water supply projects. This additional economic benefits analysis, currently underway, includes quantification of the impacts these circumstances may have on the economy for both residents and businesses. This analysis will provide additional information for decision makers by analyzing the 'willingness to pay' to better quantify how the Orange County community values water supply reliability and the value to Orange County of avoiding reductions or interruption in water supply.

FY 2021-22 Activities

For FY 2021-22, the Engineering Department will continue to move a number of efforts forward including:

- Completion of the Administration Building Seismic Retrofit and Remodel Project.
- Coordinating a final agreement/determination of MET's ownership and maintenance responsibilities in the South County Pipeline.
- Initiating a pilot project to develop the necessary protocols with MET and MWDOC member agencies for emergency pump-in of local water supplies into the East Orange County Feeder #2 (EOCF#2).
- Post the MET IRP, completion of the next OC Reliability Study Update.
- Coordinating and facilitating extended shutdowns of the Allen McColloch Pipeline (AMP) for MET's Prestressed Concrete Cylinder Pipe (PCCP) Rehabilitation Project over the next several years.
- Working with MET, OCWD, and other MET member agencies to enhance the Bureau of Reclamation's Salinity Economic Impact Model (SEIM) so it can become a valuable tool for MWDOC member agencies.

Specific objectives to be completed in FY 2021-22 include:

- Complete the Admin Building Seismic Retrofit & Remodel
 - Bring the retrofit & remodel to completion – current completion date is anticipated by November 2021.
- Coordinate a final agreement/determination of MET's ownership and maintenance responsibilities in the South County Pipeline
 - Coordinate efforts with Santa Margarita Water District through discussions and meetings.
 - Conduct meetings with MWDOC counsel and MET Legal staff to understand and frame the legal basis of MET's position on ownership and maintenance responsibilities for the South County Pipeline.
 - Final resolution of this issue is likely a multi-year effort.
- Complete a Pilot Project for Emergency Use of East Orange County Feeder #2 (EOCF#2)
 - Hold meetings and discussions with East Orange County Feeder #2 Joint Powers Authority members concerning member rights and frame member positions on conveying local water in EOCF#2 both for emergency and drought situations.
 - Resolution of these positions may require a court opinion.
 - Hold meetings and technical workshops with MET Water Quality staff to define the framework and workable protocols for using EOCF#2 to convey local water supplies in an emergency and return of the pipeline to MET at the conclusion of the emergency event.
 - Completion of the necessary protocols is likely a multi-year effort.

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

The Metropolitan (MET) Issues and Water Policy Department leads MWDOC's efforts on MET issues and policy, as well as water supply and demand program coordination and analysis. Over the years, this department of four full-time employees (FTE) has also become a 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 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 the effects of Colorado River demand management measures.

Department 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 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 Plans 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 Operations 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)

- 2020 MET Integrated Resource Plan - Actively participate in MET’s 2020 Integrated Water Resources Plan (IRP) Update including the development of the Scenario Planning approach and methodology, key assumptions, IRP gap analysis, resource portfolio, and policy issues. This IRP is likely to address serious questions relating to MET’s role & mission along with its business model.
- Selection of a new General Manager at MET – Monitor the key dates and schedule for the Board and member agencies on the selection process for a new MET General Manager.

- MET Rate Refinement – Participate in the development of a new Demand Management Charges as well as review and refine MET’s current rate structure, which may include rebundling the rates and/or additional fixed charges. Per the Board direction, a new Demand Management Charge needs to be in place by end of CY 2021 in order to be incorporated in the Biennial Budget for FY 2021/22 & FY 2022/23.
- Urban Water Management Plans - Update the 2020 Urban Water Management Plans (MWDOC, Member Agencies, and MET), which will include water supply and demand assessments (“Stress-Tests”) and a Water Shortage Contingency Plan section. The UWMPs are required to be submitted to the state by July 1, 2021.
- Regional Resource Project Assessment - Assessments on the cost-benefits of new local and regional resource projects will be conducted on a number of upcoming projects such as MET’s Regional Recycled Water Project in Carson, Southern Nevada Water Authority participating and exchange program with MET in the Carson recycled project, participation in storage programs such as SARCCUP & Strand Ranch, and Desalination 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.

Specific objectives to be completed in FY 2021-22 include:

- Establish a new MET Demand Management Charge and advocate for Rate Refinement elements in MET’s current Rate Structure that are fair and equitable to Orange County.
- Analyze and provide recommendations to the upcoming MET Biennial Budget and Rates for FY 2022-23 & FY 2023-24
- Develop MWDOC recommendations on MET’s 2020 Integrated Water Resource Plan (IRP)
- Evaluate the Cost-Benefits of be involved in Local & Regional Projects (Such as SARCCUP & IRWD’s Strand Ranch Storage Programs)
- Monitor and Support the MWDOC MET Directors in the selections of a new General Manager at MET
- Obtain MET’s approval of Santa Margarita Water District’s Las Flores Recycled Water Expansion LRP Application.

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 and 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. This funding is focused 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 mandates continue to evolve from the 20% by 2020 framework adopted in 2009 to the new efficiency standards-based approach scheduled to begin phasing in with the distribution system water loss standard 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 (USBR). Areas of focus include:

- Aerial Imagery, Landscape Area Measurements and Data Warehousing Project - In preparation for member agency compliance with new Water Use Efficiency Standards contained in Senate Bill 606 and Assembly Bill 1668, staff is implementing 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 includes all of Orange County and has made significant progress but will not be completed until early FY 2022-23. Aerial imagery has been flown and is currently being processed. This imagery will be forwarded to USBR this summer and will be used to derive residential landscape area measurements for comparison to DWR provided measurements. This imagery will also be used to aid in establishing area measurements for dedicated irrigation meters. 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 Water Use Efficiency Potential & Opportunity Study - Efficient water use in Orange County has been increasing over the past three decades due to evolving plumbing codes and active implementation of a broad variety of Best Management Practices (BMPs). These code-based and BMP achievements have been illustrated by looking at daily per capita water use (GPCD) reductions

over time. According to our SBx7-7 20% by 2020 conservation framework model, Orange County's 1991 municipal and industrial water use was 201 GPCD and by 2020 water use has reduced to 134 GPCD. Consequently, these efforts have resulted in significantly less future efficiency potential remaining in Orange County. MWDOC proposes to implement a Water Use Efficiency Potential and Opportunity Study to explore three primary findings: the water efficiency gains that remain available and where the best opportunities exist in each water use customer sector; compliance with the new Conservation Framework (est. through SB 606 and AB1668); and drought-related conservation opportunities. This study will evaluate both the Absolute Technical Potential (i.e. what can be achieved regardless of cost) and Attainable Potential (i.e. what can be achieved cost-effectively). Providing insight for strategic programmatic planning efforts to pinpoint areas of remaining potential can inform supply reliability planning more broadly than Orange County alone. As this analysis can also benefit regional water use efficiency program planning, staff also plans to engage Metropolitan to support this study both technically and financially.

- Staff will continue to provide legislative and regulatory process leadership. California's 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.
- Staff will 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.
- Staff will provide Landscape Design and Maintenance Assistance for rebate program participants.
- Staff will provide leadership for the California Water Efficiency Partnership Board and committees.
- MWDOC will work to secure program funding from outside sources.

Water Loss Control Shared Services

Since 2016, MWDOC has been coordinating a water loss control program for our Member Agencies. This program has moved beyond water loss technical assistance such as audits

into shared services field activities including meter testing and distribution system 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 third 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 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 the existing 2.0 FTE MWDOC staff members. Areas of focus include:

- Implement Year III of the Water Loss Control Shared Services
- Continue to convene the Water Loss Control Work Group
- Year VI 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.

Specific objectives to be completed in FY 2021-22 include:

Water Use Efficiency Program – Continue to implement a broad variety of WUE programs, available to all consumers throughout Orange County, with funding support from state and federal grants and Metropolitans Conservation Credits Program.

- Secure grant funding for program implementation.

Technology Transfer & Research – Support Member Agency compliance with WUE regulations by researching new water saving opportunities and communicating those opportunities.

- Conduct a Water Use Efficiency Potential Study to quantify remaining potential for efficiency in Orange County across all customer classes.
- Provide Landscape Area Measurements for dedicated irrigation meters to agencies to assist with compliance.
Assist all agencies in assigning Standard Industrial Codes (SIC) to businesses throughout OC.

Water Loss Control Shared Services – Increase subscription rate and performance to assist Member Agencies with compliance of emerging water loss regulations.

- Provide services to respond to evolving water loss standards being developed by the State Water Board including Water Balance Validation, Leak Detection, Pressure Surveys, and Meter Accuracy Testing.
- Secure grant funding to offset direct costs to member agencies for shared services and technical assistance.

Water Loss Control Technical Services - Support member agencies by facilitating water loss control technical assistance and compliance with emerging water loss regulations.

- Maintain Water Loss Control Work Group to elevate member agency staff understanding and internal capabilities and to share their needs.

Legislation & Regulatory Process Leadership – Utilize MWDOC's research efforts and program implementation experience to guide and influence water use efficiency and water loss legislation, regulation, and the standards setting processes.

- Work with DWR and State Water Board to ensure new standards are properly interpreted and are workable.
- Maintain and expand MWDOC's role in Department of Water Resources and State Water Board working groups including Urban Water Management Plan, Water Loss Control and Water Use Studies, and other technical work groups.

Water Emergency Response (WEROC) (Cost Center 25)

MWDOC provides the administrative umbrella for the Water Emergency Response Organization of Orange County (WEROC) and the WEROC staff are MWDOC employees. 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 works with its member agencies on emergency plans and standard operating procedure development and review; state and federal required trainings for grant eligibility and disaster readiness; disaster exercise development; grant identification and application; and response and recovery coordination. WEROC also maintains two emergency operation centers, its own response plans, and trained staff. In providing these services, WEROC continues to be a strong leader for regional water and wastewater emergency coordination and response.

The WEROC program took on some unexpected efforts in FY 2020-21; all the while continued to move projects forward while supporting water and wastewater agencies. WEROC staff continues to develop and provide the resources, tools, and trainings targeted at enhancing member agency preparedness and resilience.

Highlights of Activities and Accomplishments for 2020 to date:

- Since the onset of the COVID-19 pandemic, WEROC has been providing on-going support to all agencies,
- WEROC and its consultant, Herndon Solutions Group (HSG) are continuing to work with

WEROC agencies to achieve compliance with America's Water Infrastructure Act (AWIA).

- Completion of the WEROC Program Strategic Assessment Plan. The assessment was a comprehensive review of the current WEROC program, what the future holds and identification for areas of collaboration that can make WEROC a stronger organization over the coming years to benefit all members.
- Development of a new long term Exercise and Training Program Plan integrating new requirements including AWIA, water specific trainings, and development of a long term repeating exercise program incorporating water specific areas.
- Creation and delivery of certified virtual ICS training conducted in-house approved by the State using the State and Federal standards and incorporating water and wastewater specific applications.
- In partnership with the OCIAC, Cyber Security emergency notification secondary and tertiary communication paths for IT personal was created and implemented.
- WEROC is proud of the advocacy we routinely engage in on behalf of the water and wastewater sector and specifically for our Member Agencies. This year on September 26, 2020, the Operational Area Agreement went into effect and with that WEROC is representing the agencies on the Operational Area Executive Board.
- The staff continues to actively partake in discussions regarding the repercussions of the Public Safety Power Shutoff (PSPS) program. WEROC staff continues to work with the County, Southern California Edison and San Diego Gas and Electric specifically to update and coordinate notification and receipt of vital power grid outage information in support of our member agencies. WEROC will continue its coordination efforts with both SCE and SDG&E utilities to improve the overall communications for power outages and priority restoration as required.
- In addition to COVID-19, WEROC staff activated to support member agencies with communication, coordination, and resource needs for the following events in 2020: Demonstrations and Protests in Orange County, August Heat Event and CalSO Stage 3 Power Emergency (Rolling Blackouts), Public Safety Power Shut Off Events, and the Silverado, Blue Ridge and Bond Fires.

Some of WEROC's Key Initiatives for FY 2021-22:

- Maintain WEROC and OC water and wastewater agencies in a state of readiness to respond to emergency situations. Key aspects include staffing, training, exercises, updating plans and procedures.
- Development and implementation of the Regional Cyber Security Coordination Annex as part the WEROC Emergency Operations Plan.
- Continue implementation of the WEROC Assessment Plan
- Completion of the AWIA compliance project and conduct a closeout audit and meeting with participating agencies.
- Continue to build upon the lessons learned from various training, exercises and real events.
- Full implementation of the plan revision schedule.
- Develop, obtain, and implement a new WEROC platform to meet specific needs of the member agencies to securely store, maintain, and disseminate files and information.

- Develop a Logistics Plan that will incorporate how personnel, supplies, and equipment are requested, procured, tracked, and supported within the WEROC Organization.
- Creation of a GIS dashboard allowing for visibility of information in a none-linear form using open source information and current in house mapping information.
- Revision of the Business Continuity Plan to ensure commonality with the WEROC Emergency Operations/Response Plan.
- Work with El Toro Water District (ETWD) and the WEROC funding agencies (including MWDOC) regarding opportunities for upgrading the South EOC facilities.

Specific objectives to be completed in FY 2021-22 include:

Enhance Response Readiness - Maintain WEROC and OC water and wastewater agencies in a state of readiness to respond to emergency situations. Key aspects include staffing, training, and exercises. This priority is the foundation of WEROC to build upon agency resiliency and is on-going.

American Water Infrastructure Act Regional Project – Complete AWIA compliance project.

- Conduct a closeout audit
- Conduct closeout meeting with participating agencies.

Training & Test Exercises – Expand training and test exercise programs to improve the state of readiness.

- Annual Review of the 5-year training and exercise plan
- ICS Training Series 14 classes (FY 2021)
- Continued enhancement of the 5-year training and exercise program by incorporating new requirements including AWIA, on-going ICS trainings offerings (in house), water specific trainings, and development of a long term repeating exercise program incorporating water specific areas.

WEROC South Emergency Operation Center –

- Finalize decision with ETWD regarding South EOC facility by working with funding agencies.
- Analyze other funding opportunities
- Develop multi FY budget allocations
- FY 2021-22 Design and Engineering costs, if project moves forward

Implementation of the WEROC Assessment Report

- Focus on the 3-24 months projects
- Refer to the WEROC Assessment document created 8-20-20

The South Emergency Operations Center project is discussed in more detail in Section 9 - Proposed New Items Not Included Pending Committee Discussion.

Public Affairs Department (Cost Centers 32 & 63)

The MWDOC Public Affairs Department's (Department) charge is to elevate public awareness about critical water issues, showcase the District's activities and programs, and continue to provide opportunities and resources that offer significant value to the region. While the purpose is multifold, the priority is District transparency. The last decade has seen a dramatic shift in the way people receive information. In a world where truth is sacrificed or, in some cases, neglected to win the race of who publishes first, regardless of accuracy, content is available at lightning speed. Today, anyone, no matter their experience or expertise, can disseminate information to the public. With the public's trust of government and the media arguably at an all-time low, water providers are under pressure to prove themselves relevant, trustworthy, and necessary. We continue to garner public trust 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, on social media, and through an array of partnerships.

Establishing and maintaining credibility and creating confidence in the District's decisions, expertise, and offerings continue through MWDOC's outreach 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 others establishes the trust and credibility needed to place MWDOC in a visible leadership position as the go-to voice for Orange County water.

Over the past few years, the Department has invested significant time, talent, and resources to build and enhance MWDOC's communications tools and programs. A reputable online presence has been established and supported through the District's website and social media platforms. The Department will evaluate the various essential tools, materials, and communications channels 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 progress or shifts needed in these areas.

Key Initiatives for Public Affairs 21/22

Imported Water: Delta Conveyance Project & Colorado River Aqueduct

MWDOC will educate stakeholders on the importance of reliable deliveries from the State Water Project and the Colorado River. As FY 2020-21 closes, a series of MWDOC produced videos about the Delta Conveyance Project (DCP) will begin to be published. These videos, featuring MWDOC's Board of Directors, will be available on the District's website and social media, and provided to cable access throughout the MWDOC service area. Another series of videos is planned for production highlighting the challenges facing the Colorado River Aqueduct.

After two well-received water publications in the Sunday Orange County Register in FY 20/21 highlighting the DCP, MWDOC's OC Reliability Study, and other Member Agency projects, traditional print media continues to reach a target audience segment. This tool also allows for the repurposing of published materials for digital distribution. This effort will continue in FY 2021-22.

Reestablish MWDOC Speakers Bureau

Additionally, when the world starts to reopen, the Department looks to reestablish and formalize the MWDOC Speakers Bureau. Presentations on topics like imported water supplies, emergency response, water use efficiency, and water education, will be formalized, added to the Department event calendar, and incorporated into the Communications Program & Plan. These presentations will be available for the Board of Directors and staff for (virtual and in-person) presentations to be made to various target audiences.

Education

For FY 2021-22, the Department will invest time and resources towards advancing the District's water education initiatives and implementing environmental literacy – an education strategy that uses the local environment as the context for learning. By guiding students towards a deeper understanding of how social, economic, and civic decisions affect the resources Orange County depends on, sound investments in water infrastructure, resource planning, and good water stewardship will make more sense now and far into adulthood. The Department will examine, evaluate, and amend all District outreach programs and activities that target MWDOC's youngest water users. These programs include the K-12 Choice School Programs, Scouts programs, Water Energy Education Alliance, community events, partnerships, and post-secondary education efforts. MWDOC and education partners such as the Orange County Department of Education, the State Education and Environment Roundtable, and others will reintroduce the environmental literacy rollout plan initially proposed in FY 2020-21. The rollout, whose initial execution was impeded by COVID-19, includes formal instruction and materials for MWDOC Choice School Program contractors and select Orange County teachers and administrators. It is important to note that the Department posted a Request for Proposals (RFP) for Design and Implementation of K-12 Water Education School Program Services in January 2021 to solicit bids for contractors across all K-12 grade levels. K-12 educational programming has been significantly affected by the influence of COVID-19, and a complete review of lesson plans and execution strategy is necessary either with existing or new Choice School Program contractors.

The Water Energy Education Alliance (WEEA) has proven to be an extremely successful endeavor, supported by nearly 60 organizations across the State. These organizations are made up of water, energy, and education leaders working to build and strengthen workforce pathways for high school students in the Energy, Environment, and Utility Sectors (EEU). While this effort reinforces work being done across Southern California, Orange County is a notable beneficiary. New, commanding education and business connections have been made, and working groups are being formed and led through WEEA that are advancing workforce pathways for MWDOC and its 28 member agencies. Additional work is being done to implement environmental literacy guidelines into Career Technical Education programs at the state level, further securing the need and appreciation for water education in high schools.

Partnerships have allowed the Department to grow its resources, substantially extend its reach, and create new MWDOC water ambassadors. The Department will continue to offer programs and materials to reach water users of all ages. These efforts include the Scouts merit badge and patch programs. Through work supporting environmental literacy, the Department will evaluate and refine the materials and activities presented in these programs and the District's Choice School Programs.

MWDOC will continue to promote participation in the Wyland National Mayor's Challenge for Water Conservation; however, to reinforce the new direction of the MWDOC education programs, the incentive will shift from community city parks 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 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 year, staff have increased participation in industry memberships, training, and certifications, developing additional skills, experience, and acumen in the job's day-to-day responsibilities and demands. Thus, MWDOC has provided professional training opportunities to Member Agency communicators at the bimonthly Public Affairs Workgroup (PAW) meetings to communicate regional messages to various stakeholders effectively. Whether it be 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.

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 through PAW. MWDOC provides timely, accurate, trustworthy content and messaging countywide and throughout the State. MWDOC's media/toolkits come complete with a subject overview, sample social media posts, newsletter articles, news releases, letters of support, flyers, and additional content as needed. These kits are created in-house and have proven to be valuable throughout the industry. The Department plans to continue these efforts, expanding upon the materials and resources provided in previous kits such as *COVID-19 – Your Drinking Water is Safe, 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*.

Water Policy Forums/Dinners

One of MWDOC's hallmark programs, Water Policy Dinners, will also be evaluated and refined. Maximizing relationships with entities such as OCBC, ACC-OC, local chambers, and others, the Department looks to increase event attendance by promoting a specific schedule and speakers/topics planned for the entire fiscal year. With a set schedule and speakers, attendees can calendar accordingly, and staff will be able to plan logistics, promotions, and secure appropriate speakers. This initially was a priority for the previous fiscal year, however, like most everything else, COVID-19 forced a transition to Virtual Water Policy Forums. The Department looks to establish a partnership with another venue to host the more formal dinners when social distance mandates are lifted.

Specific objectives to be completed in FY 2021-22 include:

MWDOC Speakers Bureau

- Public Affairs will reestablish and formalize the MWDOC Speakers Bureau. Presentations on topics like imported water supplies, emergency response, water use efficiency, and water education, will be formalized, added to the Department

event calendar, and incorporated into the Communications Program & Plan. These presentations will be available for the Board of Directors and staff for (virtual and in-person) presentations to be made to various target audiences.

Promote and Educate on the Importance of Imported Water Supplies

- MWDOC will educate stakeholders on the importance of reliable deliveries from the State Water Project and the Colorado River. As FY 2020-21 closes, a series of MWDOC produced videos about the Delta Conveyance Project (DCP) will begin to be published. These videos, featuring MWDOC's Board of Directors, will be available on the District's website and social media, and provided to cable access (Channel 10) throughout the MWDOC service area. Another series of videos is planned for production highlighting the challenges facing the Colorado River Aqueduct.

Refine and Enhance All MWDOC Education Initiatives

- For the 21/22 FY, the Department will invest time and resources towards advancing the District's water education initiatives and implementing environmental literacy – an education strategy that uses the local environment as the context for learning.
- The Department will examine, evaluate, and amend all District outreach programs and activities that target MWDOC's youngest water users. These programs include the K-12 Choice School Programs, Scouts programs, Water Energy Education Alliance, community events, partnerships, and post-secondary education efforts. MWDOC and education partners such as the Orange County Department of Education, the State Education and Environment Roundtable, and others will reintroduce the environmental literacy rollout plan initially proposed in FY 20/21.

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, Metropolitan, MET Member Agencies), 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.

