

REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Fountain Valley, California
April 21, 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# |

AGENDA

MOMENT OF SILENCE

ROLL CALL

PUBLIC COMMENTS/PARTICIPATION

At this time, members of the public will be given an opportunity to address the Board concerning items within the subject matter jurisdiction of the Board. Members of the public may also address the Board about a particular Agenda item at the time it is considered by the Board and before action is taken. If the item is on the Consent Calendar, please inform the Board Secretary before action is taken on the Consent Calendar and the item will be removed for separate consideration.

The Board requests, but does not require, that members of the public who want to address the Board complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize item(s) which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.)

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>.

NEXT RESOLUTION NO. 2109

CONSENT CALENDAR (Items 1 to 7)

(All matters under the Consent Calendar will be approved by one motion unless a Board member requests separate action on a specific item)

1. MINUTES

- a. March 3, 2021 Workshop Board Meeting
- b. March 17, 2021 Regular Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

- a. Planning & Operations Committee Meeting: March 1, 2021
- b. Administration & Finance Committee Meeting: March 10, 2021
- c. Executive Committee Meeting: March 18, 2021

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

- a. MWDOC Revenue/Cash Receipt Register as of March 31, 2021
- b. MWDOC Disbursement Registers (March/April)

Recommendation: Ratify and approve as presented.

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of February 28, 2021
- d. PARS Monthly Statement (OPEB Trust)

Recommendation: Receive and file as presented.

4. FINANCIAL REPORT

- a. Combined Financial Statements and Budget Comparative for the Period ending February 28, 2021

Recommendation: Receive and file as presented.

5. CONSULTANT SERVICES FOR ORANGE COUNTY DEDICATED IRRIGATION METER LANDSCAPE AREA MEASUREMENTS

Recommendation: Authorize the General Manager to: (1) enter into a Professional Services agreement with Quantum Spatial, for an amount not to exceed \$1,400,000, to provide participating retail water agencies with area measurements of landscapes with dedicated irrigation meters, as required by SB 606 and AB 1668, and (2) enter into agreements with participating agencies for area measurement services from Quantum Spatial.

6. MWDOC ADMINISTRATION BUILDING SEISMIC RETROFIT AND REMODEL PROJECT – ABS OWNER'S REPRESENTATIVE PROFESSIONAL SERVICES CONTRACT – CHANGE ORDER

Recommendation: Approve a change order to the ABS Consulting Professional Services contract to extend the contract through to completion of the Administration Building Seismic Retrofit and Remodel

Project. The change order includes the necessary additional professional services hours for the duration of the project in the amount of \$90,425.00 for a revised not to exceed total of \$385,031.00.

7. SOUTH EMERGENCY OPERATIONS CENTER CAPITAL PROJECT DECISION

Recommendation: Approve Option 1, and work with ETWD to refine the cost estimates associated with the project, and research alternative options (if available) in the event the project costs prove too high.

End Consent Calendar

ACTION CALENDAR

8-1 HOLD PUBLIC HEARING TO ADOPT ORDINANCE SUPERSEDING AND REPEALING MWDOC ORDINANCE NO. 54 REGARDING COMPENSATION FOR DIRECTORS

ORD. NO. _____

Recommendation: (1) open the public hearing (as noticed) on the Proposed Ordinance to receive input from the public; (2) consider said input on the Ordinance; and (3) adopt Ordinance, in the general form presented, with amendments if necessary.

8-2 DISTRICT BENCHMARK COMPENSATION AND BENEFITS STUDY

Recommendation: Approve Option 1, the proposed recommended position reclassifications, title change, revisions to the pay structure ranges and a 1.64% pay structure adjustment to the salary ranges only, effective July 1, 2021.

8-3 AUTHORIZATION TO CONTRACT FOR MWDOC CHOICE SCHOOL PROGRAMS

Recommendation: Authorize the General Manager to enter into a two-year contract with three (3), one-year options to extend with Building Block Entertainment, Inc. (Shows That Teach) and Orange County Department of Education's (OCDE) Inside the Outdoors to design and present the Municipal Water District of Orange County's (MWDOC) K-12 Choice School Programs (Option #1).

8-4 MWDOC'S 2021 COST ALLOCATION RATE STUDY

Recommendation: Adopt the findings and recommendations in Raffetis' Core Service Charge Allocation Study for MWDOC; which calls for maintaining the current Meter Service Charge methodology for all MWDOC retail agencies and changing the methodology and calculation of MWDOC's Groundwater Customer Charge for

Orange County Water District. These adjustments will be effective beginning in FY 2021-22.

8-5 ADOPTION OF THIRD DRAFT OF THE FY 2021-22 BUDGET

RES. NO. _____

Recommendation: Adopt a Resolution approving the final MWDOC budget for fiscal year 2021-22

8-6 PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2020-21

RES. NO. _____

Recommendation: (1) Increase the MWDOC Retail Meter Charge from \$12.20 to \$13.00 per meter, and decrease the Groundwater Customer Charge from \$595,323 to \$335,385 effective July 1, 2021; and

(2) Adopt the Water Rate Resolution setting forth rates and charges to be effective July 1, 2021 and January 1, 2022 as identified in the Water Rate Resolution for Fiscal Year 2021-22.

8-7 AB 1296 (KAMLAGER) AND SB 342 (GONZALEZ) – SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT: BOARD MEMBERSHIP

Recommendation: Adopt Oppose Unless Amended positions on both AB 1296 (Kamlager) and SB 342 (Gonzalez).

INFORMATION CALENDAR (All matters under the Information Calendar will be Received/Filed as presented following any discussion that may occur)

9. GENERAL MANAGER'S REPORT, APRIL 2021 (ORAL AND WRITTEN)

Recommendation: Receive and file report(s) as presented.

10. MWDOC GENERAL INFORMATION ITEMS

- a. Board of Directors - Reports re: Conferences and Meetings
- b. Requests for Future Agenda Topics

Recommendation: Receive and file as presented.

CLOSED SESSIONS

11. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 13, 2010, et al., former Los Angeles Superior

Court, Case No. BS 126888, transferred on October 21, 2010, to San Francisco Superior Court, Case No. CPF-10-510830 and related appeal.

12. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 10, 2012 to be Effective January 1, 2013 and January 1, 2014; and Does 1-10, et al., former Los Angeles Superior Court, Case No. BS137830, transferred on August 23, 2012, to San Francisco Superior Court, Case No. CPF-12-512466 and related appeal.

13. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 8, 2014, et al., former Los Angeles Superior Court, Case No. BC547139, transferred on December 2, 2014, to San Francisco Superior Court, Case No. CPF-14-514004.

14. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 12, 2016, effective January 1, 2017 and January 1, 2018, et al., former Los Angeles Superior Court, Case No. BS161729, transferred to San Francisco Superior Court, Case CPF-16-515282.

15. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 10, 2018 to be effective January 1, 2019, and Jan. 1, 2020, et al., Los Angeles Superior Court, Case No. BS 173868, Transferred to San Francisco Superior Court, Case CPF-18-516389.

ADJOURNMENT

Note: 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 contacting 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.

**MINUTES OF THE WORKSHOP BOARD MEETING
OF THE BOARD OF DIRECTORS OF
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)
WITH THE MWDOC MET DIRECTORS**

March 3, 2021

At 8:30 a.m., President Tamaribuchi called to order the Regular Meeting of the Municipal Water District of Orange County via the Zoom Webinar application (pursuant to the Governor's Executive Order due to the spread of the COVID-19 virus, the meeting was conducted via Zoom). Secretary Goldsby called the roll.

MWDOC DIRECTORS

Al Nederhood
Larry Dick*
Karl W. Seckel
Bob McVicker
Sat Tamaribuchi*
Jeffery M. Thomas (arr. at 8:45 am)
Megan Yoo Schneider

STAFF

Robert Hunter, General Manager
Harvey De La Torre, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Melissa Baum-Haley, Prin. Water Resource Analyst
Alex Heide, Water Resources Analyst
Chris Lingad, Associate Engineer
Kevin Hostert, Water Resources Analyst
Damon Micalizzi, Director of Public Affairs
Heather Baez, Government Affairs Manager
Joe Berg, Director of Water Use Efficiency Prog.
Vicki Osborn, Director of Emergency Management
Charles Busslinger, Principal Engineer

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Linda Ackerman
Dennis Erdman

OTHERS PRESENT

Steve Faessel
Fred Jung
Dick Ackerman
Sara Tucker
Garrett Durst
Syrus Devers
John Lewis
Ed Means
Kathryn Freshley
Mike Gaskins
Kay Havens
Mark Monin
Jose Vergara
Dennis Cafferty
Mike Dunbar
Steve LaMar
Doug Reinhart
Peer Swan
Paul Weghorst

City of Anaheim
City of Fullerton
Ackerman Consulting
NRR
NRR
Best, Best & Krieger
Lewis Consulting
Means Consulting
El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
Emerald Bay Service District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District

| | |
|-------------------|----------------------------------|
| Frank Prewoznik | Irvine Ranch Water District |
| Jim Atkinson | Mesa Water |
| Don Froelich | Moulton Niguel Water District |
| Joone Lopez | Moulton Niguel Water District |
| Matt Collings | Moulton Niguel Water District |
| Laura Rocha | Moulton Niguel Water District |
| Kaden Young | Moulton Niguel Water District |
| Sherry Wanninger | Moulton Niguel Water District |
| Kelly Rowe | Orange County Water District |
| John Kennedy | Orange County Water District |
| Chuck Gibson | Santa Margarita Water District |
| Saundra Jacobs | Santa Margarita Water District |
| Justin McCusker | Santa Margarita Water District |
| Betty Olson | Santa Margarita Water District |
| Jim Leach | Santa Margarita Water District |
| Greg Mills | Serrano Water District |
| Brad Reese | Serrano Water District |
| Bill Green | South Coast Water District |
| Rick Shintaku | South Coast Water District |
| Fernando Paludi | Trabuco Canyon Water District |
| Brooke Jones | Yorba Linda Water District |
| Tom Lindsey | Yorba Linda Water District |
| Wayne Miller | Yorba Linda Water District |
| Megan Couch | San Diego County Water Authority |
| Kristy Khachigian | KK Consulting |
| Cindy Byerrum | Eide Bailey |

PUBLIC PARTICIPATION/PUBLIC COMMENTS

President Tamaribuchi inquired whether any members of the public wished to comment on agenda items.

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine need and take action to agendize item(s), which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present or, if less than two-thirds of the Board members are present, a unanimous vote.)

No items were presented.

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

President Tamaribuchi inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting.

No items were distributed.

ACTION ITEMS

President Tamaribuchi asked that the Board consider the legislative action items in one motion; members of the Board asked that Item No. 6 (SB 351/Caballero) be considered as a separate item.

Upon MOTION by Director Dick, seconded by Director Seckel, and carried (6-0), the Board adopted the following positions on the following legislation:

AB 361 (RIVAS) – BROWN ACT: REMOTE MEETINGS DURING EMERGENCIES

The Board adopted a support position on AB 361 (Rivas), and authorized a letter be sent in support to the Orange County delegation, and the California Special Districts Association (CSDA).

Director Nederhood commended the MWDOC Board and staff for holding open and supportive meetings via the Zoom webinar application, noting members of the public and member agencies are allowed to fully participate at each meeting.

AB 703 (RUBIO) – BROWN ACT: PUBLIC MEETINGS VIA TELECONFERENCING

The Board adopted a support position on AB 703 (Rubio), and authorized a letter be sent in support to the author's office and Orange County delegation.

**AB 442 (MAYES) – SURFACE MINING AND RECLAMATION ACT OF 1975:
EXEMPTION: METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

The Board adopted a support position on AB 442 (Mayes), and authorized staff to sign onto the Metropolitan Water District of Southern California's coalition letter.

**H.R. 535 (GARAMENDI) & S. 91 (SINEMA) – SPECIAL DISTRICTS PROVIDE
ESSENTIAL SERVICES ACT**

The Board adopted a support position on H.R. 535 (Garamendi, D-CA) and S. 91 (Sinema, D-AZ), and authorized a letter be sent in support to the Orange County delegation, and the California Special Districts Association (CSDA).

SB 323 (CABALLERO) – WATER/SEWER RATES

The Board adopted a support position on SB 323 (Caballero), and authorized a letter be sent in support to the Orange County delegation, and the Association of California Water Agencies (ACWA).

Said positions were adopted by the following roll call vote:

| | |
|---------|---|
| AYES: | Directors Nederhood, Dick, McVicker, Seckel, Tamaribuchi & Yoo Schneider |
| NOES: | None |
| ABSENT: | Director Thomas |

ABSTAIN: None

SB 351 (CABALLERO) – WATER INNOVATION ACT OF 2021

Government Affairs Manager Heather Baez advised that SB 351 (Caballero) is sponsored by the California Municipal Utilities Association (CMUA) and would create the Office of Water Innovation, which would be under the California Water Commission for the furtherance of new technologies and other innovative approaches in the water sector. She noted that she did not foresee any financial impacts to the District, and she encouraged the Board to adopt a support position.

Director Dick expressed some concern on whether costs would become an issue sometime in the future (due to growth and/or elimination or reduction in funding sources), and Mr. Syrus Devers (BBK) advised that he believed the organization would be compelled to function under its existing budget; he advised that he does not anticipate any funding pressure.

(Director Thomas arrived at 8:45 a.m.)

Discussion ensued regarding funding, the innovation approaches that would be pursued by the organization (and whether this would include any new regulations), and coordination with the California Energy Commission (if any). It was suggested these comments be included in the letter to be transmitted.

IRWD Director Steve LaMar commented that working with CMUA was positive and productive.

Following discussion, and upon MOTION by Director Dick, seconded by Director McVicker, and carried (7-0), the Board adopted a support position on SB 351 (Caballero), and authorized a letter be sent in support to the Orange County delegation, and the California Municipal Utilities Association (CMUA), by the following roll call vote:

| | |
|----------|---|
| AYES: | Directors Nederhood, Dick, McVicker, Seckel, Tamaribuchi, Thomas, & Yoo Schneider |
| NOES: | None |
| ABSENT: | None |
| ABSTAIN: | None |

PRESENTATION / DISCUSSION / INFORMATION ITEMS

LEGISLATIVE ACTIVITIES

a. Federal Legislative Report (NRR)

Ms. Sara Tucker provided an overview of cabinet nominations, the Senator Feinstein Western Water legislation, as well as the EPA's standards regarding PFAS.

Mr. Garrett Durst highlighted FEMA's disaster assistance criteria, President Biden's budget and appropriations activities, and COVID-19 legislation which includes \$19 billion in funding for emergency rental and utility assistance.