The shutdown of the California Legislature last year forced Government Affairs to adopt novel ways to advocate for MWDOC's interests. Lobbying over Zoom and social distancing requirements made for a challenging environment, but we successfully adjusted and achieved important goals despite a variety of setbacks. Given that, one of the most significant accomplishments of 2020 was learning how to be effective in an environment that prevented us from using most of the traditional tools of advocacy. There is no denying that the shutdown impacted our legislative efforts. Below are the highlights of what we achieved in 2020, but there are several pieces of legislation that in any other year would have been on our list of wins. Almost no legislation related to water policy made it to the Governor, and nothing survived that had any real opposition. Despite all that COVID-19 threw at us, we do have the following highlights:

Accomplishments for 2020

- Worked to ensure the \$8.3 Million grant for the South Coast Water District Doheny Beach Desal Project is listed in the Energy and Water Appropriations Bill and the \$11.7 Million grant was listed in the Omnibus Appropriations Bill. This also involved the active participation of the SCWD and Soto Resources.
- Engaged all members of Orange County's Congressional delegation on the FY 2021 appropriations bills.
- Advocated for full funding of critical water programs funded for the Bureau of Reclamation, USACE, Clean/Drinking Water State Revolving Funds, and the WIFIA program.
- Engaged key members of Congress and the US Senate expressing concern about PFAS legislation that could negatively impact MWDOC and its member agencies. Specifically, we highlighted concerns about listing PFAS as hazardous substances under the Superfund CERCLA without an exemption for public water systems. Ultimately, the language was not included in the 2020 National Defense Authorization Act as we advocated.
- Actively engaged on legislation related to wildfires and Public Safety Power Shutoffs (PSPS) that impact water districts.
- Worked with MWDOC staff and OC LAFCO staff on MWDOC's Municipal Service Review and Sphere of Influence update which was unanimously approved by the OC LAFCO Commission.

Priorities for 2021

- 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
- Advocate for the passage of the federal reauthorization of the 2016 WIIN Act and federal funding for the State Revolving Fund loan program (including the CA Drought Relief provisions).
- Advocate for changes in the IRS Code with respect to turf removal programs.
- Continue engagement with Rep. Levin and staff on his Desalination Development Act.
- Continue to work with Rep. Garamendi and staff to ensure special districts are defined in statute and be eligible for future funding distributions.
- Continue advocating for Senator Feinstein's Emergency Wildfire and Public Safety Act, which would ease some regulatory hurdles for forest management projects, such as not requiring a renewed environmental review when new information emerges about potential effects on endangered species – a legislative fix to a court-imposed requirement.
- Advocate for cost effective reliability and local resources projects that benefit Orange County.
- Actively engage on regulations at SCAQMD 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, including new members, about the need for the project and the implications to water security.
- Actively monitor and engage on regulations related to wildfires and Public Safety Power Shutoffs (PSPS) that impact water districts.
 - After SB 1099 (Dodd) was not enacted at the end of the 2020 legislative session, South Coast Air Quality Management District (SCAQMD) agreed to place a renewed effort on working with stakeholders and updating their regulations that negatively impact water districts using emergency backup generators during a disaster. MWDOC staff and its advocacy team will actively engage with SCAQMD to ensure these regulations honor the legislative intent in SB 1099
 - Legislation related to wildfire liability is in 2021 and will be closely monitored
- Actively engage on regulations and regulatory proceedings related to Constituents of Emerging Concern (CECs).
 - Support administrative and/or legislative proposals that use a science-based approach in developing regulations.
 - Support funding to help public water systems defray cost of monitoring and ensure clean-up costs are borne by the polluters.
 - Outreach and education to the Orange County delegation about potential legislation that could negatively impact MWDOC and our member agencies.
 - Engage on legislation consistent with our policy principles.
- 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.
 - Meet with new members of the Orange County delegation, new key committee members, and staff.
 - Strengthen outreach with returning members of the Orange County delegation, key committee members and staff.
 - Focus on issue education and advocacy.

Specific objectives to be completed in FY 2021-22 include:

Delta Conveyance Project –

- Support administrative and/or legislative proposals, including funding, to keep the project moving forward;
- Defeat hostile legislation
- Remain consistent with policy principles

Goal for 2021:

- Build relationships with NGOs who have similar goals
- Partner with NGOs on other issues (e.g. WaterSMART funding) to enhance relationship building for future
- Meet with and educate new delegation members on the importance of the project

(Federal and State Priority)

Status: Federal and state activities on this issue were not prioritized due to COVID-19. This item remains ongoing

Public Safety Power Shutoffs –

- Support funding, if any, for public water systems to mitigate the impacts for PSPS and emergency standby generators
- CMUA/LVMWD and ACWA are sponsoring legislation – language not yet final; hospitals also sponsoring legislation (from 2020)
- Solicit support from other public entities (e.g. public safety) for regulatory proposals made to SCAQMD
- Work collaboratively with other statewide associations such as CSAC and the League of Cities, as well as local agencies to ensure they are supportive

Goal for 2021:

- Actively engage on SCAQMD regulations related to the regular testing and use of emergency standby generators. Expected completion: Summer 2021

(State Priority)

Safe and Affordable Drinking Water Program –

- Actively engage with SAFER Advisory Group
- Continue participation with the ACWA/CMUA SB 200 working group
- Monitor/engage with State Board to ensure program is implemented per the direction in SB 200 and appropriated funds are properly spent

Goal for 2021: Continuing discussion will focus on ensuring accurate cost projections for projects. The preference is to have the cost of past projects factored into the analysis.

This work is expected to continue in early 2021. Expected completion/adoption at the State Board: Summer 2021.
(State Priority)

Outreach and Education –

Strengthen outreach efforts to all levels of government and the community:

- Federal, state, and local elected officials
- Members and staff of key policy committees
- MWDOC member agencies: Outreach to/with - government affairs staff members, PAW/Legislative Group Meetings, MWDOC Member Agency Managers Meetings
- MWD and regional agencies
- Statewide organizations (ACWA, CMUA, CSDA, etc.)
- Regional associations (Chambers, etc.)

Goal for 2021:

- Meet with each office in the Orange County delegation and key committees on both the state and federal level
 - Focus on:
 - New delegation members (Steel, Kim, Newman, Min, Davies, Nguyen)
 - New members and/or staff of key policy committees
- Participate with regional and statewide organizations monthly
(Federal, State and Local Priority)

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 committee meeting staffing including 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 with improved efficiency;
- 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 Process;
- Succession Planning for upcoming retirements;
- Oversee building remodel improvements;
- Increase Employee Engagement and implement Organizational Values;
- Continue to monitor activities related to COVID-19 and implement policies, as required.

MWDOC Building Improvements

Administration, Engineering, and WEROC staff are working together to coordinate multiple improvement projects at the MWDOC Administration Building. Construction efforts began in November 2020 and are anticipated to continue through October 2021. Staff hired ABS Consulting to assist with Owner's Representative services for the various aspects of seismic retrofitting and remodeling of the existing building. As construction moves forward, staff is taking into consideration guidance from the National Institute for Occupational Safety and Health (NIOSH) for controlling exposures to occupational hazards, including infectious disease transmission pathways, brought into focus by COVID-19. Additionally, mandated (administrative) compliance requirements have been implemented for the office environment that will continue when the workforce can safely return to the office. The capital budget reflects previously approved budgeted costs, carryover of unspent capital funds, newly realized costs related to glass partition walls for conference rooms, HVAC improvements to provide additional infectious disease (engineering) controls, and furniture costs for Phase 3 of the remodel.

Specific objectives to be completed in FY 2021-22 include:

Performance Management Process – Complete design and implementation of new performance management and evaluation system developed with staff input and participation.

Completion: Fall 2021

Status:

- Staff input identified that training is needed on communication and listening skills, conflict management, coaching and feedback and building a workplace of trust.
- Due to the pandemic, in-person all-staff training was delayed and as a result the Performance Management process was also delayed.
- Virtual training sessions will be scheduled for late January/early February.
- Final Roll out and implementation of the Performance Management process to be completed by the Fall of 2021.

Office Remodel – Complete the building construction while minimizing disruption and maintaining office productivity.

Completion: Phases 1-3 November 2021 (excluding kitchen area)

Status:

- Administrative Staff has been working closely with Engineering Staff on the building remodel. Engineering is handling all of the technical and engineering aspects of the project and Administration is handling all of the administrative items associated with the project.
- Phase 1 construction started in November 2020 and involved coordination efforts with MWDOC staff in ensuring a successful move out of offices and workstations.

The Administrative team handled the move management and coordinated with IT to ensure computers and phones were successfully relocated.

- Administration also coordinated with the Finance Manager in identifying surplus items and the sale of furniture in ensuring all was completed according to schedule and avoiding construction conflicts.
- Administration also managed vendors in reducing or stopping services due to the remodel.
- In addition, the Board adopted an Administrative Code change to allow the District to participate in Regional Cooperative Agreements, thus allowing the District to obtain reduced pricing for the new office furniture. A vendor was selected for the purchase of office furniture and Phase 1 furniture order has been initiated.
- Staff continues to work with the furniture vendor and the interior designer in selecting materials and colors for the office.

Succession Planning – Recruitment, selection and integration of key positions including District Engineer, Water Use Efficiency Supervisor and two Finance positions.

Completion: On-going

Status:

- In preparation for the Assistant GM/District Engineer's retirement, several organizational changes were orchestrated including the transfer and promotion of the Associate Engineer from the MET cost center to the Engineering cost center. Promotions were also implemented for the new Director of Engineering/District Engineer and Assistant General Manager.
- In the Finance Group, Judy Roberts was recruited and hired in July 2020 to allow for training with Mary Snow prior to her retirement at the end of January 2021.
- HR will be working with the Finance Manager and Director of Water Use Efficiency to plan for the retirements of the Sr. Financial Analyst and Water Use Efficiency Supervisor positions. These are anticipated to take place between December 2021 and July 2022.

Completion of construction for remaining areas – Kitchen

Completion: June 2022

Status:

- For FYI 21-22 Capitol Acquisition and Building Expense Budget will include funding for the MWDOC office kitchen remodel.
- This will be the last section of the building that has not been updated.
- The plan is to replace appliances and cabinetry that are 28 years old as well as improve the use of functional space.

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 and Auditing & 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 rebates 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. In addition, IT provides and maintains properly working office equipment.

Key Initiatives in the coming year include:

- Maintain functional operations and support while staff is working remotely and throughout the building renovations at MWDOC;
- Supporting the succession planning for an upcoming retirement;
- Continue with IT's PC/Printer refresh program and security updates which, exchanges out equipment after it's useful like to prevent the loss of any data;
- Continue training on our new financial software;
- Continue with ongoing professional training;
- IT system security and back up testing;
- Continue to assist staff in maneuvering through our new financial software;
- Support the District with any future financing needs.

Specific objectives to be completed in FY 2021-22 include:

- Succession Planning – Planned retirement of Jeff Stalvey with need for overlapping transition periods
- Training – Enhance skills and knowledge
- Construction – IT to ensure all equipment is installed and working correctly
- IT – Upgrade a Router, Switch, Server and ten PC's

7. Core/Choice Programs for FY 2020-21

As noted above, the Choice Programs for FY 2020-21 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 third year of field operation.

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 2016 rate study and was implemented by the MWDOC Board of Directors for FY 2016-17. A new rate study is currently being conducted and any changes will be initiated for the FY 2021-22 budget.

Current Rate Structure

Based on the Proposed Budget and the current rate structure:

For FY 2021-22 the proposed Retail Meter Service Charge is \$12.60 per meter.

For FY 2021-22 the proposed Groundwater Customer Charge is \$572,216.

Alternative Rate Structures

As the 2021 Rate Study progresses, the impact of alternative rate structures on the Retail Meter Service Charge, the Groundwater Customer Charge, and any other charges will be summarized in the draft budget. These alternative rate structures will be revenue neutral for MWDOC but may represent significant cost differences for some agencies.

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 2021-22 are budgeted at \$159,262,425.

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. These items for the Second draft budget are:

South Emergency Operations Center Summary

Summary:

The WEROC Program Assessment has identified different options for improving the South EOC: renovation or new construction. The cost estimates for the two options are conceptual and discussion is ongoing with the WEROC funding agencies and El Toro Water District. Previous Committee discussions seemed to support new construction over renovation but MWDOC's cost share of the building could range from 50% to 100%. A Yes-or-No decision on the project is desired before the final FY 2021-22 budget is passed.

Detailed Report:

The South EOC facility was constructed in 1982 and has undergone minor renovations in the intervening years. A facility assessment study conducted in 2016, revealed critical defects requiring further renovation to bring this building up to safety standards. El Toro Water District over the years has partnered with WEROC to allow for the existence of Emergency Operations Center. El Toro Water District is working on moving this project forward as the overall project involves additional on-site

infrastructure. EYWD needs to know the intentions of WEROC regarding the South Emergency Operations Center as it impacts the ETWD project and schedule moving forward.

Additional conversations and planning around the total wrap around costs of the EOC have been analyzed. Add-on expenses not included in the EL Toro Water District Document (Brady) include the electrical shortfall, plumbing and all furniture, fixtures and equipment (FF&E) costs.

Option 1: New Building including structure, soft costs, additional electrical work, and FF&E

	<u>Overall Cost</u>	<u>50/50 Partner</u>
FY21/22: Soft Costs & Site Grading	\$404,219	\$202,109.50
FY22/23: Construction Costs	\$670,391	\$335,109.50
FY23/24: Construction Costs & FF&E*	\$670,391	\$335,195.50
Total Costs	\$1,745,000	\$872,500.50 each agency*

(* with possible partner agency that can use location as alternate EOC and will have the appropriate connectivity and F&E required)

Option 2: Fix only seismic, roof, generator, electrical on the current structure
Estimated renovation cost: \$ 1,125,225

Option 3: Advise El Toro we are unable to move forward jointly, terminate the South Emergency Operations Center Lease Agreement and location.

WEROC is continuing to seek additional funding such as grants and other source funding. At this time, there is no grant opportunities. The plan to move forward is based on if there is no other funding source available.

Attachments:

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



Annual Budget for Fiscal Year 2021-22

Second Draft

MWDOC's mission is:

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

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

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 3,609,691	\$ 3,571,034	\$ (38,657)	\$ 3,589,065	\$ 18,031	\$ (20,626)
Employee Benefits	1,182,786	1,180,004	(2,782)	1,191,151	11,146	8,365
Director Compensation	258,909	237,059	(21,850)	288,800	51,741	29,891
Director Benefits	101,971	122,925	20,955	128,022	5,097	26,051
MWD Representation	157,070	127,043	(30,027)	165,029	37,986	7,959
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-
Overhead Reimbursement	(300,926)	(296,267)	4,659	(304,857)	(8,589)	(3,930)
Health Insurance Coverage for Retirees	87,449	80,288	(7,161)	101,099	20,811	13,650
Audit Expense	29,725	20,162	(9,563)	30,220	10,058	495
Automotive & Toll Road Expenses	21,300	2,100	(19,200)	17,050	14,950	(4,250)
Conference Expense - Staff	26,515	10,000	(16,515)	44,560	34,560	18,045
Conference Expense - Directors	18,695	3,735	(14,960)	16,845	13,110	(1,850)
Engineering Expense	340,000	574,896	234,896	380,000	(194,896)	40,000
Insurance Expense	110,000	120,000	10,000	130,000	10,000	20,000
Legal Expense - General	210,500	188,097	(22,403)	225,000	36,903	14,500
Maintenance Expense	131,420	99,000	(32,420)	153,400	54,400	21,980
Membership / Sponsorship	127,161	146,944	19,783	143,041	(3,903)	15,880
CDR Participation	53,158	53,158	-	65,249	12,091	12,091
Miscellaneous Expense	103,000	40,446	(62,554)	76,381	35,935	(26,619)
Postage / Mail Delivery	8,900	8,306	(594)	8,600	294	(300)
Professional Fees	996,202	865,065	(131,137)	865,859	794	(130,343)
Rents & Leases	1,750	1,200	(550)	1,800	600	50
Outside Printing, Subscription & Books	84,700	42,005	(42,695)	83,700	41,695	(1,000)
Office Supplies	39,000	18,000	(21,000)	35,000	17,000	(4,000)
Building Repair & Maintenance	15,000	12,500	(2,500)	15,000	2,500	-
Computer Maintenance	8,000	7,200	(800)	8,000	800	-
Business Expense	4,500	1,500	(3,000)	2,500	1,000	(2,000)
Software Support & Expense	89,640	81,000	(8,640)	82,580	1,580	(7,060)
Computers and Equipment	31,550	31,550	-	23,450	(8,100)	(8,100)
Telecommunications Expense	29,650	35,547	5,897	41,400	5,853	11,750
Temporary Help Expense	5,000	-	(5,000)	5,000	5,000	-
Training Expense	62,500	60,000	(2,500)	50,000	(10,000)	(12,500)
Tuition Reimbursement	5,000	1,000	(4,000)	5,000	4,000	-

(1)

(2)

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

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	62,495	7,000	(55,495)	69,825	62,825	7,330
Travel & Accommodations - Directors	24,900	3,000	(21,900)	21,250	18,250	(3,650)
MWDOC's Contribution to WEROC: Operations	241,236	241,236	-	260,420	19,184	19,184
Capital Acquisition (excluding building)	154,200	345,297	191,097	273,059	(72,238)	118,859
Capital Acquisition to Carryover	271,900	5,803	(266,097)	-	(5,803)	(271,900)
Capital Acq Prior Year Carryover Credit	(346,900)	(271,900)	75,000	(5,803)	266,097	341,097
NORMAL OPERATING EXPENSES	\$ 8,264,646	\$ 7,982,933	\$ (281,713)	\$ 8,493,695	\$ 510,762	\$ 229,049
MWDOC's Building Expense	\$ 1,870,000	\$ 1,408,884	\$ (461,116)	\$ 903,089	\$ (505,795)	\$ (966,911)
Building Expense to Carryover	\$ -	\$ 461,116	\$ 461,116	\$ -	\$ (461,116)	\$ -
Building Expense Prior Year Carryover Credit	\$ (1,143,117)	\$ (1,143,117)	\$ -	\$ (461,116)	\$ 682,001	\$ 682,001
TOTAL EXPENSES	\$ 8,991,529	\$ 8,709,816	\$ (281,713)	\$ 8,935,668	\$ 225,852	\$ (55,861)

REVENUES:						
Retail Meter Charge	\$ 7,837,792	\$ 7,837,792	\$ (0)	\$ 8,100,086	\$ 262,294	\$ 262,294
Ground Water Customer Charge	595,323	595,323	-	572,216	(23,107)	(23,107)
Interest Revenue	458,000	213,000	(245,000)	220,000	7,000	(238,000)
Miscellaneous Income	3,000	3,000	-	3,000	-	-
TOTAL REVENUES	\$ 8,894,116	\$ 8,649,115	\$ (245,000)	\$ 8,895,303	\$ 246,187	\$ 1,187

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (97,413)	\$ (60,700)	\$ 36,713	\$ (40,365)	\$ 20,336	\$ 57,048

- (1) Total FY2021-2022 Salaries & Wages includes \$0 for intern support
- (2) Total FY2021-2022 Benefits includes \$0 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 10.88% for Classic employees and 7.59% for PEPRA employees. A further assumption is that medical, dental and vision insurance rates will increase by 6% for calendar year 2022.
- (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 FY20-21 projections and FY21-22 MWDOC designated reserve target, designated reserves will be essentially fully funded.

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

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 542,384	\$ 534,586	\$ (7,797)	\$ 547,729	\$ 13,143	\$ 5,346
less for Recovery from Grants	-	(39,927)	(39,927)	(18,665)	21,262	(18,665)
Employee Benefits	152,599	149,636	(2,963)	162,892	13,256	10,293
Director Compensation	-	-	-	-	-	-
Director Benefits	-	-	-	-	-	-
MWD Representation	-	-	-	-	-	-
Overhead Reimbursement	300,926	296,267	(4,659)	304,857	8,589	3,930
Health Insurance Coverage for Retirees	-	-	-	-	-	-
Audit Expense	-	-	-	-	-	-
Automotive & Toll Road Expenses	1,000	100	(900)	200	100	(800)
Vehicle Expense	6,350	4,600	(1,750)	5,800	1,200	(550)
Conference Expense - Staff	-	-	-	-	-	-
Conference Expense - Directors	-	-	-	-	-	-
Engineering Expense	-	-	-	-	-	-
Insurance Expense	-	-	-	-	-	-
Legal Expense - General	-	-	-	-	-	-
Maintenance Expense	-	-	-	-	-	-
Membership / Sponsorship	-	-	-	-	-	-
Miscellaneous Expense	12,000	9,000	(3,000)	12,000	3,000	-
Postage / Mail Delivery	400	400	-	400	-	-
Professional Fees	585,136	378,734	(206,402)	594,758	216,024	9,622
Rents & Leases	-	-	-	-	-	-
Outside Printing, Subscription & Books	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Supplies - Water Loss Control	10,000	10,000	-	4,000	(6,000)	(6,000)
Computer Maintenance	-	-	-	-	-	-
Software Support & Expense	15,000	-	(15,000)	2,100	2,100	(12,900)
Telecommunications Expense	1,200	1,440	240	1,440	-	240
Computers and Equipment	2,000	1,908	(92)	-	(1,908)	(2,000)
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 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	-	-	-	-	-	-
Travel & Accommodations - Directors	-	-	-	-	-	-
Capital Acquisition	-	-		-	-	-
Subtotal Expenses	\$ 1,630,995	\$ 1,348,745	\$ (282,250)	\$ 1,619,511	\$ 270,766	20.08%
TOTAL EXPENSES	\$ 1,630,995	\$ 1,348,745	\$ (282,250)	\$ 1,619,511	\$ 270,766	\$ (11,484)

REVENUES:						
Choice Revenue	\$ 1,630,995	\$ 1,348,745	\$ (282,250)	\$ 1,619,511	\$ 270,766	\$ (11,484)
TOTAL REVENUES	\$ 1,630,995	\$ 1,348,745	\$ (282,250)	\$ 1,619,511	\$ 270,766	\$ (11,484)

- (1) Total FY2021-2022 Salaries & Wages includes \$51,378 for intern support
- (2) Total FY2021-2022 Benefits includes \$5,052 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 10.88% for Classic employees and 7.59% for PEPRAs Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 6% for calendar year 2022.