Discussion ensued regarding how the region (and MWDOC) could receive additional funding for projects, the Salton Sea legislation, COVID relief funding, and Colorado River issues. It

was recommended the Board hold a workshop regarding ways to gain additional funding, and to address challenges on the Colorado River.

The Board received and filed the report.

- b. State Legislative Report**
- c. MWDOC Legislative Matrix**

Mr. Syrus Devers of BBK, reviewed his report, highlighting the legislative process, noting that the Legislative Policy Principles the Board adopted have assisted his and Ms. Baez's work in organizing and preparing for the upcoming legislative session.

The Board received and filed the report.

INPUT OR QUESTIONS ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION

Director Ackerman highlighted MET's Organization, Personnel & Technology Committee (OPT) activities, the status of the voluntary agreements in Northern California, including the Water Quality Control Plan (which is reviewed every 3 years), the Bay-Delta activities, MET's Rate Refinement process, the annual seismic resilience program, the Colorado River Aqueduct shutdown, MET's headquarters construction, Utah's desire to build a pipeline to Lake Powell, and work being done at Gene Camp and Iron Mountain.

Director Dick provided an update on the MET General Manager recruitment process, as well as the SDCWA/MET litigation (and the importance of addressing the rate issue). He also noted that MWDOC's delegation is supporting Director Pressman for the MET Executive Committee, and that Mr. Adan Ortega may be appointed to the MET Board as a Director from the City of San Fernando.

Director Erdman noted that he took his Oath of Office at MET on March 1st and he attended a presentation (by Brian Thomas) regarding the history of MET rates.

Directors Faessel and Jung thanked President Tamaribuchi for the opportunity to participate in the meeting, noting they look forward to working with newly appointed Director Erdman.

President Tamaribuchi highlighted that the next Integrated Resources Plan (IRP) workshop would be held March 23, 2021; and he encouraged all to attend.

The Board received and filed the reports.

STATUS UPDATE BY MWDOC STAFF REGARDING METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA RATE REFINEMENT PROCESS

Dr. Melissa Baum-Haley, Principal Water Resources Analyst, provided an overview of MET's Rate Refinement process. Her presentation included information on the Demand Management cost recovery review, the rate structure framework, and the Guiding Principles, of which comments were submitted by a group of MET member agencies including MWDOC, the City of Beverly Hills, SDCWA, and LADWP. Dr. Baum-Haley then outlined the next steps where MET staff will combine the feedback received, and will utilize a consensus-based process seeking a collective agreement in developing the Rate Structure Guiding Principles.

Discussion was then held regarding the schedule for the Demand Management Cost Recovery, the current trend of lower than expected water sales (and methods to keep MET financially stable), and the need to closely monitor legislation that may impact future imported demands.

The Board received and filed the report.

INFORMATION ITEMS

MWD ITEMS CRITICAL TO ORANGE COUNTY

- a. MET's Finance and Rate Issues
- b. MET's General Manager Recruitment Process
- c. MET's Water Supply Conditions
- d. Colorado River Issues
- e. Delta Conveyance Activities and State Water Project Issues

The Board received and filed the report as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary regarding the February MET Board Meeting
- b. Review items of significance for the upcoming MET Board and Committee Agendas

The report was received and filed.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:04 a.m.

Maribeth Goldsby
Board Secretary

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
March 17, 2021**

At 8:30 a.m., President Tamaribuchi called to order the Regular Meeting of the Municipal Water District of Orange County, via the Zoom Webinar application (pursuant to the Governor's Executive Order due to the spread of the COVID-19 virus, the meeting was conducted via Zoom). Following a moment of silence, Secretary Goldsby called the roll.

MWDOC DIRECTORS

Al Nederhood
Larry Dick
Bob McVicker
Karl Seckel
Sat Tamaribuchi
Jeffery M. Thomas
Megan Yoo Schneider

STAFF

Robert Hunter, General Manager
Harvey De La Torre, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Melissa Baum-Haley, Prin. Water Resources Analyst
Cathy Harris, Director of H.R. & Administration
Damon Micalizzi, Director of Public Affairs
Joe Berg, Director of Water Use Eff. Programs
Kevin Hostert, Water Resources Analyst
Charles Busslinger, Principal Engineer
Alex Heide, Water Resource Analyst
Vicki Osborn, Director of Emergency Management
Heather Baez, Government Affairs Manager
Hilary Chumpitazi, Accounting Manager

ALSO PRESENT

Linda Ackerman
Dennis Erdman
Dick Ackerman
John Lewis
David Youngblood
Kathryn Freshley
Mike Gaskins
Kay Havens
Jose Vergara
Dennis Cafferty
Doug Reinhart
Peer Swan
Paul Weghorst
Keith Van Der Maaten
Jim Atkinson
Don Froelich
Sherry Wanninger
Kelly Rowe
Mike Markus
John Kennedy

MWDOC/MET Director
MWDOC/MET Director
Ackerman Consulting
Lewis Consulting
East Orange County Water District
El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Laguna Beach County Water District
Mesa Water
Moulton Niguel Water District
Moulton Niguel Water District
Orange County Water District
Orange County Water District
Orange County Water District

| | |
|-----------------|--------------------------------|
| Chuck Gibson | Santa Margarita Water District |
| Saundra Jacobs | Santa Margarita Water District |
| Frank Ury | Santa Margarita Water District |
| Dan Ferons | Santa Margarita Water District |
| Jim Leach | Santa Margarita Water District |
| Greg Mills | Serrano Water District |
| Brad Reese | Serrano Water District |
| Rick Shintaku | South Coast Water District |
| Fernando Paludi | Trabuco Canyon Water District |
| Brooke Jones | Yorba Linda Water District |
| Tom Lindsey | Yorba Linda Water District |
| Wayne Miller | Yorba Linda Water District |

PUBLIC PARTICIPATION/PUBLIC COMMENT

President Tamaribuchi announced members of the public wishing to comment on agenda items could do so after the item has been discussed by the Board and requested members of the public identify themselves when called on. Mr. Tamaribuchi asked whether any member of the public had any comments on items that are not on the agenda.

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were received.

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

President Tamaribuchi inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting.

No items were so distributed.

CONSENT CALENDAR

President Tamaribuchi stated all matters under the Consent Calendar would be approved by one MOTION unless a Director wished to consider an item separately.

Director Nederhood pulled Item No. 8 (Natural Resources Results (NRR), Increase in Monthly Retainer – Change Order) from the Consent Calendar for further discussion.

Upon MOTION by Director Seckel, seconded by Director Yoo Schneider, and carried (7-0) the Board approved the balance of Consent Calendar items, by the following roll call vote:

| | |
|-------|--|
| AYES: | Directors Nederhood, Dick, McVicker, Seckel, Tamaribuchi, Thomas & Yoo Schneider |
| NOES: | None |

ABSENT: None
ABSTAIN: None

MINUTES

The following minutes were approved.

February 3, 2021 Workshop Board Meeting
February 17, 2021 Regular Board Meeting

COMMITTEE MEETING REPORTS

The following Committee Meeting reports were received and filed as presented.

Planning & Operations Committee Meeting: February 1, 2021
Administration & Finance Committee Meeting: February 10, 2021
Executive Committee Meeting: February 18, 2021

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of February 28, 2021
MWDOC Disbursement Registers (February/March)

The following items were received and filed as presented.

MWDOC Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of January 31, 2021

PARS Monthly Statement (OPEB Trust)

FINANCIAL REPORT

The following item was received and filed as presented.

Combined Financial Statements and Budget Comparative for the Period ending January 31, 2021

CSDA BOARD OF DIRECTORS, SOUTHERN NETWORK, SEAT A – CALL FOR NOMINATIONS

The Board received and filed; no action taken.

CHANGE ORDER FOR VASQUEZ & COMPANY LLP, FY 2020 ANNUAL AUDIT

The Board authorized 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.

REQUEST FOR WAIVER OF LATE PAYMENT PENALTY FOR IRVINE RANCH WATER DISTRICT

The Board waived Irvine Ranch Water District's late water payment penalty of \$18,421.67.

- END CONSENT CALENDAR -**ITEMS PULLED FROM CONSENT CALENDAR FOR ADDITIONAL DISCUSSION****NATURAL RESOURCES RESULTS (NRR), INCREASE IN MONTHLY RETAINER – CHANGE ORDER**

Director Nederhood asked for clarification as to the reasons surrounding the increase in monthly retainer. General Manager Hunter explained that the amount under consideration was the amount originally submitted by NRR in their original bid proposal in November, and that pursuant to a Board request, NRR agreed to a reduced rate for three months (\$6500/month). Mr. Hunter stated it is now time to revert to the higher retainer amount (\$8,000).

Upon MOTION by Director Nederhood, seconded by Director Seckel, and carried (7-0), the Board approved a change order to the Natural Resource Results (NRR) contract raising their monthly retainer from \$6,500/month to \$8,000/month, by the following roll call vote:

| | |
|----------|--|
| AYES: | Directors Nederhood, Dick, McVicker, Seckel, Tamaribuchi, Thomas & Yoo Schneider |
| NOES: | None |
| ABSENT: | None |
| ABSTAIN: | None |

ACTION CALENDAR**ISDOC 2ND VICE PRESIDENT CALL FOR NOMINATIONS**

It was noted that the Planning & Operations Committee recommended the Board nominate Director Bob McVicker as ISDOC 2nd Vice President.

Upon MOTION by Director Dick, seconded by Director Yoo Schneider, and carried (7-0), the Board adopted RESOLUTION NO. 2108 nominating Director Bob McVicker to the office of 2nd Vice President of the Independent Special Districts of Orange County (ISDOC) Executive Committee, by the following roll call vote:

| | |
|-------|--|
| AYES: | Directors Nederhood, Dick, McVicker, Seckel, Tamaribuchi, Thomas & Yoo Schneider |
|-------|--|

NOES: None
ABSENT: None
ABSTAIN: None

Members of the Board and audience welcomed Director Erdman and he expressed his appreciation.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, MARCH 2021

General Manager Hunter commented that he was a speaker at the ACCOC UCI Public Policy event held on March 12, 2021.

Director Nederhood commended staff on a thorough report, however asked that an update regarding the MET personnel issues/investigations (gender equity, etc) be included in future reports. It was noted that the MET Directors provided a report at the March 3, 2021 Workshop Board meeting. Following a discussion regarding the sensitive/confidential nature of the issues, and the fact that most of the discussions are held in closed session, staff agreed to include a general update (per Legal Counsel's review of what can be disclosed) at an upcoming meeting.

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS

a. BOARD OF DIRECTORS

The Board members each reported on their attendance at the regular (and special) MWDOC Board and Committee meetings. In addition to these meetings, the following reports were made on conferences and meetings attended on behalf of the District. Due to COVID 19, most of the meetings outlined were attended virtually.

Director Nederhood advised that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), and the WACO and WACO Planning meetings. He noted he would be attending the MET IRP meeting (March 23), the ACWA DC webinar (March 24/31), and the OCWD Salinity Seminar (upcoming in the future).

Director Dick reported on attending all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the regularly scheduled MET Board and Committee meetings, the Urban Water Institute virtual conference, the OC Realtor webinar, the MWDOC Water Policy Forum, the Ad Hoc Building Committee meeting, the MWDOC Communication Plan Workgroup meeting, MET Rate Refinement Workshop, the Villa Park Town Hall event, the ISDOC Executive Committee meeting, the WACO and WACO Planning meetings, the MET meeting regarding Desert housing, the Urban Water Institute Board meeting, the South Orange County Economic Coalition meeting, and the Serrano Water District Board meeting.

Director McVicker reported that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the Urban Water Institute virtual conference, the MET IRP and Bay-Delta Committee meeting, the MWDOC Water Policy Forum, the ISDOC Executive Committee meeting, the AWCA Groundwater Committee meeting, the WACO meeting, the MET Board and Committee meetings, the OCBC Infrastructure Committee meeting, and the Maven's Notebook webinar.

Director Seckel advised that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the MET IRP and Bay-Delta Committee meeting, the OC Water Summit planning meeting (now scheduled for October 2021/in person), the ACWA DC virtual conference, the WACO and WACO Planning meetings, and the "Delta Adapts" meeting.

Director Thomas stated that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the CalDESAL conference, the OC Water Summit planning meetings, the WACO meeting, the Urban Water Institute conference, and the MWDOC Water Policy Forum. He advised that he would be attending the Santiago Aqueduct Commission meeting on March 18, 2021. He also highlighted his appointment by the MWDOC Board as representative to ACWA/JPIA, noting his desire to participate in that entity; he asked staff to arrange for ACWA/JPIA to send him meeting notifications.

Director Yoo Schneider advised that she attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the SMWD Board meetings (2), MWDOC Water Policy Forum, the SCWD Board meetings (2), the WEF Diversity, Equity and Inclusion Leadership and Board subcommittee meetings, a meeting with MWDOC Public Affairs staff, OC Water Summit planning meetings, the South Orange County Watershed Management Area Executive Committee meeting, the San Juan Basin Authority meeting, the Laguna Beach County Water District Commission meeting, the Women in Water Symposium and planning meetings, the MNWD Board meeting, and the California Water Environment Association's planning and budget meeting.

Director Tamaribuchi reported on attending the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the regularly scheduled MET Board and Committee meetings, a MET Director meeting regarding the IRP, the MWDOC Water Policy Forum, the Building Management Committee meeting, the MWDOC/MET Director meeting re water rates, a MWDOC Communication Plan workgroup meeting, the MWDOC/MET Director pre-caucus meeting and Inland Empire Caucus meeting, the WACO meeting, the MET meeting regarding Desert housing, the OCBC seminar regarding COVID-19, and two MWDOC/MET Director meetings.

b. REQUESTS FOR FUTURE AGENDA TOPICS

No requests were made.

ADJOURNMENT

There being no further business to come before the Board, President Tamaribuchi adjourned the meeting at 8:59 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary

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

Jointly with the
PLANNING & OPERATIONS
March 1, 2021 – 8:30 a.m. to 10:00 a.m.

In accordance with Executive Order N-25-20 issued by Governor Newsom, the meeting was held via the Zoom Webinar application; all Brown Act requirements were complied with.