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET	
OPERATING EXPENSES:							
Salaries & Wages	\$ 4,152,075	\$ 4,105,620	\$ (46,454)	\$ 4,136,794	\$ 31,174	\$ (15,280)	(1)
less for Recovery from Grants	-	(39,927)	(39,927)	(18,665)	21,262	(18,665)	
Employee Benefits	1,335,385	1,329,640	(5,744)	1,354,043	24,402	18,658	(2)
Director Compensation	258,909	237,059	(21,850)	288,800	51,741	29,891	
Director Benefits	101,971	122,925	20,955	128,022	5,097	26,051	
MWD Representation	157,070	127,043	(30,027)	165,029	37,986	7,959	
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-	
Overhead Reimbursement	-	-	-	-	-	-	
Health Insurance Coverage for Retirees	87,449	80,288	(7,161)	101,099	20,811	13,650	
Audit Expense	29,725	20,162	(9,563)	30,220	10,058	495	
Automotive & Toll Road Expenses	22,300	2,200	(20,100)	17,250	15,050	(5,050)	
Vehicle Expense - Water Loss Control	6,350	4,600	(1,750)	5,800	1,200	(550)	
Conference Expense - Staff	26,515	10,000	(16,515)	44,560	34,560	18,045	
Conference Expense - Directors	18,695	3,735	(14,960)	16,845	13,110	(1,850)	
Engineering Expense	340,000	574,896	234,896	380,000	(194,896)	40,000	
Insurance Expense	110,000	120,000	10,000	130,000	10,000	20,000	
Legal Expense - General	210,500	188,097	(22,403)	225,000	36,903	14,500	
Maintenance Expense	131,420	99,000	(32,420)	153,400	54,400	21,980	
Membership / Sponsorship	127,161	146,944	19,783	143,041	(3,903)	15,880	
CDR Participation	53,158	53,158	-	65,249	12,091	12,091	
Miscellaneous Expense	115,000	49,446	(65,554)	88,381	38,935	(26,619)	
Postage / Mail Delivery	9,300	8,706	(594)	9,000	294	(300)	
Professional Fees	1,581,338	1,243,799	(337,539)	1,460,617	216,818	(120,721)	
Rents & Leases	1,750	1,200	(550)	1,800	600	50	
Outside Printing, Subscription & Books	84,700	42,005	(42,695)	83,700	41,695	(1,000)	
Office Supplies	39,000	18,000	(21,000)	35,000	17,000	(4,000)	
Supplies - Water Loss Control	10,000	10,000	-	4,000	(6,000)	(6,000)	
Building Repair & Maintenance	15,000	12,500	(2,500)	15,000	2,500	-	
Computer Maintenance	8,000	7,200	(800)	8,000	800	-	
Business Expense	4,500	1,500	(3,000)	2,500	1,000	(2,000)	
Software Support & Expense	104,640	81,000	(23,640)	84,680	3,680	(19,960)	
Computers and Equipment	33,550	33,458	(92)	23,450	(10,008)	(10,100)	
Telecommunications Expense	30,850	36,987	6,137	42,840	5,853	11,990	
Temporary Help Expense	5,000	-	(5,000)	5,000	5,000	-	
Training Expense	64,500	62,000	(2,500)	52,000	(10,000)	(12,500)	
Tuition Reimbursement	5,000	1,000	(4,000)	5,000	4,000	-	

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	62,495	7,000	(55,495)	69,825	62,825	7,330
Travel & Accommodations - Directors	24,900	3,000	(21,900)	21,250	18,250	(3,650)
MWDOC's Contribution to WEROC: Operations	241,236	241,236	-	260,420	19,184	19,184
and to WEROC Capital Improvements	-	-	-	-	-	-
Capital Acquisition (excluding building)	154,200	345,297	191,097	273,059	(72,238)	118,859
Capital Acquisition to Carryover	271,900	5,803	(266,097)	-	(5,803)	(271,900)
Capital Acq Prior Year Carryover Credit	(346,900)	(271,900)	75,000	(5,803)	266,097	341,097
NORMAL OPERATING EXPENSES	\$ 9,895,641	\$ 9,331,678	\$ (563,963)	\$ 10,113,205	\$ 781,528	\$ 217,565
MWDOC's Building Expense	\$ 1,870,000	\$ 1,408,884	\$ (461,116)	\$ 903,089	\$ (505,795)	\$ (966,911)
Building Expense to Carryover	\$ -	\$ 461,116	\$ 461,116	\$ -	\$ (461,116)	\$ -
Building Expense Prior Year Carryover Credit	\$ (1,143,117)	\$ (1,143,117)	\$ -	\$ (461,116)	\$ 682,001	\$ 682,001
TOTAL EXPENSES	\$ 10,622,524	\$ 10,058,561	\$ (563,963)	\$ 10,555,178	\$ 496,618	\$ (67,345)

(3)

(4)

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(4)

REVENUES:						
Retail Meter Charge	\$ 7,837,792	\$ 7,837,792	\$ (0)	\$ 8,100,086	\$ 262,294	\$ 262,294
Ground Water Customer Charge	595,323	595,323	-	572,216	(23,107)	(23,107)
Interest Revenue	458,000	213,000	(245,000)	220,000	7,000	(238,000)
Miscellaneous Income	3,000	3,000	-	3,000	-	-
Choice Revenue	1,630,995	1,348,745	(282,250)	1,619,511	270,766	(11,484)
TOTAL REVENUES	\$ 10,525,111	\$ 9,997,860	\$ (527,250)	\$ 10,514,814	\$ 516,953	\$ (10,297)

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (97,413)	\$ (60,700)	\$ 36,713	\$ (40,365)	\$ 20,336	\$ 57,048

(5)

- (1) Total FY2021-2022 Salaries & Wages includes \$51,378 for intern support
- (2) Total FY2021-2022 Benefits includes \$5,052 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 10.88% for Classic employees and 7.59% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 6% for calendar year 2022.
- (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 FY20-21 projections and FY21-22 MWDOC designated reserve target, designated reserves will be essentially fully funded.

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

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET
Water Revenues			(1)			(2)
Water Sales	\$ 213,288,586	\$ 132,313,277	\$ (80,975,309)	\$ 159,262,425	\$ 26,949,149	\$ (54,026,161)
Local Resource Program Incentives	(4,881,259)	(4,106,624)	774,635	(4,136,088)	(29,464)	745,171
Readiness-To-Serve Charge	11,583,326	11,110,718	(472,608)	11,142,354	31,636	(440,972)
Capacity Charge	3,892,240	4,312,425	420,185	4,732,610	420,185	840,370
Interest Revenue - Tier 2 Cont.	22,000	10,000	(12,000)	10,500	500	(11,500)
SCP/SAC Pipeline Surcharge	315,000	312,432	(2,568)	315,000	2,568	-
TOTAL WATER REVENUES	\$ 224,219,893	\$ 143,952,228	\$ (80,267,665)	\$ 171,326,801	\$ 27,374,573	\$ (52,893,092)
Water Expenses						
Water Purchases	\$ 213,288,586	\$ 132,313,277	\$ (80,975,309)	\$ 159,262,425	\$ 26,949,149	\$ (54,026,161)
Local Resource Program Incentives	(4,881,259)	(4,106,624)	774,635	(4,136,088)	(29,464)	745,171
Readiness-To-Serve Charge	11,583,326	11,110,718	(472,608)	11,142,354	31,636	(440,972)
Capacity Charge	3,892,240	4,312,425	420,185	4,732,610	420,185	840,370
SCP/SAC Pipeline Surcharge	315,000	312,432	(2,568)	315,000	2,568	-
TOTAL WATER EXPENSES	\$ 224,197,893	\$ 143,942,228	\$ (80,255,665)	\$ 171,316,301	\$ 27,374,073	\$ (52,881,592)
Changes to Fund Balance:						
Tier 2 Contingency	\$ 22,000	\$ 10,000	\$ (12,000)	\$ 10,500	\$ 500	\$ (11,500)

(1) The large variance between FY2020-21 Adopted Budget and Project Actuals is due to the below average treated water demands of MWDOC's retail agencies. Low treated water demands can be attributed to more retail agency local water production and low consumptive water demand, mainly attributed to the COVID-19 economic downturn.

(2) Proposed Budget sales for FY2021-22 are estimated to be below last year's Adopted Budget as a result of low treated water demands due to increased retail agency local water production and low consumptive water demand, mainly attributed to the COVID-19 economic downturn.

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

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2019-2020 BUDGET
Funding						
Metropolitan Water District	\$ 788,114	\$ 1,177,270	\$ 389,156	\$ 1,459,112	\$ 281,843	\$ 670,999
USBR	175,604	211,100	35,496	162,020	(49,081)	(13,584)
DWR	457,586	571,980	114,394	708,233	136,253	250,647
Member Agencies	123,630	262,205	138,575	239,387	(22,818)	115,757
MWDOC	35,000	35,000	(0)	50,000	15,000	15,000
TOTAL OUTSIDE FUNDING	\$ 1,579,934	\$ 2,257,555	\$ 677,621	\$ 2,618,752	\$ 361,197	\$ 1,038,818
Program Expenses Funded from Outside Sources						
Installation Verification	59,000	62,692	3,692	68,600	5,908	9,600
Rebate Incentives	1,196,934	1,926,268	729,334	2,252,822	326,554	1,055,888
TOTAL PROGRAMS EXPENSES	\$ 1,579,934	\$ 2,257,555	\$ 677,621	\$ 2,618,752	\$ 361,197	\$ 1,038,818

Exhibit B
Expenditures by Program

Cost Center	PROGRAM	FY 2020-2021 BUDGET FTE	FY 2021-2022 BUDGET FTE	FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
11	Administrative - Board	1.67	1.58	\$ 1,173,230	\$ 1,037,923	\$ 1,235,738
12	Administrative - General	3.75	3.97	695,341	656,142	789,014
13	Personnel / Staff Development	1.56	1.69	427,047	396,491	393,081
19	Overhead	4.43	4.13	1,068,235	1,011,959	1,353,715
21	Reliability Planning and Engineering	3.62	2.57	941,736	1,081,194	679,953
23	Metropolitan Issues and Water Policy	3.76	3.98	777,165	789,692	959,153
31	Governmental Affairs	0.97	0.85	514,960	457,556	495,820
35	Water Use Efficiency (Core)	1.04	0.95	461,443	464,143	465,659
32	Public Affairs	4.45	4.29	910,703	822,677	965,011
41	Finance	3.55	3.37	673,518	656,629	583,989
45	Information Technology	1.01	0.99	380,031	367,291	312,142
25	MWDOC's Contribution to WEROC	3.20	3.11	241,236	241,236	260,420
CORE TOTAL		33.01	31.49	\$ 8,264,646	\$ 7,982,933	\$ 8,493,695
62	Water Use Efficiency Program	4.85	4.90	900,920	850,428	915,132
63	School Programs	0.06	0.05	406,606	210,974	412,992
70	Water Loss Control	1.83	1.39	323,469	287,343	291,387
CHOICE TOTAL		6.74	6.34	\$ 1,630,995	\$ 1,348,745	\$ 1,619,511
CORE & CHOICE TOTAL		39.75	37.83	\$ 9,895,641	\$ 9,331,678	\$ 10,113,205
Includes:	Full-time employees	33.00	32.25	(2)		
	Part-time employees	1.15	1.03			
	Interns	2.39	1.44			
	WEROC Full-time employees	2.72	3.11			
	WEROC Part-time employees	0.49				

(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 2020-2021 are calculated based on 2088 hours of work for the year. FTE's for 2021-2022 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 35 full-time employees, 2 part-time employee and 3 interns. 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. The decrease of one FTE overall is due to an employee retiring from the Finance Department.

Municipal Water District of Orange County
2021-2022 FISCAL MASTER PLAN PROJECTIONS
(in thousands)

	Projected ACTUALS FY20-21	BUDGET FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
Beginning Designated Reserve Balance - MWDOC	\$7,305	\$ 7,971	\$ 7,975	\$ 8,266	\$ 8,380	\$ 8,975	\$ 9,644
OPEB Reserve	297	297	297	297	297	297	297
Adjusted Reserve Balance	7,008	7,674	7,678	7,969	8,083	8,678	9,347
Revenues							
Water Rate Revenues:							
Retail Meter Agency Charge	7,838	8,100	8,336	8,489	8,581	8,688	8,746
Ground Water Customer Charge	595	572	579	586	593	600	607
Subtotal	8,433	8,672	8,915	9,075	9,174	9,288	9,353
Other Revenues:							
Choice Revenues	1,349	1,620	1,639	1,659	1,679	1,699	1,719
Interest Earnings	213	220	232	285	345	428	531
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	1,565	1,843	1,874	1,946	2,026	2,129	2,254
Total Revenues	9,998	10,515	10,790	11,021	11,201	11,417	11,606
Expenses							
Core Expenses	7,904	8,226	8,325	8,425	8,526	8,628	8,732
Choice Expenses	1,349	1,620	1,639	1,659	1,679	1,699	1,719
Capital Acquisitions (not including building)	79	267	20	20	20	20	20
Total Expenses w/o Building & Election	9,332	10,113	9,984	10,104	10,225	10,347	10,471
Revenue Over Expenses w/o Building & Election	666	402	806	918	976	1,070	1,135
ELECTION Reserve Beginning Balance	1,333	462	362	90	471	-	381
Annual Election Reserve Contribution	-	(100)	381	381	381	381	381
Annual Election Expense	871	-	653	-	871	-	653
Election Reserve Ending Balance	462	362	90	471	-	381	109
BUILDING Reserve Beginning Balance	437	-	56	-	413	403	413
Annual Building Reserve Contribution	-	498	134	423	-	20	10
Annual Building Expense	727	442	200	10	10	10	10
BUILDING Reserve Ending Balance	-	56	-	413	403	413	413
CASH FLOW Reserve Beginning Balance	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Annual Cash Flow Reserve Contribution	-	-	-	-	-	-	-
Cash Flow Reserve Ending Balance	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Ending General Fund & Cash Flow Reserves	\$ 7,212	\$ 7,261	\$ 7,879	\$ 7,199	\$ 8,275	\$ 8,553	\$ 9,569
Document does not reflect MWDOC's irrevocable trust towards OPEB liability							
MWDOC Water Rates							
Total Retail Customer Meters	642,442	642,864	646,211	648,010	650,101	653,200	655,100
OCWD BPP %	75%	75%	75%	75%	75%	75%	75%
Increment Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Charge	\$ 12.20	\$ 12.60	\$ 12.90	\$ 13.10	\$ 13.20	\$ 13.30	\$ 13.35
Fixed Charge %		100%	100%	100%	100%	100%	100%
Rate Increase Proposal:							
Increment Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Charge	\$ 0.40	\$ 0.30	\$ 0.20	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.05

1 Assumptions for FMP:

Inflation factor:

1.20% per year

Rate of return on Investment of portfolio:

0.91% per year

Working Capital and Interest Revenue Projections

	FISCAL MASTER PLAN PROJECTIONS				
	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
Working Capital:					
Designated Reserve Fund	7,975	8,266	8,380	8,975	9,644
Average Revenue from Agencies	4,458	4,537	4,587	4,644	4,676
WUE use of fund	(200)	(200)	(200)	(200)	(200)
Water Payment Float	7,138	7,163	7,188	7,213	7,238
Average Working Capital	19,371	19,767	19,955	20,632	21,359
Interest rate	1.20%	1.44%	1.73%	2.07%	2.49%
Interest Revenue Projections:					
Interest income - General	232	285	345	428	531
Total Interest Revenue Projections	232	285	345	428	531

Total Core Expenses

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,609,691	3,571,034	3,589,065
6090	Directors Compensation - MWDOC	258,909	237,059	288,800
6095	Directors Compensation - MWD	157,070	127,043	165,029
6105	Benefits - Admin	1,182,786	1,180,004	1,191,151
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
6111	Overhead Reimbursement	(300,926)	(296,267)	(304,857)
6115	Benefits - Directors	101,971	122,925	128,022
6120	Health Insurance Coverage for Retirees	87,449	80,288	101,099
6205	Training	62,500	60,000	50,000
6210	Tuition Reimbursement	5,000	1,000	5,000
6220	Temporary Help	5,000	-	5,000
7010	Engineering - Outside Services	340,000	574,896	380,000
7020	Legal - General	210,500	188,097	225,000
7030	Audit	29,725	20,162	30,220
7040	Other Professional Fees	996,202	865,065	865,859
7110	Conference - Employee	26,515	10,000	44,560
7115	Conference - Directors	18,695	3,735	16,845
7150	Travel & Accommodations - Employee	62,495	7,000	69,825
7155	Travel & Accommodations - Director	24,900	3,000	21,250
7210	Membership / Sponsorship	127,161	146,944	143,041
7250	CDR Participation	53,158	53,158	65,249
7305	Business Expense	4,500	1,500	2,500
7310	Office Maintenance	125,420	95,000	147,400
7315	Building Repair & Maintenance	15,000	12,500	15,000
7320	Rents & Leases	1,750	1,200	1,800
7330	Office Supplies	39,000	18,000	35,000
7340	Postal / Mail Delivery	8,900	8,306	8,600
7350	Subscriptions / Books	1,000	800	1,000
7360	Reproduction Expense	83,700	41,205	82,700
7410	Computer & Peripherals Maint	8,000	7,200	8,000
7430	Software Purchase	42,000	38,000	33,940
7440	Software Support	47,640	43,000	48,640
7540	Computers and Equipment	31,550	31,550	23,450
7580	Maintenance Expense	6,000	4,000	6,000
7610	Automotive / Mileage	20,000	1,900	16,000
7615	Toll Road Charges	1,300	200	1,050
7620	Insurance Expense	110,000	120,000	130,000
7640	Utilities - Telephone	29,650	35,547	41,400
7650	Bank Fees	1,200	2,700	3,200
7670	Miscellaneous Expenses	101,800	37,746	73,181
8810	Capital Acquisition	154,200	345,297	273,059
	Total Expenditure	8,098,410	8,007,794	8,239,078
	MWDOC's Contribution to WEROC Oper	241,236	241,236	260,420
	Capital Acquisition to Carryover (8810)	271,900	5,803	-
	Capitol Acq Prior Year Carryover Credit	(346,900)	(271,900)	(5,803)
	MWDOC's Building Expense (8811)	1,870,000	1,408,884	903,089
	Building Expense to Carryover	-	461,116	-
	Building Prior Year Carryover Credit	(1,143,117)	(1,143,117)	(461,116)
		<u>8,991,529</u>	<u>8,709,816</u>	<u>8,935,668</u>

Total Choice Revenue and Expense

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
	Choice Revenue	1,234,354	1,234,354	1,619,511
4205	School Contracts	120,376	120,376	-
4705	Prior Year Carry Over	276,265	276,265	-
		-	-	-
	Choice billing over/under	-	(282,250)	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	Total Revenue	1,630,995	1,348,745	1,619,511

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	542,384	534,586	547,729
	S & B Reimb. DSC or Recov from Grants	-	(39,927)	(18,665)
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	152,599	149,636	162,892
	Overhead Reimbursement	300,926	296,267	304,857
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	190,373	178,734	192,100
	Other Professional Fees - School Programs	394,763	200,000	402,658
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	10,000	10,000	4,000
7340	Postal / Mail Delivery	400	400	400
7350	Subscriptions/Books	-	-	-
7360	Reproduction Expense	-	-	-
7410	Computer & Peripherals Maint	-	-	-
7430	Software Purchase	15,000	-	2,100
7440	Software Support	-	-	-
7540	Computers and Equipment	2,000	-	-
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	-	-	-
7612	Vehicle Expense	6,350	4,600	5,800
7615	Toll Road Charges	1,000	100	200
7620	Insurance Expense	-	-	-
7640	Utilities - Telephone	1,200	1,440	1,440
7650	Bank Fees	-	-	-
7670	Miscellaneous Expenses	12,000	9,000	12,000
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	-	-	-
	Total Expenditure	1,630,995	1,348,745	1,619,511

Total Core and Choice Expenses

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	4,152,075	4,105,620	4,136,794
	S & B Reimb. DSC or Recov from Grants	-	(39,927)	(18,665)
6090	Directors Compensation - MWDOC	258,909	237,059	288,800
6095	Directors Compensation - MWD	157,070	127,043	165,029
6105	Benefits - Admin	1,335,385	1,329,640	1,354,043
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
6111	Overhead Reimbursement	-	-	-
6115	Benefits - Directors	101,971	122,925	128,022
6120	Health Insurance Coverage for Retirees	87,449	80,288	101,099
6205	Training	64,500	62,000	52,000
6210	Tuition Reimbursement	5,000	1,000	5,000
6220	Temporary Help	5,000	-	5,000
7010	Engineering - Outside Services	340,000	574,896	380,000
7020	Legal - General	210,500	188,097	225,000
7030	Audit	29,725	20,162	30,220
7040	Other Professional Fees	1,186,575	1,043,799	1,057,959
	Other Professional Fees - School Programs	394,763	200,000	402,658
7110	Conference - Employee	26,515	10,000	44,560
7115	Conference - Directors	18,695	3,735	16,845
7150	Travel & Accommodations - Employee	62,495	7,000	69,825
7155	Travel & Accommodations - Director	24,900	3,000	21,250
7210	Membership / Sponsorship	127,161	146,944	143,041
7250	CDR Participation	53,158	53,158	65,249
7305	Business Expense	4,500	1,500	2,500
7310	Office Maintenance	125,420	95,000	147,400
7315	Building Repair & Maintenance	15,000	12,500	15,000
7320	Rents & Leases	1,750	1,200	1,800
7330	Office Supplies	39,000	18,000	35,000
7332	Supplies - Water Loss Control	10,000	10,000	4,000
7340	Postal / Mail Delivery	9,300	8,706	9,000
7350	Subscriptions / Books	1,000	800	1,000
7360	Reproduction Expense	83,700	41,205	82,700
7410	Computer & Peripherals Maint	8,000	7,200	8,000
7430	Software Purchase	57,000	38,000	36,040
7440	Software Support	47,640	43,000	48,640
7540	Computers and Equipment	33,550	31,550	23,450
7580	Maintenance Expense	6,000	4,000	6,000
7610	Automotive / Mileage	20,000	1,900	16,000
7612	Vehicle Expense	6,350	4,600	5,800
7615	Toll Road Charges	2,300	300	1,250
7620	Insurance Expense	110,000	120,000	130,000
7640	Utilities - Telephone	30,850	36,987	42,840
7650	Bank Fees	1,200	2,700	3,200
7670	Miscellaneous Expenses	113,800	46,746	85,181
8810	Capital Acquisition	154,200	345,297	273,059
	Total Expenditure	9,729,405	9,356,539	9,858,589
	MWDOC's Contribution to WEROC Oper	241,236	241,236	260,420
	Capital Acquisition to Carryover (8810)	271,900	5,803	-
	Capitol Acq Prior Year Carryover Credit	(346,900)	(271,900)	(5,803)
	MWDOC's Building Expense (8811)	1,870,000	1,408,884	903,089
	Building Expense to Carryover	-	461,116	-
	Building Prior Year Carryover Credit	(1,143,117)	(1,143,117)	(461,116)
		10,622,524	10,058,561	10,555,178

Administrative - Board
11

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	259,074	237,091	254,375
6090	Directors Compensation - MWDOC	258,909	237,059	288,800
6095	Directors Compensation - MWD	157,070	127,043	165,029
6105	Benefits - Admin	82,141	77,021	81,127
6115	Benefits - Directors	101,971	122,925	128,022
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General	200,500	185,597	215,000
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors	18,695	3,735	16,845
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director	24,900	3,000	21,250
7210	Membership / Sponsorship	38,771	35,747	37,840
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery	4,500	7,106	5,000
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computers & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage	12,500	400	11,000
7615	Toll Road Charges	800	100	650
7620	Insurance Expense			
7640	Utilities - Telephone	700	240	300
7650	Bank Fees			
7670	Miscellaneous Expenses	12,700	858	10,500
8410	Overhead Reimbursement			
8810	Capital Acquisition			
	Total Expenditure	1,173,230	1,037,923	1,235,738

1	• Best, Best & Krieger	\$ 200,000
	• Aleshire & Wynder	\$ 15,000
		<u>\$ 215,000</u>
2	• Best, Best & Krieger	\$ 170,777
	• Aleshire & Wynder	\$ 14,820
		<u>\$ 185,597</u>
3	• See Exhibit F.	
4	• See Exhibit D.	
5	• Misc board expenses (supplies)	

Administrative - General
12

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	317,748	332,593	346,784
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	124,835	137,394	140,295
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help	5,000	-	5,000
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	1,200	-	1,200
7110	Conference - Employee	26,515	10,000	44,560
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	62,495	7,000	69,825
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	88,390	111,197	105,201
7250	CDR Participation	53,158	53,158	65,249
7305	Business Expense	4,500	1,500	2,500
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books	1,000	800	1,000
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage	7,500	1,500	5,000
7615	Toll Road Charges	500	100	400
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	2,500	900	2,000
8810	Capital Acquisition			
	Total Expenditure	695,341	656,142	789,014

1 • See Exhibit J.

2 • See Exhibit E.

3 • See Exhibit D.

4 • Center for Demographic Research at
Cal State University Fullerton
including GIS related work.

Personnel / Staff Development
13

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	217,684	225,687	239,784
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	65,863	69,405	73,886
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	62,500	60,000	50,000
6210	Tuition Reimbursement	5,000	1,000	5,000
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General	10,000	2,500	10,000
7030	Audit			
7040	Other Professional Fees	36,000	29,800	
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	30,000	8,100	14,411
8810	Capital Acquisition			
	Total Expenditure	427,047	396,491	393,081

1 • Staff Technical Training & Leadership
Development Training

2 • Best, Best & Krieger

3 • Benchmark Study

4 • Employee Recognition \$ 2,500
• Applicant Background Checks & Physical \$ 1,500
• Team Building, Lunch meetings \$ 600
• Holiday Lunch \$ 3,000
• OCWD Health Fair \$ 200
• Employee Flu Shots \$ 100
• Job Ads Recruiting \$ 2,500
• Staff & Executive Assessments \$ 2,000
• COVID-19 Online Pre-Screen 2,011
\$ 14,411

Overhead
19

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	552,260	546,838	538,353	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	173,883	175,693	171,704	
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000	
6111	Overhead Reimbursement from Choice	(300,926)	(296,267)	(304,857)	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees	87,449	80,288	101,099	1
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	6,400	5,600	4,760	2
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance	125,420	95,000	147,400	3
7315	Building Repair & Maintenance	15,000	12,500	15,000	
7320	Rents & Leases	1,750	1,200	1,800	4
7330	Office Supplies	39,000	18,000	35,000	
7340	Postal / Mail Delivery	4,400	1,200	3,600	
7350	Subscriptions / Books				
7360	Reproduction Expense	7,200	1,205	6,200	
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7540	Computers and Equipment				
7580	Maintenance Expense	6,000	4,000	6,000	5
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense	110,000	120,000	130,000	
7640	Utilities - Telephone	28,000	34,502	40,200	
7650	Bank Fees	1,200	2,700	3,200	
7670	Miscellaneous Expenses	4,200	2,500	4,000	6
8810	Capital Acquisition	75,000	266,097	249,059	7
	Total Expenditure	1,143,235	1,278,056	1,359,518	
	Capital Acquisition to Carryover (8810)	271,900	5,803		9
	Capitol Acq Prior Year Carryover Credit	(346,900)	(271,900)	(5,803)	
	MWDOC's Building Expense (8811)	1,870,000	1,408,884	903,089	8
	Building Expense to Carryover		461,116		
	Building Prior Year Carryover Credit	(1,143,117)	(1,143,117)	(461,116)	9
		<u>1,795,118</u>	<u>1,738,842</u>	<u>1,795,688</u>	

1 Retirees:
• 16 Retirees

2 • Pension Plan administration by
Dissinger Associates \$ 4,000
• Cafeteria Plan IGOE \$ 660
• Health Equity 100
4,760

3 • Window Cleaning \$ 1,200
• Sewer Flush \$ 800
• OCWD \$ 119,800
• Plant Maintenance \$ 5,000
• Landscape/Maintenance Atrium \$ 12,000
• Binding Machine Renewal \$ 800
• Carpet & Extra Office Cleaning \$ 7,800
\$ 147,400

4 • Corodata \$ 800
• El Toro Water District
(South EOC site) 1,000
\$ 1,800

5 Generator Maintenance

6 • Misc equipment repairs, fees etc.

7 • Office Furniture/Copier
See Exhibit H

8 • Bldg Improvements - Eval / Design /
Seismic / Construction/HVAC Improvement

9 • FY20-21 & FY21-22 carryover is for work and capital
purchases on the building that were budgeted for but
will not be completed and will be carried over to the next
year as a carryover credit.
• FY20-21 & FY21-22 carryover credit are the cumulative
dollars from prior years that were unspent and will be
applied toward work projected to be completed in future
years.

Reliability Planning and Engineering
21

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	507,799	441,374	359,247
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	160,438	133,425	114,206
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	265,000	499,896	200,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone	500	500	500
7650	Bank Fees			
7670	Miscellaneous Expenses	8,000	6,000	6,000
8810	Capital Acquisition			
	Total Expenditure	941,736	1,081,194	679,953

Metropolitan Issues and Water Policy

23

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	530,160	538,769	583,329
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	172,005	175,923	195,824
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	75,000	75,000	180,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7045	Other Professional Fees - MET			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8810	Capital Acquisition			
	Total Expenditure	777,165	789,692	959,153

• See Exhibit J

Government Affairs
31

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	137,153	128,534	134,709
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	49,606	46,572	47,611
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	281,950	309,000
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	14,200	500	4,500
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	514,960	457,556	495,820

1 • BB&K \$ 96,000
 • NRR \$ 96,000
 • Lewis Consulting \$ 42,000
 • Ackerman \$ 36,000
 • Grant Research & Acquisition \$ 39,000
\$ 309,000

2 • WACO \$ 2,500
 • Outreach \$ 2,000
\$ 4,500

Public Affairs
32

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	413,003	442,113	449,139	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	129,198	139,471	143,323	
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	270,352	190,200	272,949	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	76,500	40,000	76,500	2
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone	450	305	400	
7650	Bank Fees				
7670	Miscellaneous Expenses	21,200	10,588	22,700	3
8810	Capital Acquisition				
	Total Expenditure	910,703	822,677	965,011	

1 Public Affairs Activities:

• Resolutions/Proclamations	\$ 4,500
• Consumer Confidence Reports	\$ 43,449
• Event Registration Fees	\$ 12,500
• Delta Conveyance Program Support	\$ 30,000
• Wyland Mayors Challenge	\$ 10,000
• Scouts Program	\$ 7,500
• Education Initiatives	\$ 30,000
Subtotal	\$137,949

Communications Plan Activities:

• Strategic Digital Outreach	\$ 95,000
• Advertising	\$ 20,000
• Special Events AV Support	\$ 20,000
Subtotal	\$135,000
	<u>\$272,949</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
• Sponsorship Contingency Fund	\$ 5,000
• Storage Facility	\$ 3,500
• Science Fair Sponsorship	\$ 100
• Member Agency Workshops PAW	\$ 6,000
	<u>\$ 22,700</u>

**Water Use Efficiency
(Core)
35**

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	153,920	150,620	157,145
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	46,023	52,023	47,514
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	255,500	255,500	255,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	6,000	6,000
8810	Capital Acquisition			
	Total Expenditure	461,443	464,143	465,659

1 • General Research	\$ 75,000
• Water Loss Control Work Grp	\$ 55,000
• WLC Business Plan Implement	\$ 25,000
• Water Conservation Potential Study	\$100,000
	<u>\$255,000</u>

General Finance
41

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	396,085	405,763	399,902
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	133,959	128,390	129,917
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	29,725	20,162	30,220
7040	Other Professional Fees	112,750	102,015	22,950
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	300	1,000
8810	Capital Acquisition			
	Total Expenditure	673,518	656,629	583,989

1 • Annual Audit	\$ 20,566
• Single Audit	\$ 4,654
• WUE Grant Review	\$ 5,000
	<u>\$ 30,220</u>

2 • Custodial Bank fees	\$ 6,500
• Financial Consulting	\$ 15,000
• OPEB Actuarial	\$ 750
• CalPERS GASB 68 Report	\$ 700
	<u>\$ 22,950</u>

Information Technology
45

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	124,804	121,653	126,298	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	44,837	44,688	45,743	
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 \$ 8,000
7110	Conference - Employee				
7115	Conference - Directors				2 • Misc software upgrades and license \$ 33,940
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				3 • Laserfiche WORM Storage Cloud Backup \$ 1,100
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 \$ 8,500
7330	Office Supplies				• Wireless Aps and Router \$ 5,200
7340	Postal / Mail Delivery				• ACT Annual Support \$ 2,000
7350	Subscriptions / Books				• ECS Laserfiche Annual Support \$ 5,500
7360	Reproduction Expense				• Arcserv UDP License Renewal (2) \$ 2,000
7410	Computers & Peripherals Maint	8,000	7,200	8,000	1
7430	Software Purchase	42,000	38,000	33,940	2
7440	Software Support	47,640	43,000	48,640	3
7450	Computers and Equipment	31,550	31,550	23,450	4
7580	Maintenance Expense				4 • Batteries Replacement for UPS \$ 4,000
7610	Automotive / Mileage				• RICOH Color Printer Support \$ 350
7615	Toll Road Charges				• Maintenance for Plotter \$ 600
7620	Insurance Expense				• 2 Laptop Computers \$ 3,500
7640	Utilities - Telephone				• 10 Replacement Computers \$ 15,000
7650	Bank Fees				\$ 23,450
7670	Miscellaneous Expenses	2,000	2,000	2,070	
8810	Capital Acquisition	79,200	79,200	24,000	
	Total Expenditure	380,031	367,291	312,142	

**Water Use Efficiency
(choice)
62**

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
4215	Choice Revenue	803,364	803,364	915,132
4705	Prior Year Carry over	97,556	97,556	
	Choice billing over/under		(50,492)	
	Total Revenue	900,920	850,428	915,132

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2021 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2020-2021 PROPOSED BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	415,748	422,299	431,097
6012	Salaries & Benefits - Recovery from Grants		(39,927)	(18,665)
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	119,456	118,423	128,943
	Overhead Reimbursement	231,743	234,133	240,257
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	127,572	112,100	127,100
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery	400	400	400
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	3,000	6,000
8810	Capital Acquisition			
	Total Expenditure	900,920	850,428	915,132

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

2 • Marketing of WUE programs \$ 40,000
 • Residential Installation Verification Inspec \$ 50,000
 • Droplet Rebate Processing & E-Signature \$ 37,100
 \$ 127,100

**School Program
(choice)
63**

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
4215	Choice Revenue	107,521	107,521	412,992
4205	School Contracts	120,376	120,376	
4705	Prior Year Carry over	178,709	178,709	
	Choice billing over/under		(195,632)	
	Total Revenue	406,606	210,974	412,992

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2021 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2020-2021 PROPOSED BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	6,115	5,809	5,406
6105	Benefits - Admin	2,151	1,850	1,825
	Overhead Reimbursement	3,578	3,315	3,102
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	394,763	200,000	402,658
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8810	Capital Acquisition			
	Total Expenditure	406,606	210,974	412,992

1 • High Schools \$ 66,142
• Elementary Schools \$ 290,807
• Middle Schools 45,709
\$ 402,658

**Water Loss Control
(choice)
70**

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
4215	Choice Revenue	323,469	323,469	291,387
4705	Prior Year Carry over			
	Choice billing over/under		(36,126)	
	Total Revenue	323,469	287,343	291,387

		FY 2020-2021 PROPOSED BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	120,521	106,479	111,226
	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	30,992	29,363	32,124
	Overhead Reimbursement	65,605	58,819	61,497
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	62,801	66,634	65,000
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	10,000	10,000	4,000
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase	15,000	-	2,100
7440	Software Support			
7450	Computers and Equipment		1,908	-
7510	Site Maintenance			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7612	Vehicle Expense	6,350	4,600	5,800
7615	Toll Road Charges	1,000	100	200
7620	Insurance Expense			
7640	Utilities - Telephone	1,200	1,440	1,440
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	6,000	6,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	323,469	287,343	291,387

1 • Water Balance Validation Cert.

2 • Meter Accuracy Testing

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

4 • CMMS System

5 • Vehicle Fuel & Oil \$ 5,500
• Auto Insurance \$ 300
\$ 5,800

6 • 2 Cell Phones

WEROC
25

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
4320	MWDOC Contribution to Operations	241,236	241,236	260,420
4210	WEROC Contracts	241,236	241,236	260,364
4205				
4230	Reimbursements			
4240				
4410				
4805				
	TOTAL WEROC Revenue	482,472	482,472	520,784

1 • OCSD	\$ 51,032
• SOCWA	\$ 19,788
• OCWD	\$ 130,180
• 3 Cities -- \$19,788 ea	\$ 59,364
	\$ 260,364

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	318,348	334,276	350,504
	Salaries & Benefits - Reimbursed		(16,010)	(11,750)
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	105,792	118,824	125,875
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	8,226	8,110	8,200
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7110	Conference - Employee	3,800	1,600	3,800
7115	Conference - Directors			
7150	Travel & Accomodations - Employee	4,750		4,750
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship	1,105	810	850
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office & Radio Supplies	1,800	1,500	1,500
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	1,000	450	1,000
7410	Computer & Peripherals Maint	5,060	5,060	5,060
7430	Software Purchase			
7440	Software Support	9,491	9,063	9,300
7510	Site Maintenance	900	600	700
7540	Computers and Equipment			
7580	Maintenance - Generators	1,000	980	1,000
7581	Maintenance - Radios	2,000	1,580	2,000
7582	Maintenance - EOC's	2,000	1,850	2,000
7610	Automotive / Mileage	3,000	600	2,000
7615	Toll Road Charges	200	40	50
7620	Insurance Expense			
7640	Utilities - Telephone	10,000	9,614	10,000
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	825	1,000
7671	Miscellaneous Training	3,000		3,000
8810	Capital Acquisition			
	TOTAL Expenditures	482,472	479,772	520,839

2 • See Exhibit E

3 • See Exhibit D

AMP Proceeds Agreement Administration
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		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
4020	Interest Revenue			
4050	O & M Maintenance Deposit			
4230	Reimbursement		12,464	11,622
4680	Miscellaneous Income			
	Prior Year Carryover	21,969	21,969	
	Total Revenue	21,969	34,433	11,622

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin		11,290	3,238
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		3,538	884
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General		19,605	6,000
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8810	Capital Acquisition			
	Total Expenditure	-	34,433	10,122

Exhibit D

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed District Participation Costs Fiscal Year 2021-2022

	Budget FY 2020-2021	Projected FY 2020-2021 Actuals	Budget FY 2021-2022	Approval included in Budget Approval
Required Participation or Service				
LAFCO	\$ 38,431	\$ 35,617	\$ 37,500	√
Subtotal Cost Center 11	\$ 38,431	\$ 35,617	\$ 37,500	
Association of Calif. Water Agencies (ACWA)	\$ 22,691	\$ 22,691	\$ 23,000	√
South OC Watershed Management Area Dues	\$ 10,800	\$ 10,800	\$ 10,800	√
Subtotal Cost Center 12	\$ 33,491	\$ 33,491	\$ 33,800	
Subtotal - Required Participation or Service	\$ 71,922	\$ 69,108	\$ 71,300	
Elective Participation				
Colorado River Water Users Assn. (CRWUA 2-Directors)	\$ 60	\$ 60	\$ 60	√
Orange County Water Association (OCWA 4 Directors)	\$ 280	\$ 70	\$ 280	√
Subtotal Cost Center 11	\$ 340	\$ 130	\$ 340	
Association of California Cities- Orange County (ACCOC)	\$ 5,500	\$ 5,000	\$ 5,100	√
American Water Works Association (AWWA)	\$ 1,800	\$ 1,800	\$ 1,800	√
Association of Metropolitan Water Agencies (AMWA)	\$ -	\$ 21,447	\$ 21,876	√
CA Chamber of Commerce (HR California)	\$ 568	\$ 568	\$ 580	√
CALDESAL	\$ 5,150	\$ 5,000	\$ 5,100	√
California Association of Public Information Officers (CAPIO)	\$ 825	\$ 825	\$ 840	√
California Environmental Literacy Initiative	\$ 2,500	\$ 2,500		√
California Municipal Treasurers Association (CMTA)	\$ 170	\$ 170	\$ 175	√
California Municipal Utilities Association (CMUA)	\$ 4,450	\$ 6,360	\$ 6,480	√
California Society of Municipal Finance Officers (CSMFO)	\$ 120	\$ 120	\$ 120	√
California Special Districts Assn. (CSDA)	\$ 7,996	\$ 7,996	\$ 8,100	√
CA Water Efficiency Partnership (formerly CA Urban Water Cnsrv Cncl)	\$ 6,100	\$ 6,100	\$ 6,100	√
California Water, Energy and Education Alliance (CWEEA)	\$ 2,500	\$ 2,500		√
Colorado River Water Users Assn.	\$ 90	\$ 90	\$ 92	√
Department of Water Resources Education Committee	\$ 2,500	\$ 2,500		√
Government Finance Officers Association (GFOA)	\$ 170	\$ 170	\$ 170	√
Indep. Special Districts of Or. Co. (ISDOC)	\$ 55	\$ 55	\$ 50	√
International Association of Business Communicators (IABC)	\$ 370	\$ 370	\$ 375	√
International Personnel Management Association (IPMA)	\$ 55	\$ 55	\$ 60	√
National Water Resources Assn., Mun. Caucus	\$ 535	\$ 535	\$ 545	√
OC Chapter-Calif. Landscape Contractors Assoc.	\$ 1,835	\$ 1,835	\$ 1,900	√
Orange County Business Council (OC Chamber)	\$ 5,150	\$ 5,150	\$ 5,250	√
Orange County Public Affairs Association (OCPAA)	\$ 615	\$ 615	\$ 625	√
Orange County Water Association (OCWA)	\$ 110	\$ 110	\$ 115	√
Public Relations Society of America/O.C. (PRSA)	\$ 1,600	\$ 1,600	\$ 1,632	√
Society of Human Resources Management (SHRM)	\$ 220	\$ 220	\$ 225	√
Southern California Personnel Management Assoc. (SCPMA)	\$ 60	\$ 60	\$ 60	√
South Orange County Economic Coalition (SOCEC)	\$ 1,600	\$ 1,600	\$ 1,630	√
Southern California Water Committee (SCWC)	\$ 900	\$ 1,000	\$ 1,020	√
Urban Water Institute	\$ 1,300	\$ 1,300	\$ 1,326	√
Water Environment Federation	\$ 55	\$ 55	\$ 55	√
Subtotal Cost Center 12	\$ 54,899	\$ 77,706	\$ 71,401	
Subtotal - Elective Participation	\$ 55,239	\$ 77,836	\$ 71,741	
International Association of Emergency Managers	\$ 380	\$ 420	\$ 460	√
California Emergency Services Association	\$ 225	\$ 390	\$ 390	√
California Utilities Emergency Association	\$ 500			√
WEROC Program Total	1,105	810	850	
GRAND TOTAL - General Fund	\$ 127,161	\$ 146,944	\$ 143,041	

Exhibit E

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Staff Registration & Travel Budget ⁽¹⁾ Fiscal Year 2021-2022