Committee:

Director Yoo Schneider, Chair
Director Nederhood
Director Seckel

Staff:

Rob Hunter, Heather Baez,
Damon Micalizzi, Sarah Wilson,
Melissa Baum-Haley, Maribeth Goldsby, Michelle Decasas, Pari Francisco, Kevin Hostert, Harvey De La Torre, Alex Heide, Chris Lingad, Bryce Roberto, Tiffany Baca, Charles Busslinger, Christina Hernandez, Joe Berg, Rachel Davis, Rachel Waite, Tina Dubuque, Vicki Osborn, Beth Fahl, Andrea Antony-Morr

Also, Present:

Director Sat Tamaribuchi
Director Jeff Thomas
Director Larry Dick
Director Bob McVicker
Linda Ackerman, MWDOC MET Dir.
Dick Ackerman, Ackerman Consulting
John Lewis, Lewis Consulting
Mike Gaskin, El Toro WD
Stacy Taylor, Mesa WD
Dennis Cafferty, El Toro WD
Jose Vergara, El Toro WD
Kathryn Freshley, El Toro WD
Mike Markus, Orange County WD
Kelly Rowe, Orange County WD
John Kennedy, Orange County WD
Betty Olson, Santa Margarita WD
Brad Reese, Serrano WD
Paul Shoenberger, Mesa WD

Tony Solorzano, Discovery Cube
Sherri Seitz, El Toro WD
Peer Swan, Irvine Ranch WD
Paul Weghorst, Irvine Ranch WD
Donald Froelich, Moulton Niguel WD
Greg Mills, Serrano WD
Jim Atkinson, Mesa WD
Kristy Khachigian, KK Consulting
Chuck Gibson, Santa Margarita WD
Jim Leach, Santa Margarita WD
Saundra Jacobs, Santa Margarita WD
Megan Couch, San Diego Water Authority
Laura Rocha, Moulton Niguel WD
Matt Collings, Moulton Niguel WD
Sherry Wanninger, Moulton Niguel WD
Alicia Dunkin, Orange County WD
Frank Ury, Santa Margarita WD
Lindsey Stuvick, Moulton Niguel WD
Bill Moorhead, Moulton Niguel WD

Director Yoo Schneider called the meeting to order at 8:30 a.m.

Secretary Goldsby conducted a roll call of the Committee members' attendance with Directors Yoo Schneider, Nederhood, and Seckel being present, as well as Directors Dick, Tamaribuchi, McVicker and, Thomas.

Chairperson Yoo Schneider outlined Zoom protocols in an effort to assist in keeping the meeting running smoothly.

PUBLIC PARTICIPATION

None.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

None.

ACTION ITEM**CSDA BOARD OF DIRECTORS, SOUTHERN NETWORK, SEAT A - CALL FOR NOMINATIONS**

Heather Baez (Government Affairs Manager) shared there is a Call for Nominations for the CSDA Board of Directors, Southern Network - Seat A. Ms. Baez confirmed that the incumbent for Seat A is running for re-election. She went on to say that if any Director would be interested in running for the CSDA Board of Directors, Southern Network - Seat A, nominations and supporting documentation are due March 29, 2021. If there is no interest in running for this position, no action is needed.

Director Yoo Schneider inquired if any MWDOC Board Member would be interested in running for CSDA Board of Directors, Southern Network - Seat A. She stated no MWDOC Directors expressed a desire to be nominated; thus, no action was taken.

ISDOC 2nd VICE PRESIDENT CALL FOR NOMINATIONS

Heather Baez (Government Affairs Manager) shared that the Independent Special Districts of Orange County (ISDOC) has issued a Call for Candidates to fill the 2nd Vice President position's vacancy. Per the ISDOC Bylaws, officials who wish to seek election/appointment as an officer of ISDOC must first secure from their district an official endorsement in the form of a Board resolution. In accordance with these Bylaws, the MWDOC Board must endorse a Director's candidacy through a Board's Resolution.

Director Dick voiced his support for the nomination of MWDOC Director Bob McVicker as ISDOC 2nd Vice President.

Upon MOTION by Director Nederhood, seconded by Director Yoo Schneider, and carried (3-0), the Committee recommended the Board of Directors support MWDOC Director Bob McVicker's nomination for the ISDOC 2nd Vice President position.

A roll call vote was taken, with Directors Yoo Schneider, Nederhood, and Seckel voting in favor. This item will be presented to the Board on March 17, 2021.

DISCUSSION ITEMS**UPDATE ON COVID-19 (ORAL REPORT)**

Vicki Osborn (Director of Emergency Services) announced that the Southern Region remains in the Purple COVID-19 restriction tier but is making progress towards moving into the less restrictive Red tier. Ms. Osborn shared that the Johnson & Johnson vaccine has been approved for emergency authorized use, and California is transitioning to a vaccine program run by Blue Shield of California.

UPDATE ON WEROC ASSESSMENT & BUDGET

Vicki Osborn (Director of Emergency Management) provided an update on the WEROC Assessment and Budget. Ms. Osborn stated that the WEROC Emergency Operations Plan is 90% complete, the WEROC Assessment Report, the Records and Data Management project is 78% complete, the WEROC CalCard solution is 90% complete, the Planning Maintenance and Recommendation Matrix is 30% complete, and the Training and Exercise Plan has been implemented.

The South Emergency Operations Center's status was also discussed, with Ms. Osborn noting that El Toro Water District needs to know the intentions of WEROC/MWDOC regarding the South Emergency Operations Center as it impacts the ETWD project moving forward. Ms. Osborn presented information on additional conversations and planning regarding this project. The presentation included updated figures and costs for all services, which brought the South Emergency Operations Center project costs to 1.7 million dollars. She advised she was still waiting on a decision from Orange County Sanitation District regarding partnering with WEROC. As discussions continued, the Board agreed that Option 2, fixing only the seismic, roof, generator, and electrical issues on the current structure at the cost of \$ 1,125,225, was not viable. Ms. Osborn advised this item will be an action item at the April P&O meeting based on other funding partners' outcomes.

UPDATE RE: ORANGE COUNTY WATER DISTRICT/MOULTON NIGUEL WATER DISTRICT PILOT STORAGE PROGRAM

John Kennedy, Executive Director of Engineering and Water Resources, Orange County Water District, provided an update on the Orange County Water District/Moulton Niguel Water District Pilot Storage Program via PowerPoint presentation. It was noted that Mr. Kennedy's PowerPoint presentation would be posted on the MWDOC website. Director Seckel suggested that MWDOC Staff should be involved in the meetings held with the South Orange County agencies in the future regarding this pilot program.

INFORMATION ITEMS**LOCAL LEGISLATIVE ACTIVITIES**

- a. County Legislative Report (Lewis)
- b. Legal and Regulatory Report (Ackerman)

The Committee received and filed these reports.

APPROVAL OF AMP CAPACITY FLOW EXCEEDANCE REQUEST – SOUTH

COAST WD & THE CITY OF SAN CLEMENTE

The Committee received and filed the report.

MWDOC CHOICE SCHOOL PROGRAMS UPDATE

Director Yoo Schneider inquired that if, in response to a past constituent inquiry, there has been any progress made getting MWDOC's Choice School program in San Clemente High School. Sarah Wilson (Public Affairs Specialist) responded that she contacted the city of San Clemente's education coordinator Niki Beach (Water Conservation Analyst for the City of San Clemente). Ms. Beach and all of MWDOC's participating agencies have been provided with a communications toolkit to help promote the MWDOC Choice School programs. Ms. Wilson stated she was aware that Public Affairs was able to get into additional elementary schools but said she would have to follow-up regarding the high school program.

The Committee received and filed the report.

2021 OC WATER SUMMIT UPDATE

The Committee received and filed the report.

FEBRUARY 24TH VIRTUAL WATER POLICY FORUM

The Committee received and filed the report.

STATUS REPORTS

- a. Ongoing MWDOC Reliability and Engineering/Planning Projects
- b. WEROC
- c. Water Use Efficiency Projects
- d. Public and Government Affairs

The Committee received and filed these reports.

REVIEW OF ISSUES RELATED TO PLANNING OR ENGINEERING PROJECTS, WEROC, WATER USE EFFICIENCY, FACILITY AND EQUIPMENT MAINTENANCE, WATER STORAGE, WATER QUALITY, CONJUNCTIVE USE PROGRAMS, EDUCATION, PUBLIC AFFAIRS PROGRAMS, AND EVENTS,

No new information was presented.

ADJOURNMENT

There being no further business brought before the Committee, Director Yoo Schneider adjourned the meeting at 10:00 a.m.

MINUTES OF THE 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. to 10:33 a.m.

In accordance with Executive Order N-25-20 issued by Governor Newsom on March 4, 2020, the meeting was held via the Zoom Webinar application; all Brown Act requirements were complied with.

A&F Committee:

Director Bob McVicker, Chair
Director Larry Dick
Director Jeff Thomas

Staff:

Rob Hunter, Maribeth Goldsby,
Katie Davanaugh, Pari Francisco,
Hilary Chumpitazi, Michelle DeCasas,
Charles Busslinger, Melissa Baum-Haley,
Christina Hernandez, Chris Lingad,
Tiffany Baca, Alex Heide, Vicki Osborn,
Cathy Harris, Joe Berg, Rachel Waite,
Damon Micalizzi, Sarah Wilson,
Harvey De La Torre

Also Present:

Director Sat Tamaribuchi
Director Al Nederhood
Director Karl Seckel
Director Megan Yoo Schneider
MWDOC MET Director Dennis Erdman

Kaden Young, Moulton Niguel Water District
Donald Froelich, Moulton Niguel Water District
Charles Diamond, Raftelis
Elaine Conti, Raftelis
Melissa Elliott, Raftelis
Steve Gagnon, Raftelis
Liz Mendelson-Goossens, San Diego Co. Water Auth.
Chuck Gibson, Santa Margarita Water District
Saundra Jacobs, Santa Margarita Water District
Justin McCusker, Santa Margarita Water District
Fernando Paludi, Trabuco Canyon Water District
Robert Grantham, Santa Margarita Water District
Adonis Henley

Jose Vergara, El Toro Water District
Mark Monin, El Toro Water District
Dennis Cafferty, El Toro Water District
Mike Gaskins, El Toro Water District
Paul Weghorst, Irvine Ranch Water District
Peer Swan, Irvine Ranch Water District
Doug Reinhart, Irvine Ranch Water District
Jim Atkinson, Mesa Water
Marwan Khalifa, Mesa Water
Stacy Lynne Taylor, Mesa Water
Jim Fisler, Mesa Water
Dick Ackerman

At 8:30 a.m., Director McVicker called the meeting to order, via the Zoom webinar application.

Secretary Goldsby conducted a roll call attendance of the Committee members with Directors McVicker, Thomas and Dick acknowledging attendance for the Committee; and Directors Seckel, Nederhood, Tamaribuchi and Yoo Schneider also present.

PUBLIC COMMENTS

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

A revised 2nd Draft Budget document (Item 7 on the agenda) was distributed to the Board and was posted and made available to the public via the District's website.

Due to schedules, the agenda was reorganized as follows:

DISCUSSION

UPDATE ON MWDOC'S 2021 RATE STUDY

General Manager Hunter reported that the MWDOC Rate Study conducted by Raftelis is coming to a conclusion.

Steve Gagnon of Raftelis provided a presentation that included a review and status update of the Rate Study and reviewed comments received from the member agencies at the February 18th meeting. He reviewed the various rate structures that were considered during the study and review process. Of the twelve different type of rate structures presented to the member agencies, 16/26 agencies voiced strong support/acceptance for allocating 1/26 of all of MWDOC's cost centers (excluding WEROC) to the ground water service chares, and continue with the existing meter service charge for the retail water agencies. The participants expressed concurrence that the 1/26 method was the most sensible, reasonable and equitable for OCWD and the member agencies.

Mr. Gagnon showed the cost difference among the member agencies with the current groundwater class pay methodology versus the proposed 1/26 method and reported that no agencies expressed concern with the 1/26 method during the member agencies discussions. Some discussion was held on whether a volumetric component should be considered. It was noted that there is a lack of a "cost nexus" to MWDOC's core services and volumetric charges.

General Manager Hunter reported that a recommendation will be presented to the Administration & Finance Committee and Board in April.

PROPOSED BOARD CONSENT CALENDAR ITEMS

TREASURER'S REPORTS

- 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

The Committee reviewed the Treasurer's Reports. Upon MOTION by Director Thomas seconded by Director McVicker and carried (3-0), the Committee recommended approval of the Treasurer's Reports at the March 17, 2021 Board meeting. The vote was taken via roll call and Directors Thomas, Dick and McVicker all voted in favor.

Director Seckel inquired how the election cost allocation is calculated with Ms. Goldsby responding that it is derived by population and pamphlet distribution; it was noted that staff would confirm and inform the Directors.

With regard to the credit card statement, it was noted that credit cards are issued to Management Staff only, and not Directors.

FINANCIAL REPORT

- a. Combined Financial Statements and Budget Comparative for the Period ending January 31, 2021

Upon MOTION by Director Thomas, seconded by Director McVicker and carried (3-0), the Committee recommended approval of the Financial Reports at the March 17, 2021 Board meeting. The vote was taken via roll call and Directors Thomas, Dick and McVicker all voted in favor.

ACTION ITEMS

CHANGE ORDER FOR VASQUEZ & COMPANY LLP, FY 2020 ANNUAL AUDIT

General Manager Hunter noted that the change order is a result of a more extensive audit primarily due to COVID-19, and additional time speaking with members of the Board who spoke with the auditors.

Upon MOTION by Director McVicker, seconded by Director Thomas and carried (3-0), the Committee recommended approval of the Change Order for Vasquez & Company, LLP, FY 2020 Annual Audit at the March 17, 2021 Board meeting. The vote was taken via roll call and Directors Thomas, Dick and McVicker all voted in favor.

REQUEST FOR WAIVER OF LATE PAYMENT PENALTY FOR IRVINE RANCH WATER DISTRICT

General Manager Hunter noted that the reason for the delay in IRWD's most recent water bill payment was due to a banking holiday.

Upon MOTION by Director Dick, seconded by Director Thomas and carried (3-0), the Committee recommended approval of the Request for Waiver of Late Payment Penalty for Irvine Ranch Water District at the March 17, 2021 Board meeting. The vote was taken via roll call and Directors Thomas, Dick and McVicker all voted in favor.

**NATURAL RESOURCES RESULTS (NRR), INCREASE IN MONTHLY RETAINER –
CHANGE ORDER**

General Manager Hunter reported that the initial 3-month period of the contract has passed and that it is appropriate at this time to increase the contract to \$8,000 per month as was originally outlined in the NRR proposal. It was noted that the first three months of the initial contract were negotiated at a lower rate of \$6,500 per month.

Upon MOTION by Director Thomas, seconded by Director Dick and carried (3-0), the Committee recommended approval of the Natural Resources Results (NRR), increase in Monthly Retainer Change Order at the March 17, 2021 Board meeting. The vote was taken via roll call and Directors Thomas, Dick and McVicker all voted in favor.