Conference / Meeting	Location/Date/Staff	Registration	Travel ⁽¹⁾	Approval included in	
				Budget	Approval
Association of California Water Agencies (ACWA)	DC Conference, February 2022	\$ 2,200	\$ 5,400		✓
	Fall Conference, Nov. 30 - Dec. 3, 2021, Pasadena, Ca	3,000	1,400		✓
	Spring Conference, May 3-6, 2022, Sacramento, Ca	3,775	5,000		✓
	Region 10, TBD	80			✓
	Legislative Symposium, Sacramento,, March 2022	285	600		✓
Association of California Cities - Orange County (ACCOC)	Sacramento, January 2022	1,600	1,000		✓
	Washington DC, April/May 2022	5,100	3,000		✓
Association of Metropolitan Water Agencies(AMWA)	Misc. Conference TBD	950	1,800		✓
	Water Policy Conference TBD	950	1,800		✓
	Executive Mgmt Conference, Oct. 3-6, 2021, Denver, CO	950	1,800		✓
American Water Works Association (AWWA)					
	Cal Nevada Fall Conference, Oc. 18-21, 2021, Virtual	1,750			✓
	Cal Nevada Section Annual Conference June 2022, TBD	875	1,200		✓
	Sustainable Water Management Feb. 2022, TBD	575	1,600		✓
	North American Water Loss Conf, Dec. 7-9, 2021, Austin Tx	1,200	2,100		✓
California Association of Public Information Officials (CAPIO)	Annual Conference, November 2-5, 2021, Olympic Valley, CA	1,250	2,250		✓
CalDesal	Annual Conference, February, 2022	250	350		✓
California Environmental Literacy Initiative	Sacramento Ca		1,500		✓
California Employees Public Retirement System(CalPERS)	Annual Employer Education Forum, 2022	800	400		✓
California Municipal Utilities Association (CMUA) Capitol Days	Capital Days, Sacramento, January 2022	195	800		✓
California Municipal Utilities Association (CMUA) Annual Conference	Annual Conference, April 3-5, 2022, San Francisco, CA	900	600		✓
Colorado River Water Users Association (CRWUA)	Annual Conference, December 12-15, 2021 - Las Vegas, NV)	1,200	2,400		✓
California Special Districts Association (CSDA)	Legislative Days, Sacramento, May 2022	275	800		✓
	Annual Spring Conference, August 30 - Sept. 2, 2021, Monterey, Ca	500	1,000		✓
California Water Efficiency Partnership (CalWEP) Membership (formerly CUWCC)	Membership Meetings, 1=No. Cal & 2=So. Cal		600		✓
	Board Meetings, 2=No. Cal & 2=So. Cal		450		✓
	Peer to Peer, June 2022, TBD	2,250	2,925		✓
Department of Water Resources Education Committee	Sacramento		3,000		✓
Department of Water Resources (DWR)/State Water Resources Control Board (SWRCB)	Urban Advisory Group Meetings, Sacramento		2,250		✓
Legislative Advocacy	Sacramento		7,500		✓
	Washington DC		3,600		✓
Liebert, Cassidy Whimore	Annual Public Sector Conference, TBD	1,200	600		✓
Multi-State Salinity Coalition	Annual Salinity Summit, May 2022, Las Vegas, NV	300	350		✓
Orange County Business Council (OCBC)	Advocacy, Sacramento, March 2022	1,900	1,000		✓
	Advocacy, DC, May 2022	3,600	1,600		✓
Public Relations Society of America	Annual Conference, Orlando, Florida,	900	3,200		✓
Urban Water Institute	Spring Conference, TBD	2,250	1,950		✓
Miscellaneous*		3,500	4,000		✓
General Fund Total **		\$ 44,560	\$ 69,825		
Conferences/Meetings/Trainings					
International Assoc. of Emergency Managers	Oct. 15-22, 2021, Grand Rapids, MI	\$ 2,400	\$ 350		✓
California Emergency Services Association (Fall)	May 2022, Northern California	1,400	3,200		✓
TEEX Mgt346/Mgt 314 (College Station)	Spring 2022, College Station TX	-	1,200		✓
WEROC Program Total		\$ 3,800	\$ 4,750		
PROPOSED GENERAL FUND BUDGET		\$ 44,560	\$ 69,825		

* 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 2021-2022**

Conference	Location/Date/Directors	Registration	Travel ⁽¹⁾	Approval included in Budget Approval
Association of California Water Agencies (ACWA)	DC Conference, February 2022	\$ 1,100	\$ 2,700	✓
	Fall Conference, Pasadena, Nov. 30 - December 3, 2021	\$ 1,500	\$ 1,500	✓
	Spring Conference, May 3-6, 2022, Sacramento, Ca Region 10, TBD	\$ 2,265	\$ 3,000	✓
(ACCOC)	Sacramento, January 2022	\$ 800	\$ 500	✓
	Washington DC, April/May 2022	\$ 2,550	\$ 1,500	✓
American Water Works Association/Water Environment Federation (AWWA/WEF)	Utility Management Conference, August 3-6, 2021, Atlanta, GA	\$ 875	\$ 1,200	✓
Bond Buyers	Conference, TBD	\$ 300	\$ 200	✓
California Special Districts Association (CSDA)	Legislative Days, Sacramento, May 2022	\$ 275	\$ 800	✓
Colorado River Water Users Association(CRWUA)	Annual Conference, Dec. 12-15, 2021, Las Vegas, NV	\$ 900	\$ 1,800	✓
Orange County Business Council (OCBC)	Advocacy Trip, Sacramento, March 2022	\$ 950	\$ 500	✓
	Advocacy Trip-DC, May 2022	\$ 1,800	\$ 800	✓
Legislative Advocacy	Sacramento		\$ 1,500	✓
Legislative Advocacy	Washington DC		\$ 1,800	✓
Urban Water Institute	Spring Conference	\$ 2,250	\$ 1,950	✓
Miscellaneous*		\$ 1,200	\$ 1,500	✓
TOTAL**		\$ 16,845	\$ 21,250	

PROPOSED GENERAL FUND BUDGET

\$ 16,845	\$ 21,250
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* 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 2021-2022

Conference / Meeting	Membership	Registration	Travel	Total
American Water Works Association (AWWA)	\$ 1,800	\$ 5,275	\$ 6,100	\$ 13,175
Association of California Cities- Orange County (ACCOC)	5,100	10,050	6,000	21,150
Association of Calif. Water Agencies (ACWA)	23,000	14,285	19,600	56,885
Association of Metropolitan Water Agencies (AMWA)	21,876	2,850	5,400	30,126
California Association of Public Information Officers (CAPIO)	840	1,250	2,250	4,340
CalDesal	5,100	250	350	5,700
California Municipal Utilities Association (CMUA)	6,480	1,095	1,400	8,975
California Special Districts Assn. (CSDA)	8,100	1,050	2,600	11,750
California Water Efficiency Partnership	6,100	2,250	3,975	12,325
Colorado River Water Users Assn. (CRWUA)	152	2,100	4,200	6,452
Orange County Business Counsel (OC Chamber)	5,250	8,250	3,900	17,400
Urban Water Institute	1,326	4,500	3,900	9,726
Grand Total for Memberships with Conferences/Travel:	\$ 85,124	\$ 53,205	\$ 59,675	\$ 198,004

(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 2021-2022

	Proposed Budget	Approval included in <u>Budget Approval</u>
Finance - 45-8810:		
Replace End-Of-Life Cisco Voice Gateway router (hardware and software)	\$ 7,500	√
Upgrade backbone Gigabit network switch (hardware)	6,500	√
Upgrade Hyper-V Virtual Host Server (Hardware)	10,000	√
Subtotal Cost Center 45	\$ 24,000	
 Furniture and Fixtures- 19-8810:		
MWDOC Office Improvements (Office Furniture and Copier)	\$ 249,059	√
* Prior Year Projects Carryover from FY2017 through FY2021	\$ (5,803)	√
Subtotal 8810 Improvements	\$ 243,256	
 Building Improvements- 19-8811:		
Eval / Design / Seismic / Construction / HVAC Improvement	\$ 903,089	√
* Prior Year Projects Carryover from FY2017 through FY2021	(461,116)	√
Subtotal 8811 Improvements	441,973	
 New Realized Costs - Cost Center 19	\$ 685,229	

* Prior year projects carryover is the cumulative dollars from prior years that will be applied toward work projected to be completed in FY21-22.

Exhibit J
Professional / Special Services Authorized
Core Fund

Department	Consultant	Service	Budget FY 20-21	Budget FY 21-22	* Approval included in Budget Approval
Engineering Expenses					
Planning & Operation (21)	(To be determined)	Hydraulic Model	130,000		
	(To be determined)	Economic Studies/Reliability Study	135,000	50,000	
	(To be determined)	On Call Work		75,000	
	(To be determined)	EOCF#2 Emergency Pilot		75,000	
Total Planning & Operations Expenses			265,000	200,000	
Met Issues & Special Projects (23)	Ed Means Consulting	Consulting on MET issues	25,000	30,000	√
	(To be determined)	Financial & Rate Consulting		75,000	
	(To be determined)	MET and Reliability Planning (IRP & Delta)	50,000	75,000	
Total MET Issues & Special Projects Expenses			75,000	180,000	
Total Engineering Expenses			340,000	380,000	
Legal Expenses					
Administration (11 & 13)	Best, Best & Krieger	General Legal Counsel Services	185,500	200,000	√
	Aleshire & Wynder	Legal Counsel Services Regarding San Diego CWA	15,000	15,000	√
	Best, Best & Krieger	Labor Counsel Services	10,000	10,000	√
Total Legal Expenses			210,500	225,000	
Audit Expenses					
Finance (41)	Vasquez & Company LLP	Annual Financial Audit and Federal Single Audit	29,725	30,220	√
Training					
Administration (13)	Cal State University Fullerton/Municipal Resources Group/Center for Organization Effectiveness	Staff Development/Technical Training/Leadership Training	62,500	50,000	√
Professional Fees					
Administration (12 & 13 & 19)	Dissinger Associates	Pension Plan Administration	4,000	4,000	√
	IGOE	Cafeteria Plan Administration	2,400	660	√
	Ralph Anderson & Associates	Benchmark Study	36,000		√
	Gladwell Services	Records Management Consulting	1,200	1,200	√
	Health Equity	Health Equity		100	√
Governmental Affairs (31)	BBK Legislation	State Legislative Advocate	96,000	96,000	√
	James C. Barker	Federal Legislative Advocate	96,000	-	√
	Lewis Consulting	County Issues Consulting	42,000	42,000	√
	Soto Services	Grant Research and Acquisition Assistance	36,000	39,000	√
	Ackerman	Legal and Regulatory	36,000	36,000	√
	Natural Resource Results	Federal Legislative Advocate		96,000	√
Public Affairs (32)	Stetson Engineers	Consumer Confidence Report (CCR) Technical Water Quality Advisor	41,852	43,449	√
	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	12,500	12,500	
	Hashtag Pinpoint	Strategic Digital Outreach Contract	95,000	95,000	√
	(To be determined)	CA Water, Energy & Education Alliance	5,000	5,000	
	(To be determined)	Client Agency Workshops for PAW	4,000		
	(To be determined)	Wyland Mayors Challenge	10,000	10,000	
	PSAV	Special Events AV Support	20,000	20,000	√
	(To be determined)	Advertising	20,000	20,000	
WUE - Core (35)	(To be determined)	Environmental Literacy Initiative	20,000	25,000	
	(To be determined)	Scouts Program	7,500	7,500	
	(To be determined)	General WUE Research	75,000	75,000	
	Blue Watchdog Conservation, Inc	Landscape Education - QWEL License	500		√
	Water Systems Optimization	Water Loss Control Work Grp (WLC)	55,000	55,000	√
Finance & IT (41 & 45)	Water Systems Optimization	WLC Business Plan Implementation	25,000	25,000	√
	(To be determined)	Water Conservation Potential Study		100,000	
	SAWPA	Aerial Imagery and Landscape Measurement Project	100,000		√
	U.S. Bank	Custodial Bank fees	6,500	6,500	√
Finance & IT (41 & 45)	CalPERS	CalPERS GASB 68 Report		700	√
	Davis Farr	Financial Consulting	20,000	15,000	√
	Demsey Filliger & Assoc., LLC	OPEB Actuarial	3,750	750	√
	Raffelis	Rate Study	82,500		√
Total Professional Fees			988,202	865,859	

* 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 20-21	Budget FY 21-22	* Approval included in Budget Approval
Training					
Water Loss Control (70)	(To be determined)	Water Balance Validation Certification	2,000	2,000	
Professional Fees					
Water Loss Control (70)	Westerley & McCall's	Meter Accuracy Testing	62,801	65,000	√
Water Use Efficiency (62)	Various Printers	Printing of marketing materials for all WUE programs	40,000	40,000	√
	Droplet	Web Based Rebate Processing Platform (Turf & Drip)	45,072	30,000	√
	Droplet	E-Signature Rebate Processing	7,500	7,100	√
	Mission Resource Cnsvr District	Residential Installation Verification Inspections	35,000	50,000	√
School Program (63)	Discovery Cube/Shows That	Assemblies (Elementary School)	285,123	290,807	√
	Bolsa Chica Conservancy	Assemblies (High School)	64,800	66,142	√
	Discovery Cube	Assemblies (Middle School)	44,840	45,709	√
Total Professional Fees			585,136	594,758	

* 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 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		(4,881,259)				(4,881,259)		(4,881,259)
Retail Meter Charge	7,837,792					7,837,792		7,837,792
Ground Water Customer Charge	595,323					595,323		595,323
Water Increment Charge	-	22,000				-		-
Interest Revenue	458,000					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				-		-		-
Choice Revenue	1,630,995					1,630,995		1,630,995
Miscellaneous Income	3,000					3,000		3,000
Total Revenues	10,525,111	224,219,893	1,579,934	482,472	-	236,807,409	(241,236)	236,566,173
Expenses:								
Water Purchases		224,197,893				224,197,893		224,197,893
Salaries & Wages	4,152,075			318,348	-	4,470,423		4,470,423
less S & W Reimb. DSC or Recov from Grants	-					-		-
Employee Benefits	1,542,385			105,792	-	1,648,177		1,648,177
Engineering Expense	340,000					340,000		340,000
Professional Fees	1,581,338		1,579,934	-		3,161,272		3,161,272
Contribution to Election Reserve	-					-		-
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	127,161			1,105		128,266		128,266
Director Compensation	258,909					258,909		258,909
MWDOC Contribution to WEROC Operations	241,236					241,236	(241,236)	-
MWDOC Contribution to WEROC Capital Improv	-					-		-
Others:								
MWD Representation	157,070					157,070		157,070
Director Benefits	101,971					101,971		101,971
Health Insurance Coverage for Retirees	87,449					87,449		87,449
Audit Expense	29,725					29,725		29,725
Automotive & Toll Road Expenses	28,650			3,200		31,850		31,850
Conference Expense - Staff	26,515			3,800		30,315		30,315
Conference Expense - Directors	18,695					18,695		18,695
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
Rentals & 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	62,495			4,750		67,245		67,245
Travel & Accommodations - Directors	24,900					24,900		24,900
Depreciation Expense (annualized)	-					-		-
Overhead Expenses billed to AMP and WFC	-					-		-
Overhead Reimbursement	-					-		-
MWDOC Building Expense	-					-		-
MWDOC Contribution to Operating Reserves	726,883			-		726,883		726,883
Capital Acquisition	79,200			-		79,200		79,200
All Other Expenses	1,912,501			53,327		1,965,828		1,965,828
Total Expenses	10,622,524	224,197,893	1,579,934	482,472	-	236,882,823	(241,236)	236,641,588
EFFECT ON RESERVES / FUND BALANCE	\$ (97,413)	\$ 22,000	(2)	\$ -	\$ -	\$ (75,414)	\$ -	\$ (75,415)

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 2021-2022 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		\$ 175,452,389				\$ 175,452,389		\$ 175,452,389
Local Resource Program Incentives		(4,136,088)				(4,136,088)		(4,136,088)
Retail Meter Charge	8,100,086					8,100,086		8,100,086
Ground Water Customer Charge	572,216					572,216		572,216
Water Increment Charge	-					-		-
Interest Revenue	220,000	10,500				230,500		230,500
MWDOC's Contribution	-		2,618,752	260,420		260,420	(260,420)	-
Outside Fundings	-			260,364	11,622	2,890,738		2,890,738
Carryover Funds				-				
Choice Revenue	1,619,511					1,619,511		1,619,511
Miscellaneous Income	3,000					3,000		3,000
Total Revenues	10,514,814	171,326,801	2,618,752	520,784	11,622	184,992,772	(260,420)	184,732,353
Expenses:								
Water Purchases		171,316,301				171,316,301		171,316,301
Salaries & Wages	4,136,794			350,504	3,238	4,490,536		4,490,536
less S & W Reimb. DSC or Recov from Grants	(18,665)			(11,750)		(30,415)		(30,415)
Employee Benefits	1,561,043			125,875	884	1,687,802		1,687,802
Engineering Expense	380,000					380,000		380,000
Professional Fees	1,460,617			-		4,079,369		4,079,369
Contribution to Election Reserve			2,618,752			-		-
Legal Expense - General	225,000			-	6,000	231,000		231,000
Maintenance Expense	168,400			3,700		172,100		172,100
Insurance Expense	130,000			-		130,000		130,000
Membership / Sponsorship	143,041			850		143,891		143,891
Director Compensation	288,800					288,800		288,800
MWDOC Contribution to WEROC Operations	260,420					260,420	(260,420)	-
MWDOC Contribution to WEROC Capital Improv						-		-
Others:								
MWD Representation	165,029					165,029		165,029
Director Benefits	128,022					128,022		128,022
Health Insurance Coverage for Retirees	101,099					101,099		101,099
Audit Expense	30,220					30,220		30,220
Automotive & Toll Road Expenses	23,050			2,050		25,100		25,100
Conference Expense - Staff	44,560			3,800		48,360		48,360
Conference Expense - Directors	16,845					16,845		16,845
CDR Participation	65,249					65,249		65,249
Business Expense	2,500					2,500		2,500
Miscellaneous Expense	88,381			6,000		94,381		94,381
Postage / Mail Delivery	9,000					9,000		9,000
Rents & Leases	1,800					1,800		1,800
Outside Printing, Subscription & Books	83,700			1,000		84,700		84,700
Office Supplies	39,000			1,500		40,500		40,500
Computer Maintenance	8,000			5,060		13,060		13,060
Software Support & Expense	84,680			9,300		93,980		93,980
Computers and Equipment	23,450					23,450		23,450
Telecommunications Expense	42,840			10,000		52,840		52,840
Temporary Help Expense	5,000					5,000		5,000
Training Expense	52,000			8,200		60,200		60,200
Tuition Reimbursement	5,000					5,000		5,000
Travel & Accommodations - Staff	69,825			4,750		74,575		74,575
Travel & Accommodations - Directors	21,250					21,250		21,250
Depreciation Expense (annualized)	-					-		-
Overhead Expenses billed to AMP and WFC	-					-		-
Overhead Reimbursement	-					-		-
MWDOC Building Expense	441,973					441,973		441,973
Contribution to Operating Reserves								
Capital Acquisition	267,256			-		267,256		267,256
All Other Expenses	1,819,729			51,660		1,871,389		1,871,389
Total Expenses	10,555,178	171,316,301	2,618,752	520,839	10,122	185,021,193	(260,420)	184,760,773
EFFECT ON RESERVES / FUND BALANCE	\$ (40,364)	\$ 10,500	(2)	\$ (55)	\$ 1,500	\$ (28,421)	\$ -	\$ (28,420)

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



DISCUSSION ITEM

March 10, 2021

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

FROM: Robert Hunter, General Manager

Staff Contact: Harvey De La Torre
Hilary Chumpitazi

SUBJECT: UPDATE ON MWDOC'S 2021 RATE STUDY

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee discuss and file this report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

MWDOC is in the process of conducting a Rate Study to be applied to this year's FY2021-22 District Budget. The 2021 Rate Study will include rate model options as well as a recommended rate structure & methodology. While satisfying future revenue requirements and meeting State law requirements, the recommended rate structure is intended to balance revenue stability, financial resiliency, and equity among member agencies. The guiding principles of the 2021 Rate Study remain legal compliance, fairness/equity, and revenue stability. Raftelis Financial Consultants, Inc. (Raftelis) will provide updates at the Administration & Finance (A&F) Committee meetings during the 2021 Rate Study process.

At this March 10 A&F Committee meeting, Raftelis will present on the following:

- Review of process and schedule for the 2021 Rate Study
- Recap of feedback received thus far
- Review of the MWDOC Core Charge approximations
- Discussion & Feedback
- Next Steps

Budgeted (Y/N): Yes	Budgeted amount: \$82,500	Core <u> X </u>	Choice <u> </u>
Action item amount: None		Line item: 7040-2000-41	
Fiscal Impact (explain if unbudgeted): Not applicable			

One of MWDOC's primary directives for the 2021 Rate Study is to ensure that stakeholders have an opportunity to participate in the development of the new rate structure. As part of the 2021 Rate Study process, MWDOC and Raftelis will utilize a combination of meetings with facilitated discussions, the use of survey instruments, and receipt of letters to offer ample opportunity for input by all key stakeholders.

At the February 10 A&F Committee, Raftelis presented the following rate structure alternatives for MWDOC's two customer classes, using the current MWDOC FY 2020-21 Budget:

- Groundwater Customer Class
 - Equally distribution of cost centers to all member agencies (1/26th of all cost centers; excluding WEROC)
 - Groundwater customer class is allocated 4/29th of all cost centers
 - Current Method - Cost centers 21 and 23 based on 10-year historical average volumetric use from FY 2010-11 to FY 2019-20; all other cost centers equally distributed 1/26th of all cost centers; excluding WEROC
- Retail Agency Customer Class
 - Number of meters
 - Number of hydraulically equivalent meters
 - 10-year historical average volumetric use from FY 2010-11 to FY 2019-20
 - Population

On February 18, Raftelis facilitated the third Member Agency discussion on the 2021 Rate Study. From this meeting, the following feedback was received for the two customer class rate structures:

- Groundwater Customer Class
 - Proposer of the 4/29th groundwater class allocation suggested it be dropped out of consideration
 - No objection from the other Member Agencies
 - Sixteen agencies voiced strong support/acceptance for allocating 1/26th of all cost centers to the groundwater class
 - Participants stated it makes the most sense, is reasonable, and equitable
 - No agency voiced concern of increased charges due to the GW class paying the 1/26th
- Retail Agency Customer Class

There was no interest in a charge with two components: 1) fixed charge in proportion to number of retail meters and 2) a charge in proportion to volumetric use

 - Several reaffirmed their previous statements - they find no nexus with volumetric sales to MWDOC's core services
 - Most agencies stated support for the current method - retail meter charge assessed on the number of retail meters

Based on this feedback and analysis, the rate study is likely to recommend MWDOC assess:

- 1/26th of all cost centers allocated to the groundwater class; and
- Retail service charge based on each retail agency's number of meters

A recommendation for Board action will be brought to the A&F Committee meeting on April 14.

At today's meeting, we are seeking feedback on these potential recommendations and see if there is any other information needed prior to taking action.

Recap of Schedule

As a reminder, MWDOC intends to implement the results of the 2021 Rate Study into the District's FY2021-2022 Budget process. Based on the A&F Committee feedback, MWDOC staff plans to incorporate the rate structure changes to the 3rd MWDOC Draft Budget with Board approval of the final budget and rates anticipated in April 2021.

Below is the current schedule for engagement for both Member Agency and MWDOC Board/Committee meetings. The number of meetings will largely be determined by continued progress and additional feedback.

Date	Meeting Type / Attendees	Goal / Topic
Jan 14	Member Agency "Kick-off" Meeting	Introduce study and process / Rate setting principles / Discussion & input
Jan 21	Member Agency Meeting	Review survey results / Discussion & input
Feb 10	Admin & Finance Committee	Introduce study / Rate setting principles / Discussion / Show charges for top 4 rate structures
Feb 18	Member Agency Meeting	Discussion & input on alternative rates, show charges for top 4 rate structures
March 10	Admin & Finance Committee	Update A & F
March 18	Member Agency Meeting	Rate Structure MA Consensus
April 14	Admin & Finance Committee	Action on the recommended rate structure
April 21	MWDOC Board Meeting	Board Adopts Rates & Charges for FY2021-22

Attachment: Raftelis Presentation - MWDOC FY 2021 Rate Study (3/10/2021)



MWDOC Rate Study

A&F Committee Meeting

March 10, 2021

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Agenda

1. Schedule
2. What We Heard at the MA Meeting
3. Charges
4. Discussion & Feedback

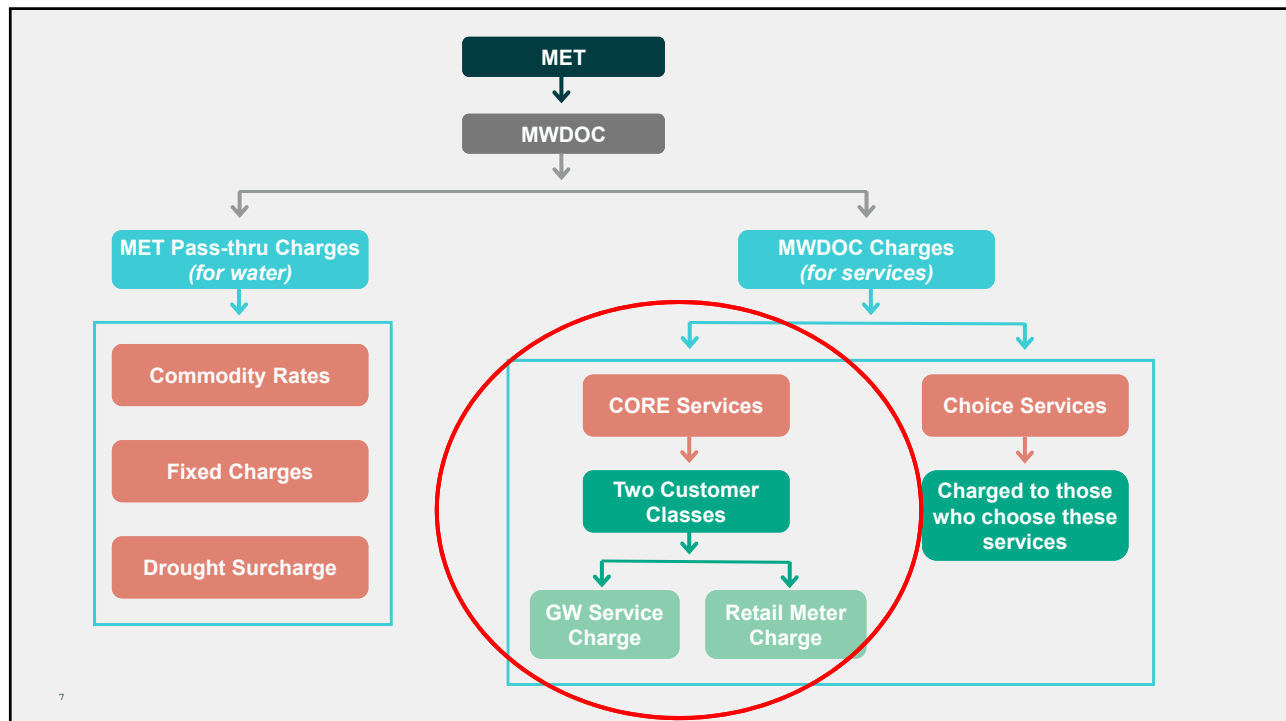
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MWDOC FY 2021 Rate Study – Meeting Schedule

Additional Meetings may be required depending on progress/feedback

Date	Meeting Type / Attendees	Goal / Topic
Jan 14	Member Agency Kick-off Meeting	Introduce study and process / Rate setting principles / Discussion & input
Jan 21	Member Agency Meeting	Review survey results / Discussion & input
Feb 10	Admin & Finance Committee	Introduce study / Rate setting principles / Discussion / Show charges for top 4 rate structures
Feb 18	Member Agency Meeting	Discussion & input on alternative rates, show charges for top 4 rate structures
March 10	Admin & Finance Committee	Update A & F
March 18	Member Agency Meeting	Rate Structure MA Consensus
April 14	Admin & Finance Committee	Consensus on recommended rate structure
April 21	Board Meeting to adopt rates	Board selects rates

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Prior MWD OC Rate Methodology

STEP 1

Determine GW Customer class costs (for Core services)

- OCWD is charged for cost centers 21 and 23 (Planning and Resource Development, Met Issues and Special Projects) by 10-year historical water use (10.8%)
- Remaining cost centers are equally divided (1/26) among OCWD and the remaining agencies (excluding WEROC)

STEP 2

Allocate remaining core cost to retail agencies based on number of meters

WEROC = Water Emergency Response of Orange County

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Feb 18th MA Meeting



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MWDOC Core Charges using FYE 2021 Budget

Step 1: GW Customer Class	Cost Centers are Equally Distributed ¹ (1/26 th of all cost centers)	GW Class is allocated 4/29 th of all cost centers	Current Method (Cost centers 21, 23 Volume ² , all other cost centers 1 / 26 th ³)			
	\$X	\$Y	\$Z			
Step 2: Retail Agencies	No. of Meters			No. of Hydraulically Equivalent Meters		
	10-Year Historical Average Volumetric Use up to FYE 2020			Population		
	1 / 26 th GW Allocation	4/29 th Current GW Allocation	1 / 26 th GW Allocation	4/29 th Current GW Allocation	1 / 26 th GW Allocation	4/29 th Current GW Allocation
Member Agency 1	\$	\$	\$	\$	\$	\$
through	\$	\$	\$	\$	\$	\$
Member Agency 25	\$	\$	\$	\$	\$	\$

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What We Heard

- The agency that suggested the 4/29th method of groundwater class allocation asked to remove it from consideration. There were no objections.
- There was no interest in a charge with two components: 1) fixed charge in proportion to number of retail meters and 2) a charge in proportion to volumetric use
 - › Several reaffirmed what we heard before – there is no nexus to MWDOC's core services
- 16 out of 26 agencies voiced strong support/acceptance for allocating 1/26th of all cost centers to the groundwater class
 - › Participants said this method was the most sensible, reasonable, and equitable
- Many agencies also supported the retail meter charge
- No agency voiced concern about the changes in the charges that would occur with the 1/26th method for groundwater, with a retail allocation based on meters

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FY 2021 MWDOC Rate Study - Charges



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FYE 2021 MWDOC Charges

- Following slide shows the charges using the **FYE 2021 expense budget**
- Next year, MWDOC will use the **FYE 2022 expense budget** to set charges based on the chosen methodology

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GW Class Pays 1/26th

FYE 2021 Core Service Cost Allocation	Retail Allocation: Meters		Retail Allocation: Equivalent Meters*		Retail Allocation: 10-Yr Avg. Water Use		Retail Allocation: Population	
Member Agency	\$ Allocation	% Allocation	\$ Allocation	% Allocation	\$ Allocation	% Allocation	\$ Allocation	% Allocation
Brea, City of	\$173,420	2.1%	\$409,600	4.9%	\$102,773	1.2%	\$157,032	1.9%
Buena Park, City of	\$243,273	2.9%	\$217,006	2.6%	\$189,734	2.2%	\$284,225	3.4%
East Orange County Water District	\$262,341	3.1%	\$171,462	2.0%	\$150,137	1.8%	\$229,281	2.7%
El Toro Water District	\$121,030	1.4%	\$117,085	1.4%	\$385,542	4.6%	\$166,021	2.0%
Fountain Valley, City of	\$212,857	2.5%	\$273,020	3.2%	\$133,214	1.6%	\$196,639	2.3%
Garden Grove, City of	\$425,992	5.1%	\$349,326	4.1%	\$358,894	4.3%	\$612,074	7.3%
Golden State Water Company	\$532,137	6.3%	\$397,738	4.7%	\$367,789	4.4%	\$582,526	6.9%
Huntington Beach, City of	\$696,938	8.3%	\$623,129	7.4%	\$466,302	5.5%	\$697,637	8.3%
Irvine Ranch Water District	\$1,429,119	16.9%	\$1,680,138	19.9%	\$975,116	11.6%	\$1,461,018	17.3%
La Habra, City of	\$183,933	2.2%	\$149,060	1.8%	\$24,088	0.3%	\$214,575	2.5%
La Palma, City of	\$55,220	0.7%	\$51,264	0.6%	\$23,546	0.3%	\$53,943	0.6%
Laguna Beach County Water District	\$110,036	1.3%	\$84,188	1.0%	\$141,700	1.7%	\$67,460	0.8%
Mesa Water District	\$305,746	3.6%	\$475,606	5.6%	\$101,348	1.2%	\$390,302	4.6%
Moulton Niguel Water District	\$665,967	7.9%	\$608,332	7.2%	\$1,226,555	14.5%	\$589,900	7.0%
Newport Beach, City of	\$346,511	4.1%	\$292,291	3.5%	\$225,832	2.7%	\$209,062	2.5%
Orange, City of	\$416,958	4.9%	\$403,978	4.8%	\$373,380	4.4%	\$481,644	5.7%
Orange County Water District	\$315,072	3.7%	\$315,072	3.7%	\$315,072	3.7%	\$315,072	3.7%
San Clemente, City of	\$221,374	2.6%	\$255,279	3.0%	\$371,199	4.4%	\$176,950	2.1%
San Juan Capistrano, City of	\$146,479	1.7%	\$130,975	1.6%	\$243,095	2.9%	\$132,720	1.6%
Santa Margarita Water District	\$687,891	8.2%	\$561,592	6.7%	\$1,180,971	14.0%	\$558,811	6.6%
Seal Beach, City of	\$67,793	0.8%	\$92,149	1.1%	\$55,765	0.7%	\$83,165	1.0%
Serrano Water District	\$28,697	0.3%	\$13,397	0.2%	\$67,291	0.8%	\$21,702	0.3%
South Coast Water District	\$154,377	1.8%	\$144,120	1.7%	\$250,970	3.0%	\$118,620	1.4%
Trabuco Canyon Water District	\$51,505	0.6%	\$39,296	0.5%	\$117,997	1.4%	\$44,774	0.5%
Westminster, City of	\$258,752	3.1%	\$250,897	3.0%	\$165,493	2.0%	\$325,964	3.9%
Yorba Linda Water District	\$319,697	3.8%	\$327,116	3.9%	\$419,313	5.0%	\$261,996	3.1%
Total	\$8,433,115	100.0%	\$8,433,115	100.0%	\$8,433,115	100.0%	\$8,433,115	100.0%

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* Draft and subject to change

MWDOC Assessment: Charging GW Class 1/26th of All Cost Centers is Reasonable

- MWDOC conducted an internal assessment of staff-time and effort for the GW class (OCWD) compared to other agencies
 - Utilized a qualitative and quantitative cost center analysis
- Conclusion: **Overall**, staff-time and effort is about average; i.e. staff-time & effort is no more or less than other agencies; therefore, it is reasonable to charge 1/26th

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GW Class Pays Based on Current Method¹

FYE 2021 Core Service Cost Allocation	Retail Allocation: Meters		Retail Allocation: Equivalent Meters*		Retail Allocation: 10-Yr Avg. Water Use		Retail Allocation: Population	
Member Agency	\$ Allocation	% Allocation	\$ Allocation	% Allocation	\$ Allocation	% Allocation	\$ Allocation	% Allocation
Brea, City of	\$167,714	2.0%	\$396,124	4.7%	\$99,391	1.2%	\$151,866	1.8%
Buena Park, City of	\$235,269	2.8%	\$209,866	2.5%	\$183,492	2.2%	\$274,874	3.3%
East Orange County Water District	\$253,709	3.0%	\$165,821	2.0%	\$145,197	1.7%	\$221,738	2.6%
El Toro Water District	\$117,048	1.4%	\$113,233	1.3%	\$372,857	4.4%	\$160,559	1.9%
Fountain Valley, City of	\$205,854	2.4%	\$264,038	3.1%	\$128,831	1.5%	\$190,170	2.3%
Garden Grove, City of	\$411,977	4.9%	\$337,833	4.0%	\$347,086	4.1%	\$591,936	7.0%
Golden State Water Company	\$514,629	6.1%	\$384,652	4.6%	\$355,688	4.2%	\$563,361	6.7%
Huntington Beach, City of	\$674,008	8.0%	\$602,627	7.1%	\$450,960	5.3%	\$674,684	8.0%
Irvine Ranch Water District	\$1,382,100	16.4%	\$1,624,859	19.3%	\$943,033	11.2%	\$1,412,949	16.8%
La Habra, City of	\$177,881	2.1%	\$144,156	1.7%	\$23,295	0.3%	\$207,515	2.5%
La Palma, City of	\$53,404	0.6%	\$49,577	0.6%	\$22,771	0.3%	\$52,168	0.6%
Laguna Beach County Water District	\$106,416	1.3%	\$81,418	1.0%	\$137,038	1.6%	\$65,241	0.8%
Mesa Water District	\$295,687	3.5%	\$459,958	5.5%	\$98,013	1.2%	\$377,461	4.5%
Moulton Niguel Water District	\$644,056	7.6%	\$588,317	7.0%	\$1,186,201	14.1%	\$570,492	6.8%
Newport Beach, City of	\$335,110	4.0%	\$282,674	3.4%	\$218,402	2.6%	\$202,184	2.4%
Orange, City of	\$403,239	4.8%	\$390,686	4.6%	\$361,095	4.3%	\$465,798	5.5%
Orange County Water District	\$582,164	6.9%	\$582,164	6.9%	\$582,164	6.9%	\$582,164	6.9%
San Clemente, City of	\$214,091	2.5%	\$246,880	2.9%	\$358,986	4.3%	\$171,128	2.0%
San Juan Capistrano, City of	\$141,660	1.7%	\$126,666	1.5%	\$235,097	2.8%	\$128,354	1.5%
Santa Margarita Water District	\$665,259	7.9%	\$543,115	6.4%	\$1,142,116	13.5%	\$540,425	6.4%
Seal Beach, City of	\$65,563	0.8%	\$89,117	1.1%	\$53,931	0.6%	\$80,428	1.0%
Serrano Water District	\$27,753	0.3%	\$12,956	0.2%	\$65,077	0.8%	\$20,988	0.2%
South Coast Water District	\$149,298	1.8%	\$139,379	1.7%	\$242,713	2.9%	\$114,718	1.4%
Trabuco Canyon Water District	\$49,811	0.6%	\$38,004	0.5%	\$114,115	1.4%	\$43,301	0.5%
Westminster, City of	\$250,239	3.0%	\$242,642	2.9%	\$160,048	1.9%	\$315,239	3.7%
Yorba Linda Water District	\$309,178	3.7%	\$316,354	3.8%	\$405,517	4.8%	\$253,376	3.0%
Total	\$8,433,115	100.0%	\$8,433,115	100.0%	\$8,433,115	100.0%	\$8,433,115	100.0%

¹Current GW allocation: Cost Centers 21 & 23 based on 10-year average water use; all other cost centers (excluding WEROC) equal to 1/26 of total

¹³ * Draft and subject to change

Comparing Two Approaches for the GW Class (FYE 2021): 1/26th vs Current Method

FYE 2021 Core Service Cost Allocation	GW Allocation: 1/26th Retail Allocation: Meters	GW Allocation: Current Retail Allocation: Meters	\$ Difference
Brea, City of	\$173,420	\$167,714	\$5,706
Buena Park, City of	\$243,273	\$235,269	\$8,004
East Orange County Water District	\$262,341	\$253,709	\$8,632
El Toro Water District	\$121,030	\$117,048	\$3,982
Fountain Valley, City of	\$212,857	\$205,854	\$7,003
Garden Grove, City of	\$425,992	\$411,977	\$14,015
Golden State Water Company	\$532,137	\$514,629	\$17,508
Huntington Beach, City of	\$696,938	\$674,008	\$22,930
Irvine Ranch Water District	\$1,429,119	\$1,382,100	\$47,019
La Habra, City of	\$183,933	\$177,881	\$6,052
La Palma, City of	\$55,220	\$53,404	\$1,816
Laguna Beach County Water District	\$110,036	\$106,416	\$3,620
Mesa Water District	\$305,746	\$295,687	\$10,059
Moulton Niguel Water District	\$665,967	\$644,056	\$21,911
Newport Beach, City of	\$346,511	\$335,110	\$11,401
Orange, City of	\$416,958	\$403,239	\$13,719
Orange County Water District	\$315,072	\$582,164	(\$267,092)
San Clemente, City of	\$221,374	\$214,091	\$7,283
San Juan Capistrano, City of	\$146,479	\$141,660	\$4,819
Santa Margarita Water District	\$687,891	\$665,259	\$22,632
Seal Beach, City of	\$67,793	\$65,563	\$2,230
Serrano Water District	\$28,697	\$27,753	\$944
South Coast Water District	\$154,377	\$149,298	\$5,079
Trabuco Canyon Water District	\$51,505	\$49,811	\$1,694
Westminster, City of	\$258,752	\$250,239	\$8,513
Yorba Linda Water District	\$319,697	\$309,178	\$10,519
Total	\$8,433,115	\$8,433,115	\$0

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Discussion & Feedback

- Based on Member Agency feedback, the rate study recommendation will likely be:
 - › Groundwater charge: 1/26th of all cost centers
 - › Retail service charge based on number of meters
- Is there additional information the committee needs before it takes action on the recommendation at the April 14 A&F Committee meeting?

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Thank you!

Contact:

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Melissa Elliott
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DISCUSSION ITEM

March 10, 2021

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

FROM: Robert Hunter, General Manager

Staff Contact: Cathleen Harris

SUBJECT: REVIEW OF DISTRICT'S AUTO ALLOWANCE POLICY

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee review, discuss and direct staff, as appropriate.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

This item is being presented for discussion at the request of Director Dick. The last revision to this Policy was in 2014, concurrently with revisions to the Personnel Manual. At that time the following changes were made to the Auto Allowance Policy:

- **Operating Rules for Automobile Allowance**
 - Revised language to state that an employee receiving an auto allowance must provide a car that is in excellent condition, in lieu of 6 years old
 - Deleted Associate GM from the listed positions in the Personnel Manual
 - Revised language to state that payment of auto allowance is subject to review during the compensation and benchmark study or at the Board's discretion
 - Legal Counsel added language outlining process for using private auto for District business

Below for review and discussion is the current section of the Auto Allowance Policy as outlined in Section 3508 of the Personnel Manual.

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

3508 AUTOMOBILE ALLOWANCES

The General Manager and Assistant General Manager receive an automobile allowance in an amount established by resolution of the Board of Directors. The payment of automobile allowance is subject to review during the Total Benchmark and Compensation Study or at the Board's discretion.

3508.1 Exceptions

The General Manager may authorize exceptions to any of the provisions herein set forth and shall give written notification to the Administration & Finance Committee of such exception within 30 days of the date such exception is authorized. All exceptions shall be reviewed by the General Manager annually to determine whether continuation of such exception is justified.

3508.2 Implementation

The provisions of this policy will be implemented and administered by the General Manager. Annually, the General Manager shall conduct a review of automobile allowances to assure that continuation is justified. During this review, the following should be considered: employee's duties and responsibilities, including "on-call" duties, type of vehicle, classification, location of employee's residence and work station, justification for allowance and average monthly business mileage.

New requests for automobile allowance shall be made through the annual budget process and may be made from time to time as necessary throughout the year following the above review procedures. Requests may be made during the year when required by circumstances. All requests made as the result of the creation of a new position within the District are subject to the approval of the Administration & Finance Committee of the Board.

The General Manager shall submit an annual report to the Administration & Finance Committee listing employees receiving a vehicle allowance for use of privately-owned vehicles as defined in the Operating Rules for Automobile Allowance Section of this policy, and a listing of exceptions to the provisions of this policy authorized under the Exceptions Section of this policy.

The General Manager may authorize the payment of an automobile allowance to others in an amount not to exceed that established by resolution of the Board of Directors for executive use, when the interest of the District would best be served by paying an allowance rather than mileage; providing, however the following criteria are met:

1. Nature of Job Classification: Employee has specific job duties requiring the performance of official District business outside of regular working hours on a recurring basis and who meet the following criteria:
 - a) On-call availability;
 - b) Frequent attendance at conferences, seminars, meetings, and community affairs (after normal working hours);
 - c) Frequent participation in public affairs activities, such speaking

- engagements (after normal working hours);
- d) Regular and frequent travel during working hours.

2. Nature of Work Activity: An automobile allowance may be offered to other management personnel for two-year renewable periods upon a review of the individual personnel requirements for an allowance based upon the criteria indicated in Section (1). This review shall be performed and documented by the Department Manager and approval of an assignment for automobile allowance shall be made only by the General Manager. The assignment shall be effective for a maximum period of two-years and shall be reviewed at that time to determine continued justification.

3508.3 Operating Rules for Automobile Allowance

1. Automobile allowance may only be provided to appropriate management positions as defined above.
2. An employee receiving an Automobile Allowance must provide a car which is in appropriate condition, well maintained, and capable of comfortably accommodating four adults.
3. Employees receiving an Automobile Allowance must maintain insurance to cover their normal private use of the vehicle (pursuant to Insurance Requirements outlined in this section).
4. The Automobile Allowance will be provided coinciding with the first pay period of the month following the month of use.
5. An employee receiving an Automobile Allowance is expected to use his or her personal automobile on all required District business.
6. An employee receiving an Automobile Allowance shall not be entitled to receive any additional remuneration for the cost of gasoline, repairs or maintenance on his/her vehicle. Mileage expense claims of any type are prohibited.

3508.4 Insurance requirements

Employees who are paid an automobile allowance or mileage reimbursement for use of privately-owned automobile for District business, shall possess and maintain insurance on such automobile with liability coverage acceptable to the District. Each employee shall provide private automobile insurance information, which shall be maintained by the Human Resources Department and shall be reviewed and updated annually. The record maintained shall contain the following current information: Name of employee, insurance company, policy number, description of coverage, and license number and expiration date.