DISCUSSION ITEM**SEND LETTER TO ACWA RE: CONCERNS WITH MEDIMPACT PRESCRIPTION
PLAN**

Director of Human Resources & Administration, Cathy Harris, provided information on ACWA/JPIA's current prescription coverage carrier, MedImpact, and noted some participants have expressed concern with the level of dispensing practices for medications on the formulary list. JPIA indicated that the selection of MedImpact for prescription coverage is a multi-million dollar savings to participants.

Staff was directed to prepare a letter to JPIA expressing concerns with the MedImpact Prescription Plan.

FY 2021-22 SECOND DRAFT BUDGET

General Manager Hunter provided an overview and presentation of the changes from the 1st draft budget, and pertinent aspects of the revisions which were outlined in the staff report. The pertinent changes include a proposed rate increase to the retail service connection charge, general fund budget changes, reserve draws, a CalPERS unfunded liability payment, building improvements, and others. He also noted reduced travel and conference expenses, costs associated with the WEROC South Emergency Operations Center renovation and the addition of a Water Use Efficiency Potential and Opportunity Study.

(10:11 a.m. Director Dick departed the meeting and Director Tamaribuchi sat on the Committee.)

Discussion was held on the Water Use Efficiency Potential and Opportunity Study as to its need and whether it would be a recurring expense. General Manager Hunter responded that the study is intended to be a one-time study to provide the District with necessary information on the per capita usage potential.

Discussion was held on the reduction in water sales, where staff noted that this is mainly the result of OCWD not purchasing any replenishment water due to PFAS impacting groundwater production. However, because MWDOC's rates are fixed, this reduction in water sales does not affect MWDOC's revenues.

Director Seckel expressed support for moving forward with the WEROC EOC project with El Toro Water District; and requested that staff evaluate a funding plan, whether it comes from reserves or is spread out over time. He is not in favor of making improvements or additional expenses to the existing EOC facility. He also expressed support for efforts related to the Delta Conveyance.

Irvine Ranch Water District and Santa Margarita Water District expressed concern with respect to the expenses involved for the new WEROC EOC with El Toro Water District. Ms. Osborn indicated that she will speak with those agencies to assure that there will not be an overlap in services or costs as those agencies have their own respective emergency operations centers and associated costs.

REVIEW OF DISTRICT'S AUTO ALLOWANCE POLICY

This item was moved to the April Administration & Finance Committee, as Director Dick departed the meeting and had questions on this policy.

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

This item was also moved to the April Administration & Finance Committee, as Director Dick departed the meeting and had questions on this policy.

INFORMATION ITEMS

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

This item was for information only, noting the meeting date of April 21st.

DEPARTMENT ACTIVITIES REPORTS

- a. Administration
- b. Finance and Information Technology

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

The informational reports were received and filed.

OTHER ITEMS

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

No items were presented.

ADJOURNMENT

There being no further business brought before the Committee, the meeting was adjourned at 10:33 a.m.

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
jointly with the
EXECUTIVE COMMITTEE
March 18, 2021, 8:30 a.m. to 9:48 a.m.
Zoom Webinar Application

Committee:

Director Tamaribuchi, President
Director Yoo Schneider, Vice President
Director Dick, Immediate Past President

Staff:

R. Hunter, M. Goldsby

Also Present:

Director Nederhood
Director Seckel
Director McVicker
Dennis Erdman, MWDOC MET Director
Sherry Wanninger, MNWD
Chuck Gibson, SMWD
Justin McCusker, SMWD
Jim Leach, SMWD
Greg Mills, Serrano Water District
Kristy Khachigian, KK Consulting

At 8:30 a.m., President Tamaribuchi called the meeting to order via the Zoom Webinar application (pursuant to the Governor's Executive Order due to the spread of the COVID-19 virus, the meeting was conducted via Zoom). Secretary Goldsby called the roll.

PUBLIC PARTICIPATION

No public comments were made.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

General Manager Hunter advised that the draft agendas for the upcoming month were distributed to the Board and made available to the public.

EXECUTIVE COMMITTEE REVIEW OF FUTURE AGENDAS

The Committee reviewed and discussed the draft agendas for each of the meetings and made revisions/additions as listed below.

a. Special Board Meeting (Elected Officials Forum)

Considerable discussion was held regarding the content topics for the Elected Officials Forum, with the Committee asking that the topics include information relative to MWDOC's budget, rate study, challenges facing the water industry (infrastructure, demands, Bay/Delta, Colorado River, drought, etc.), legislative success and advocating, the success of the School Program (and remote learning), and how MWDOC's cost of services compares with other similar MET wholesale agencies.

b. Planning & Operations Committee

Following a brief discussion, the Committee suggested the update by SMWD regarding Watershed Projects be deferred until May.

Responding to a question by Director Seckel, General Manager Hunter provided an overview of the South Emergency Operations Center Capital Project Decision. Discussion was held regarding available alternative sites (if any) and potential cost partners. Mr. Hunter advised that detailed information would be presented at the P&O Committee meeting.

(Director Yoo Schneider left the meeting at 8:58 a.m.)

c. Workshop Board Meeting

Director Seckel asked that staff provide an update (in the matrix) regarding MET's Integrated Resources Plan (IRP) committee meeting (to be held March 23), outlining significant key issues.

d. Administration & Finance Committee meeting

Discussion was held regarding the District's Auto Allowance Policy and whether to expand the guidelines for future purchases (e.g., four-wheeled drive options for WEROC personnel, District vehicles, etc.).

Director Erdman suggested the District's Benchmark Salary Survey combine with similar member agency surveys, noting the report could provide cost (and other) benefits to the member agencies. General Manager Hunter indicated that although any combination of efforts could prove too complicated, he would explore the issue with staff.

DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE

General Manager Hunter highlighted various issues, including the problems MET is facing regarding personnel and desert housing, MET's General Manager recruitment process, the Urban Water Management Plan (coming to a finish in May), the OC Water Summit moving to October (in person), and MET's IRP process and demand management process each moving slowly. Mr. Hunter advised that he would be on vacation April 5-9.

MEMBER AGENCY RELATIONS

General Manager Hunter advised that the District has received two letters regarding MWDOC's budget (OCWD and SMWD), and that the MWDOC member agency managers will discuss MWDOC's role at upcoming meetings.

Responding to an inquiry by Director Seckel, Mr. Hunter provided an overview of the recent Ad Hoc Building Management Committee meeting, noting that as a result of the meeting, the Lease Agreement between the two agencies will be updated.

Director Seckel suggested the MWDOC Board appoint an Ad Hoc Committee to enhance relations with OCWD.

GENERAL MANAGER'S REPORTS

Responding to a Director inquiry relative to returning to in-person meetings, Mr. Hunter noted that currently the campus is closed, and that the State's tiered system does not currently allow for it (Orange County currently in Red Tier). He did however note that as restrictions ease and the County is moved into a less-restrictive tier, the Board could consider its options, noting that several issues will need to be addressed (staff vaccinations, masks, etc.).

Discussion was held regarding the Governor's Executive Order relative to the Brown Act, Orange County's status in the tiered system, liability issues with moving forward too quickly, and the safety of staff. Director Nederhood suggested a target of July for returning to in-person meetings and the Committee recommended staff agendaize this topic for the June Executive Committee meeting.

REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

No new information was presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:48 a.m.