The provision of the Automobile Allowance is and shall remain at the discretion of the District.



DISCUSSION ITEM

March 10, 2021

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

FROM: **Robert Hunter, General Manager**

Staff Contact: Maribeth Goldsby, Board Secretary

**SUBJECT: REVIEW OF REQUIREMENTS FOR CSDA'S DISTRICT OF DISTINCTION
AWARD (VARIOUS LEVELS)**

STAFF RECOMMENDATION

Staff recommends the Board of Directors: Review, discuss the information presented, and provide direction to staff.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Since 2014, MWDOC has been the recipient of both the Transparency of Excellence and District of Distinction Awards through the California Special Districts Association's (CSDA) Special District Leadership Foundation, however this report will focus on the District of Distinction Award.

To meet the criteria for the District of Distinction Award, MWDOC's Board and General Manager must maintain educational requirements, additionally the District must also complete a rigorous application process which includes website posting requirements, public information requirements, and other requirements which staff completes.

Subsequent to MWDOC's original application in 2014, CSDA has added several more levels for the District of Distinction Award. In June 2020, staff was asked to research the various levels of awards, and reported at the July Executive Committee the four levels as follows:

- Base Level (MWDOC's current level)
- Silver Level
- Gold Level
- Platinum Level

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

In order to move into higher award levels, there are more rigorous education/certification requirements of the Board and General Manager. This includes attending courses through CSDA's Governance Foundations, Community Leadership, Human Resources, and Finance/Accounting programs, plus 10-hours of continuing education. Of note, our Ethics and Harassment Prevention trainings may be applied to the 10-hours of continuing education, potentially bringing the additional hours down to six.

In February, the Executive Committee asked staff to present the Administration & Finance Committee with an outline of the educational requirements and approximate cost for various award levels, as outlined below:

Base Level – Our current award. In addition to the web posting requirements, the Board educational requirements include a six-hour Governance Training, along with Harassment Prevention and Ethics Training. The Governance Training is a one-time attendance. This award is renewed every two years. Directors Seckel and Nederhood will need to complete this training (cost is estimated to be \$350 (\$175 each) for them to attend a Governance Module (virtually).

Silver Level – In addition to the requirements under the Base Level, a majority of the Board (4) must get certified in Special District Governance, which includes completion of the Special District Leadership Academy four courses: Governance Foundations, Setting Direction/Community Leadership, Board's Role in Human Resources and Board's Role in Finance and Fiscal Accountability. The Board members who are certified must also complete the 10 hours of continuing education as noted above. Estimated costs are outlined below.

Gold Level – The Gold level requires that all members of the Board, plus the General Manager get certified in Special District Governance as outlined above, plus the 10 hours of continuing education. Estimated costs are outlined below.

Platinum Level – In addition to the Special District Governance certification by all members of the Board and the General Manager (plus the 10 hours of continuing education), the General Manager must also get certified (through CSDA) as a Special District Manager which is a two-hour exam covering key aspects of special district management (governance, legal requirements, policy development, ethics in public service, strategic planning, public & customer relations, organization, budget and finance, personnel and supervision). The cost for the exam will be approximately \$400.

If the Board is interested in receiving the higher award levels, the following education opportunities are available:

- Special District Leadership Academy Conference (September 26-29, 2021) in South Lake Tahoe. Cost: \$650, plus hotel and travel expenses; **OR**
- Attend each of the following (at a cost of \$175 per person, per Module):
 - SDLA Module 1: Governance Foundations, 1:00-4:00 PM, March 24-25, 2021 (must attend both days)
 - SDLA Module 2: Setting Direction, 9:00-12:00 PM, April 12-13, 2021 (must attend both days)
 - SDLA Module 3: Board's Role in Finance, 9:00-12:00 PM, May 12-13, 2021 (must attend both days)

- SDLA Module 4: Board's role in HR, 9:00-12:00 PM, May 26-27, 2021 (must attend both days)

As mentioned above, there is a 10-hour continuing education requirement. These 10-hours may include Ethics and Harassment Prevention as well as other courses. As a member, there is no cost to attend CSDA's on-demand or live webinars. Additional costs would apply if a Director chooses to attend some other format (costs are unknown but may range from \$100 to \$250 through CSDA).

Approximate costs are outlined in the table below:

Level	Application Fee	Additional Fees with explanation	Estimated Total	Comments
Base	\$250	\$350; Directors Nederhood and Seckel to attend a 6-hour Governance Module	\$600	
Silver		\$2,800; 4 Board members attending virtual modules; or \$6,600; 4 Board members attending conference	Range: \$2,800 – \$6,600	Estimation could be a combination of conference attendance and virtual module attendance
		\$0 – \$5,000; 10 hours continuing education (for 4)	\$2,500	The estimation is based on half of the attendees attending free webinars
Gold		\$5,600; 7 Board members plus GM attending virtual modules; or \$13,200; 7 Board members plus GM attending conference in Lake Tahoe	\$5,600 – \$13,200	Estimation could be a combination of conference attendance and virtual module attendance
		\$0-10,000; 10 hours continuing education	\$5000	The estimation is based on half of the attendees attending free webinars
Platinum		All costs above, plus \$400 GM taking exam	\$400	

As the recipient of the Base Level Award, the District has received a reduction in its Worker's Comp premium of \$1,350; the full premium is \$31,563.67 (which is based on payroll). No additional benefits are awarded for the silver, gold and platinum levels.

It should also be noted that there is no specific time requirement to complete the additional educational requirements for the higher levels.

Staff is requesting direction on whether to pursue the higher level awards.



INFORMATION ITEM

March 10, 2021

TO: Board of Directors

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

Robert J. Hunter, General Manager

SUBJECT: **PUBLIC HEARING DATE SCHEDULED FOR APRIL 21, 2021 RE
ORDINANCE SUPERSEDING AND REPEALING MWDOC
ORDINANCE NO. 54 REGARDING COMPENSATION FOR
DIRECTORS**

STAFF RECOMMENDATION

It is recommended that the Committee receive and file the report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

The Board has requested 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.

The Public Hearing is currently scheduled for April 21, 2021 (at the Board meeting), and pursuant to the law, the necessary publications announcing the Public Hearing will be published in the *OC Register* on April 7 and April 14.

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

**Administration Activities Report****February 5, 2021 – March 4, 2021**

Activity	Summary
Administration/Board	<p>Staff worked on the following:</p> <ul style="list-style-type: none">• Scheduled meetings for Rob Hunter and Board members.• Assisted Rob 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.• Coordinated changes to District Master Agreement with Legal Counsel to allow electronic signatures• Responded to two Public Records Act requests.• Various consultations with legal counsel regarding Brown Act, minutes, and Board issues• Prepared Board write ups and worked with President Tamaribuchi on various issues• Updated various portions of the website; including updating Zoom Board and Committee meetings, ISDOC and WACO, and calendar• Coordinate with CSDA on requirements for higher level transparency awards• Coordinate onboarding with Director Erdman for MWDOC and MET; meeting with Director Erdman• Coordinate the filings of Form 700• Held virtual meeting with Amador Water Agency re Zoom meetings• Set-up and hosted various Zoom Meetings for the General Manager• Attended Trust, Adobe, DocuSign training.• Registered Staff for virtual training.• Registered Directors and Staff for ACWA Conferences



Administration/Board (continued)	<ul style="list-style-type: none"> • Updated 2021/2022 Conference Budget Worksheet. • Followed-up on outstanding agreements. • Processed agreements for Engineering and WUE • Provided welcome information to Dennis Erdman, new MWDOC MET Director.
Records Management	<ul style="list-style-type: none"> • Continued review of files within the office and vault to determine disposition for next phase of construction. • Staff continues to review incoming mail and logging necessary documents into the Laserfiche system. • Staff continues to review documents and update information in Laserfiche. • Staff attended an ECS/Laserfiche webinar, "Leading by Example." • Documents that have been removed from offices are being reviewed and scanned, if necessary.
Health Benefits	<ul style="list-style-type: none"> • The 2020 Flexible Benefits Plan year will close on 3/31/2021 with WageWorks. Participants should submit claims no later than 3/31. Staff will continue to work with the new vendor, Igoe, for allowable plan changes due to COVID which will allow for rollover of all funds into the 2021 plan year.
Recruitment/Departures	
Projects and Activities	<ul style="list-style-type: none"> • Staff continues coordination efforts in working with Engineering staff, IDS, ABS and the furniture vendor, on planning for the Office Seismic Retrofit and Tenant Improvements. • HR continues working with Ralph Andersen and Associates on the Triennial Compensation and Benchmark study. Andersen has provided their revisions to the job descriptions which staff is reviewing. They are currently performing the external benchmark review. Study findings will be presented at the April A&F Committee Meeting. • Staff is continuing to work with the furniture vendor (People Space) on finalizing the office furniture specifications and the Interior Designer with IDS regarding office color specifications and materials. • The General Manager continues to hold bi-monthly staff meetings via Zoom.

Projects and Activities (continued)	<ul style="list-style-type: none"> • Additional training for the Accufund HR module continues, specifically on accessing various reports through the system. • HR staff is continuing to work closely with the Director of Emergency Management on COVID-19, the impacts to MWDOC employees and implementation of processes and procedures. Keeping in mind the safety and well-being of employees. • Final review of the District's IIPP was delayed due to other priorities but will be scheduled with the management team in March and then presented to staff. • Staff continues to coordinate additional office cleanings in the office twice a week. • Staff hosted and attended various Board, Committee and Department meetings via zoom. • Training session on Workplace Trust was held on February 26th and the second session for those unable to attend the first session will be held on March 5th. • HR staff participated in the biweekly WEROC COVID conference call. • Staff continues to hold weekly virtual Zoom meetings of the Administration Department. • HR staff continues review the District property insurance (through JPIA) renewal questionnaire, including a review of property to be included in the Property Schedules. • HR staff attended JPIA's Statewide Human Resources Virtual Group Meeting on February 24th. • HR staff provided follow-up to inquiries regarding VOYA Pension Plan, Liability Insurance, health plan prescription coverage and the District's auto allowance policy. • HR staff prepared and distributed the Annual Employee Wage and Benefits Statements. • HR Staff participated in the virtual LCW annual conference on February 18 and 19. Topics included <i>Employee Benefits in a COVID World</i>, <i>Leaves Overview</i>, <i>Top 10 Retirement Errors</i>, <i>Teleworking Best Practices</i> and several other topics. • HR staff set up the Docusign account and provided resources and training for this new platform. • HR staff provided a training opportunity through Target Solutions on Adobe Acrobat DC Essentials. Staff has been
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Projects and Activities (continued)	<p>updating internal forms for improvement and efficiency in use.</p> <ul style="list-style-type: none"> • Staff participated in a WEROC Tabletop Exercise on February 22. • HR Staff attended a JPIA Statewide HR Virtual Meeting on February 24th. • HR Staff attended a JPIA webinar on February 25th regarding health benefits and COVID Vaccine information. • HR staff will finalize the review of the SDRMA Worker's Compensation insurance policy for the new plan year. • Staff prepared lists and invites for the upcoming Elected Officials Forum. • Staff provided filing assistance to the Accounting Department. • Staff assisted Alex Heide with a mail merge project. • Staff continues to update changes to the MWDOC OC Cities and Water Agencies Directory, the Act Database and to the District Contacts In Outlook • Staff exported and provided distribution lists from the Database, as requested. • Staff provided administrative support for the Call for 2nd VP Nominations for ISDOC. • Staff hosted the ISDOC Executive Committee and WACO Planning Committee via Zoom, took notes and provided follow up to questions at the Meeting. • Staff coordinated with the Governmental Relations Manager on upcoming deadlines and the upcoming ISDOC Luncheon. • Staff coordinated with President Mark Monin about upcoming ISDOC dates and deadlines. • Staff continues to update the ISDOC website. • Staff prepared the agenda for the ISDOC luncheon • Staff prepared a PowerPoint Presentation for ISDOC and WACO.
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INFORMATION ITEM

March 10, 2021

TO: Administration & Finance Committee
(Directors McVicker, Thomas, 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 2020-21.

Finance

Description	% of Completion	Estimated Completion date	Status
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	In Progress
2021 W-9 collection for water rebates. Currently holding 1 rebate check awaiting a W-9 form.	On-going	On-going	In Progress
Government Compensation in California Report 2020	0%	03-30-2021	Not Started
Preparation of documents for FY21-22 budget process.	90%	04-30-2021	In Progress
Rate Study with Raftelis for 5 th year cycle due 2021	50%	04-30-2021	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.	50%	06-31-2021	In Progress
Software upgrade for Primary Domain Controller	10%	06-31-2021	In Progress
Implement firewall for District wireless network	70%	03-31-2021	In Progress

FY 2020-21 Completed Special Tasks

Description	% of Completion	Completion date	Status
<u>Finance</u>			
Design, Implementation and Training of Accufund ERP software	100%	01-31-2021	Completed
State Controller Report preparation FY19-20	100%	01-31-2021	Completed
<u>Information Technology</u>			
Implement message archiver for District Exchange E-mail system	100%	03-31-2021	Completed



INFORMATION ITEM

March 10, 2021

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

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 January.**
- Estimated OC Water Usage, Monthly, Comparison to Previous Years Water usage in **January 2020 was above average compared to the last 5 years.** We are projecting a slight Increase in overall water usage compared to FY 2019-20. It has been 46 months since all mandatory water restrictions were lifted by the California State Water Resources Control Board.
- Historical OC Water Consumption Orange County M & I water consumption is **projected** to be **536,000 AF in FY 2020-21** (this includes ~15 TAF of agricultural usage and non-retail water agency usage). This is about **4,000 AF more than FY 2019-20** and is about **20,000 AF more than FY 2018-19**. Water usage per person is projected to be slightly lower in **FY 2020-21 for Orange County at 149 gallons per day** (This includes recycled water). Although OC population has increased 20% over the past two decades, water usage has not increased, on average. A long-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):			

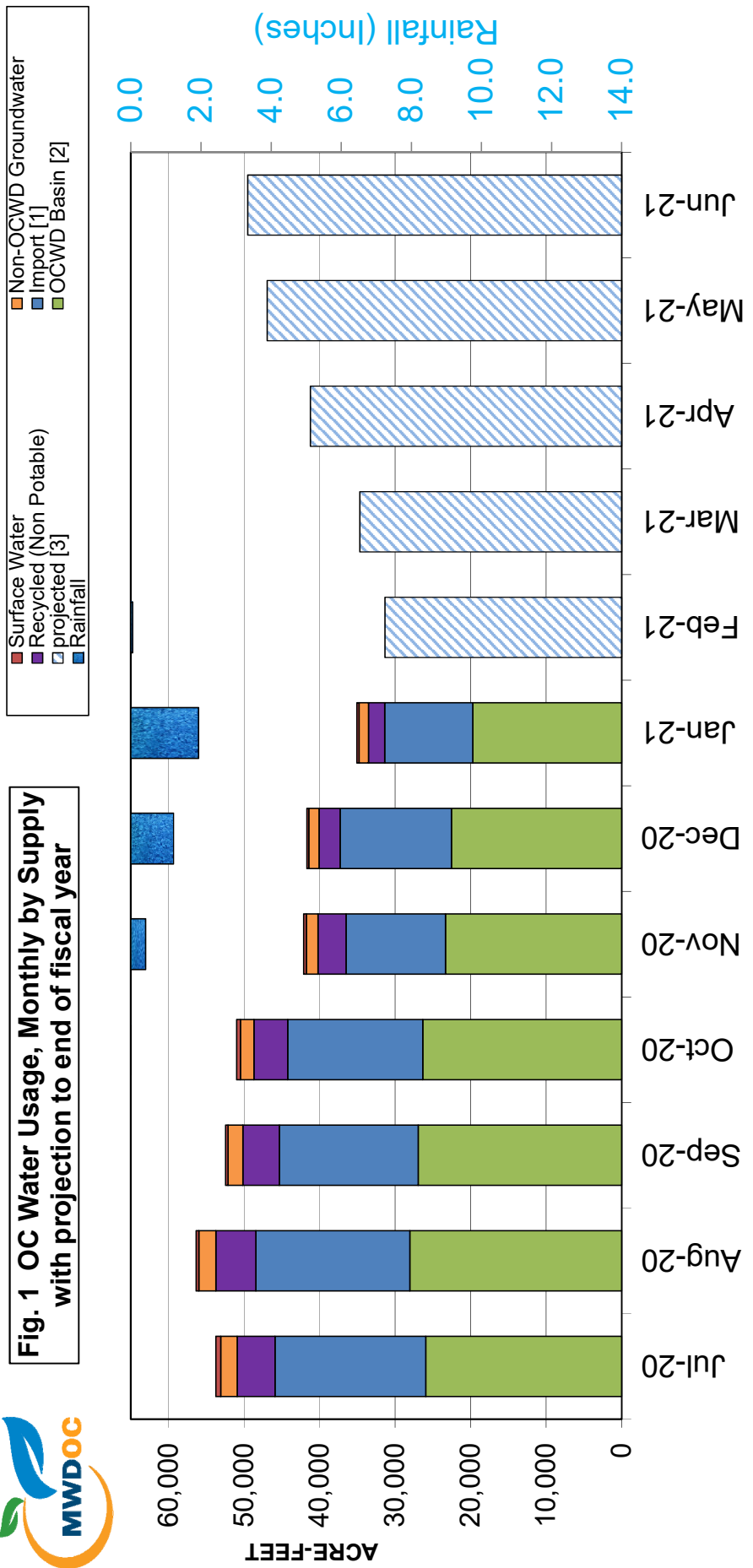
(water conservation) efforts. ***O.C. Water Usage for the last five Fiscal Years is the lowest since the 1982-83 Fiscal Year*** (FY 1982-83 was the third wettest year on record).

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 ***early March*** was below average for this period. Water year to date rainfall in Orange County is ***3.63 inches***, which is ***38% of normal***.
- Northern California accumulated precipitation through ***early March*** was ***51% of normal for this period***. Water Year 2020 was 63% of normal while water year 2019 was 137% of normal. The ***Northern California snowpack was 65% as of March 2nd***. ***As of late February, 84.88%*** of California is experiencing ***moderate to exceptional drought conditions*** while 99.30% of the state is experiencing abnormally dry conditions. The State Water Project Contractors Table A Allocation was set at 10% in December 2020.
- Colorado River Basin accumulated precipitation through ***early March*** was ***74% of normal*** for this period. The ***Upper Colorado Basin snowpack was 82% of normal*** as of March 2nd. ***Lake Mead and Lake Powell*** combined have about ***58% of their average storage volume*** for this time of year and are at ***39.5% 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 ***12.16' above the "trigger" limit***. The USBR predicts that the start of 2020 will not hit the "trigger" level but there is ***a 60% chance that the trigger level will be hit in 2022 and a 82% chance in 2023***.



**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.

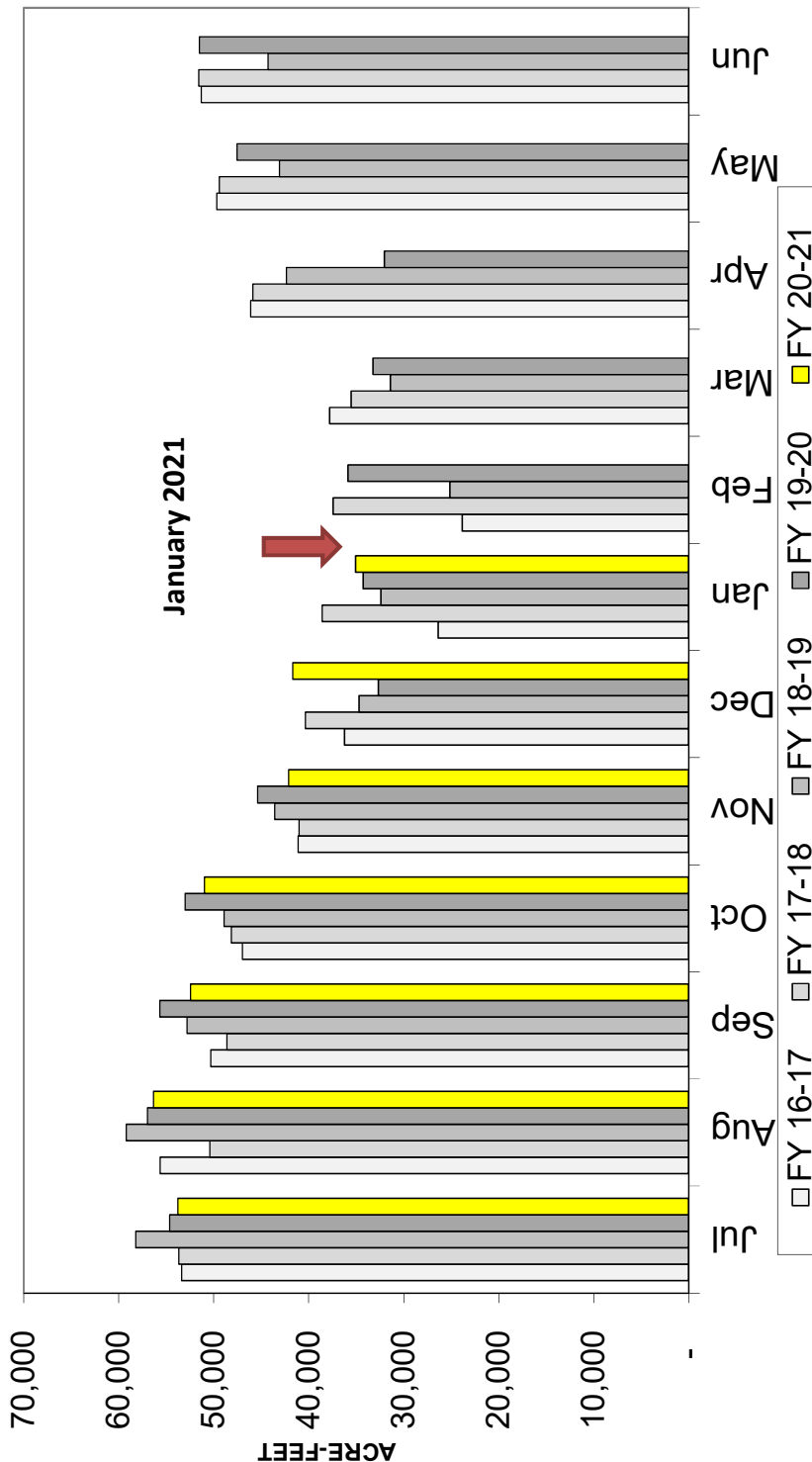
[2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '20-21 is 77%.

[3] MWD OC's estimate of monthly demand is based on the projected 5 Year historical retail water demand and historical monthly demand patterns.

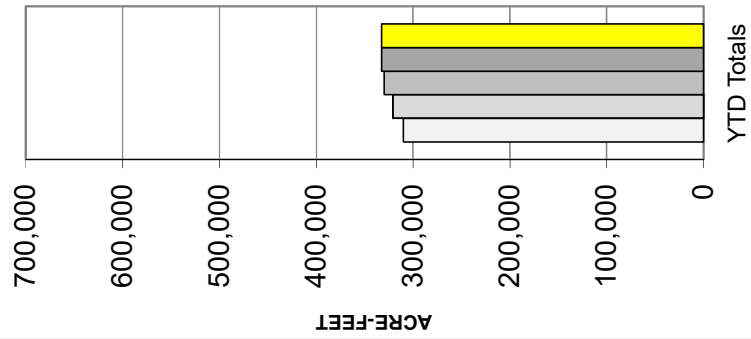
[4] Total water usage includes IRWD groundwater agricultural use and usage by non-retail water agencies.



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



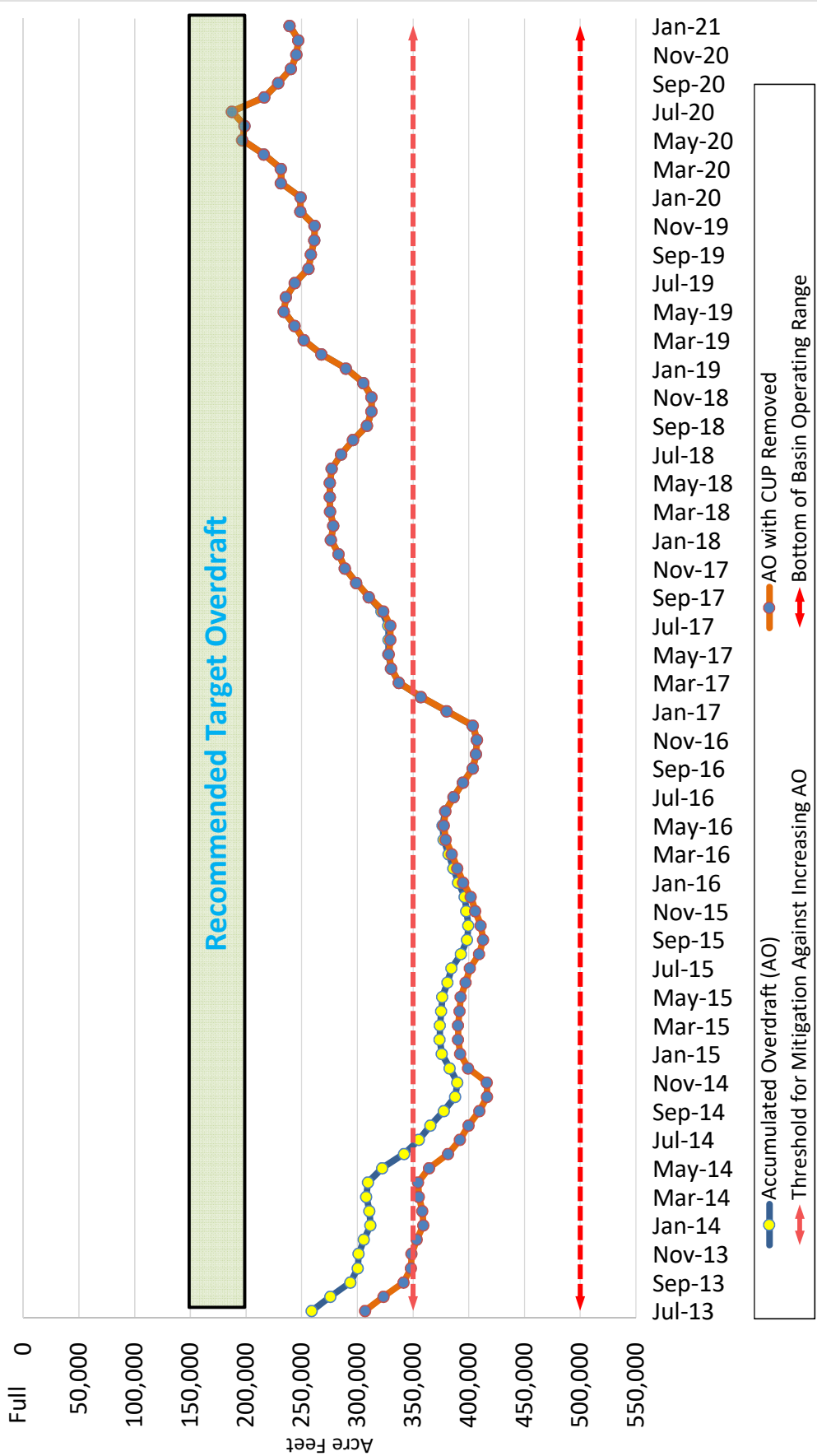
Partial Year Subtotals



[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 Overdraft of the OCWD Groundwater Basin as of January 2021

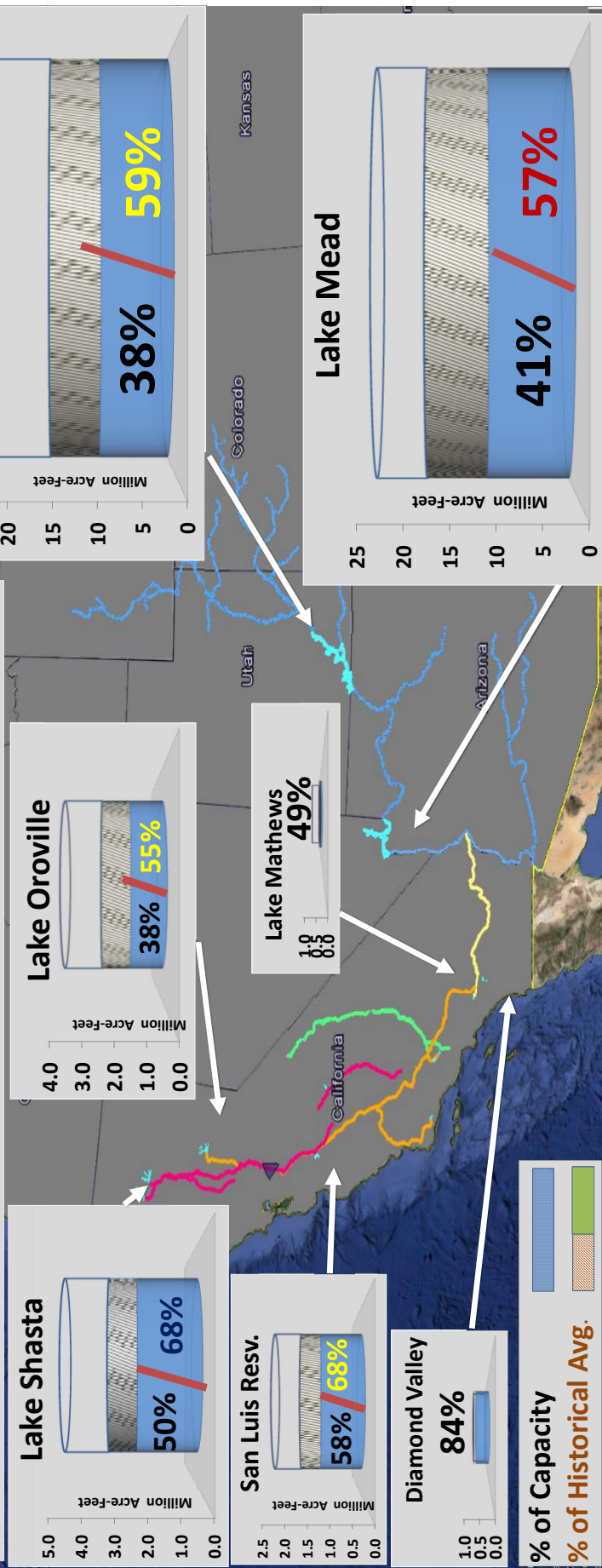


	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
AO (AF)	244,057	256,239	258,445	261,464	261,645	248,909	249,051	231,354	231,354	216,098	196,677	198,754
AO w/CUP removed (AF)	244,057	256,239	258,446	261,464	261,645	248,909	249,051	231,354	231,354	216,098	196,677	198,754
	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
AO (AF)	187,392	216,548	229,124	240,414	245,441	246,998	239,329					
AO w/CUP removed (AF)	187,392	216,548	229,124	240,414	245,441	246,998	239,329					

* Source ~ OCWD Monthly Board of Directors Packet, Water Resources Summary

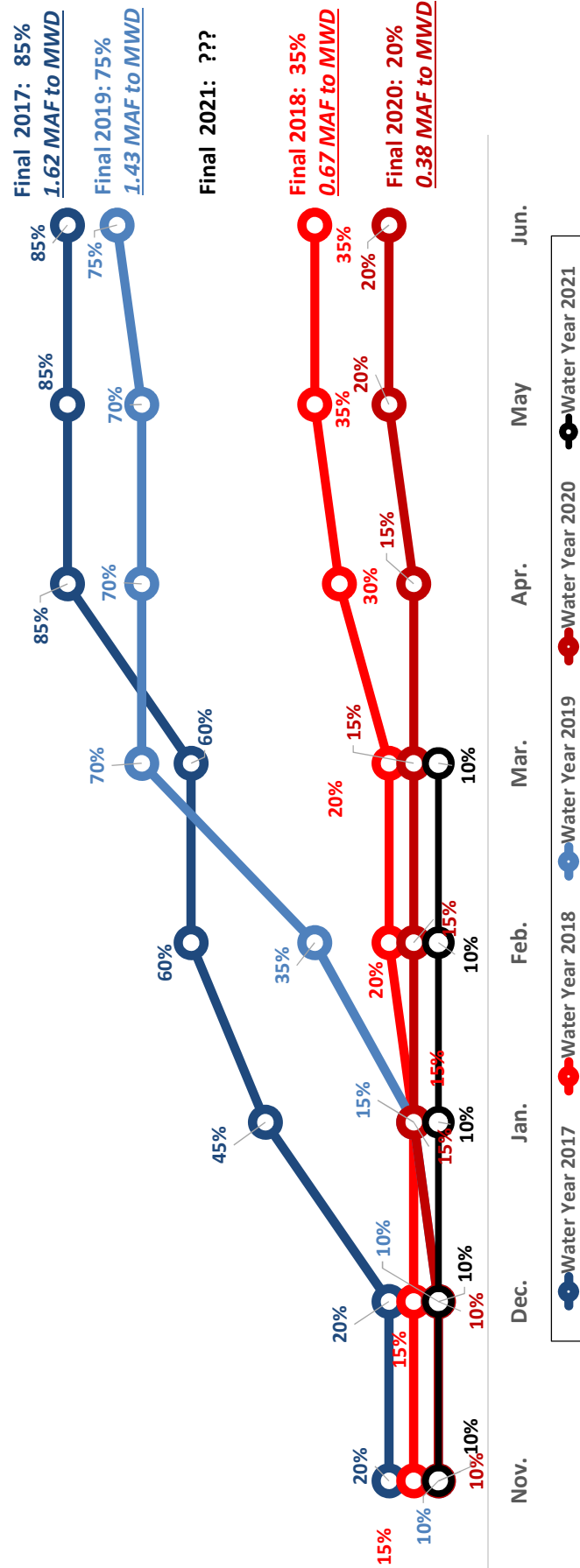


State Water Project, Colorado River, and MWD Reservoir Storage as of March 2, 2021

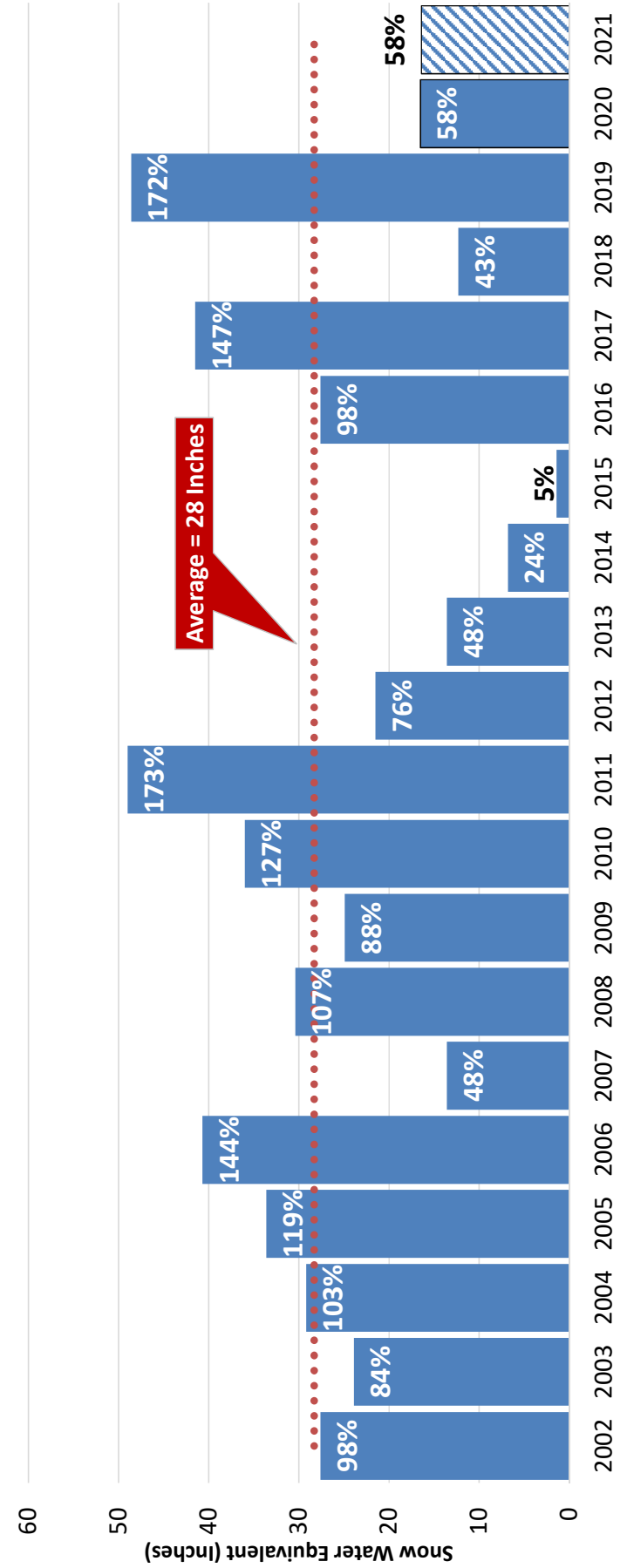


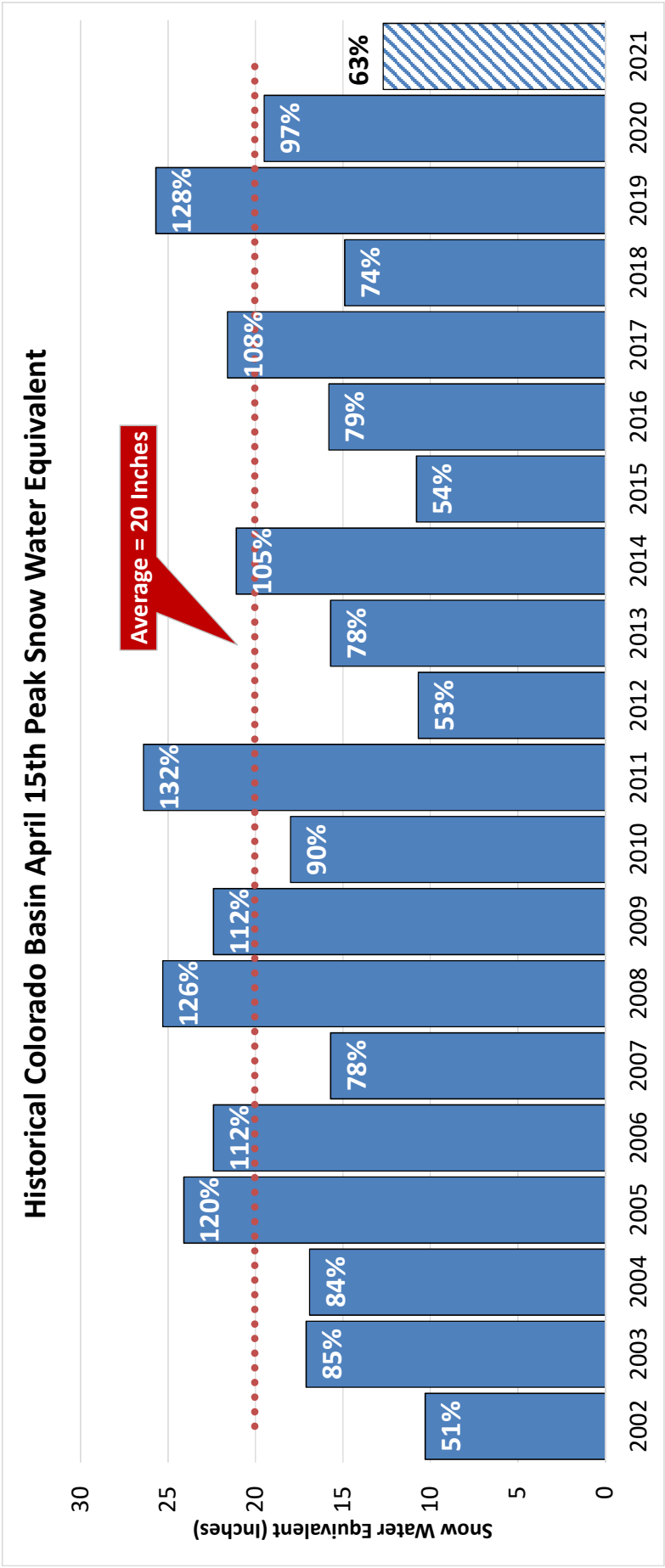
SWP TABLE A ALLOCATION

FOR STATE WATER PROJECT CONTRACTORS



Historical Northern California April 1st Peak Snow Water Equivalent

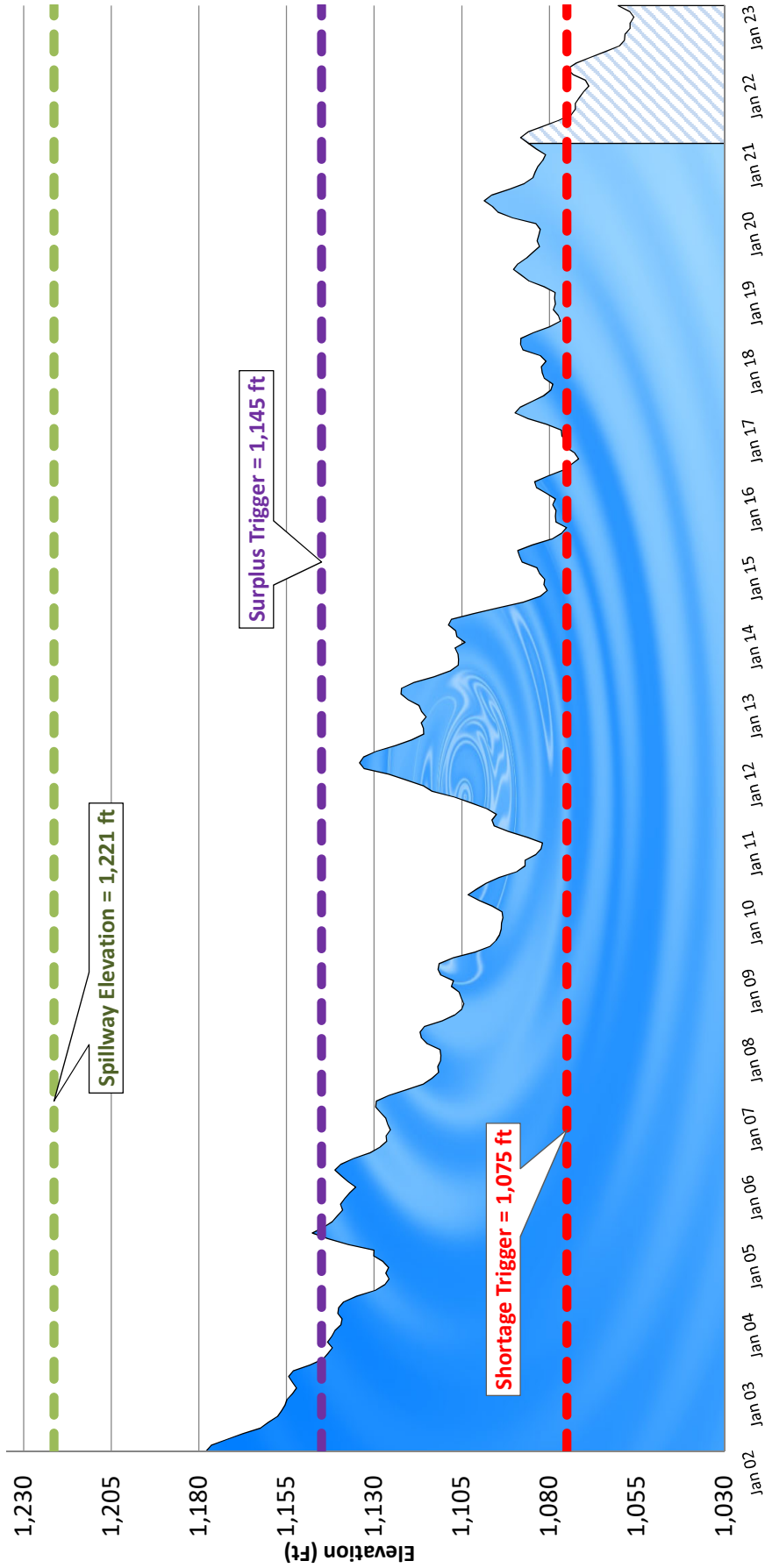






Lake Mead Levels: Historical and Projected projection per USBR 24-Month Study

■ Historical □ Projected





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

■ Historical □ Projected