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

WATER REVENUES

| <u>Date</u> | <u>From</u> | <u>Description</u> | <u>Amount</u> |
|-----------------------------|------------------------------------|--------------------------------|------------------------|
| 3/01/2021 | City of Newport Beach | January 2021 Water deliveries | \$ 46,369.11 |
| 3/01/2021 | Serrano Water District | January 2021 Water deliveries | \$ 7,589.60 |
| 3/03/2021 | Trabuco Canyon Water District | January 2021 Water deliveries | \$ 141,015.85 |
| 3/04/2021 | City of Westminster | January 2021 Water deliveries | \$ 12,869.03 |
| 3/04/2021 | Laguna Beach County Water District | January 2021 Water deliveries | \$ 151,995.66 |
| 3/08/2021 | City of Buena Park | January 2021 Water deliveries | \$ 148,892.99 |
| 3/08/2021 | City of Fountain Valley | January 2021 Water deliveries | \$ 11,905.97 |
| 3/08/2021 | City of La Palma | January 2021 Water deliveries | \$ 2,624.29 |
| 3/08/2021 | City of Seal Beach | January 2021 Water deliveries | \$ 9,915.38 |
| 3/08/2021 | El Toro Water District | January 2021 Water deliveries | \$ 371,609.46 |
| 3/08/2021 | South Coast Water District | January 2021 Water deliveries | \$ 344,913.39 |
| 3/10/2021 | City of La Habra | January 2021 Water deliveries | \$ 17,733.51 |
| 3/10/2021 | Santa Margarita Water District | January 2021 Water deliveries | \$ 1,624,478.11 |
| 3/11/2021 | City of Orange | January 2021 Water deliveries | \$ 94,147.30 |
| 3/11/2021 | East Orange Co Water District | January 2021 Water deliveries | \$ 338,053.65 |
| 3/12/2021 | City of Garden Grove | January 2021 Water deliveries | \$ 313,019.48 |
| 3/12/2021 | City of San Clemente | January 2021 Water deliveries | \$ 561,214.20 |
| 3/12/2021 | City of San Juan Capistrano | January 2021 Water deliveries | \$ 412,863.07 |
| 3/15/2021 | Golden State Water Company | January 2021 Water deliveries | \$ 337,554.60 |
| 3/15/2021 | Irvine Ranch Water District | January 2021 Water deliveries | \$ 1,016,808.96 |
| 3/15/2021 | Moulton Niguel Water District | January 2021 Water deliveries | \$ 1,910,330.52 |
| 3/15/2021 | Orange County Water District | January 2021 Water deliveries | \$ 382,268.11 |
| 3/15/2021 | Yorba Linda Water District | January 2021 Water deliveries | \$ 189,783.04 |
| 3/24/2021 | City of Westminster | February 2021 Water deliveries | \$ 12,869.03 |
| 3/26/2021 | City of Brea | February 2021 Water deliveries | \$ 15,078.35 |
| 3/26/2021 | City of Huntington Beach | February 2021 Water deliveries | \$ 110,182.88 |
| 3/29/2021 | City of Newport Beach | February 2021 Water deliveries | \$ 23,847.51 |
| TOTAL WATER REVENUES | | | \$ 8,609,933.05 |

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

MISCELLANEOUS REVENUES

| <u>Date</u> | <u>From</u> | <u>Description</u> | | <u>Amount</u> |
|-------------|-------------------------------|--|----|---------------|
| 3/04/2021 | Karl Seckel | March 2021 Retiree Health insurance | \$ | 241.40 |
| 3/29/2021 | Stan Sprague | April 2021 Retiree Health insurance | \$ | 241.40 |
| 3/15/2021 | IGOE | Feb-Mar 2021 COBRA insurance for Joan Finnegan | \$ | 47.32 |
| 3/04/2021 | US Bank | CAL Card rebate check | \$ | 393.46 |
| 3/17/2021 | US Bank | Monthly Analysis refund - ACH fee | \$ | 41.00 |
| 3/29/2021 | SDRMA | 2017-2019 Dental dividend | \$ | 9,403.90 |
| 3/31/2021 | US Bank | Monthly Interest | \$ | 3.21 |
| 3/22/2021 | Moulton Niguel Water District | January 2021 Smartimer rebate program | \$ | 254.51 |
| 3/22/2021 | Mesa Water District | January 2021 Smartimer rebate program | \$ | 59.00 |
| 3/08/2021 | El Toro Water District | June 2020 Turf Removal rebate program | \$ | 1,685.00 |
| 3/29/2021 | City of La Habra | September 2020 Turf Removal rebate program | \$ | 222.00 |
| 3/26/2021 | City of Brea | January 2021 Turf Removal rebate program | \$ | 111.00 |
| 3/22/2021 | City of Fountain Valley | January 2021 Turf Removal and Spray to Drip rebate program | \$ | 444.00 |
| 3/29/2021 | City of Orange | January 2021 Turf Removal and Spray to Drip rebate program | \$ | 666.00 |
| 3/01/2021 | Irvine Ranch Water District | December 2020 Spray to Drip rebate program | \$ | 3,461.00 |
| 3/08/2021 | El Toro Water District | December 2020 Rain Barrels and Smartimer rebate program | \$ | 31.77 |
| 3/19/2021 | City of San Clemente | December 2020 Smartimer, Rotating Nozzle and Rain Barrels rebate program | \$ | 210.57 |
| 3/08/2021 | El Toro Water District | January 2021 So Cal Watersmart rebate program | \$ | 230.00 |
| 3/08/2021 | Moulton Niguel Water District | January 2021 So Cal Watersmart rebate program | \$ | 3,800.00 |
| 3/19/2021 | City of San Clemente | January 2021 So Cal Watersmart rebate program | \$ | 680.00 |
| 3/04/2021 | City of La Habra | Late payment penalty on November 2020 Water deliveries | \$ | 116.50 |
| 3/26/2021 | City of Tustin | Leak Detection Shared Services Elections for FY 2020-21 | \$ | 419.00 |
| 3/10/2021 | Orange County Water District | Retention for SAWPA Drought Response program | \$ | 91,684.00 |
| 3/08/2021 | City of Anaheim | Jul-Dec 2020 School Billing | \$ | 448.05 |
| 3/01/2021 | City of Santa Ana | Jul-Dec 2020 School Billing | \$ | 4,938.85 |
| 3/01/2021 | City of Garden Grove | 2020 - 5 Year Update Urban Water Management Plan | \$ | 31,650.00 |
| 3/01/2021 | City of Santa Ana | 2020 - 5 Year Update Urban Water Management Plan | \$ | 41,780.00 |

TOTAL MISCELLANEOUS REVENUES \$ 193,262.94

TOTAL REVENUES \$ 8,803,195.99


 Robert J. Hunter, General Manager


 Hilary Chumpitazi, Treasurer

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

| Vendor/ Invoice | Description | Amount to Pay |
|----------------------------------|---|------------------|
| Core Disbursements: | | |
| ABSG Consulting Inc | | |
| 5107106 | February 2021 Owner's Representative preconstruction/plan check & bidding services for MWDOC office remodel | 21,610.00 |
| ***Total*** | | <u>21,610.00</u> |
| ACCO Engineered Systems | | |
| 20103291 | Quarterly HVAC Preventative maintenance | 1,014.00 |
| ***Total*** | | <u>1,014.00</u> |
| Richard C Ackerman | | |
| 1300 | March 2021 Legal and regulatory matters consulting | 2,475.00 |
| ***Total*** | | <u>2,475.00</u> |
| Agendum Ventures | | |
| 1455 | Services to design OC Water special insert | 10,000.00 |
| ***Total*** | | <u>10,000.00</u> |
| Aleshire & Wynder LLP | | |
| 61446 | March 2021 Legal services | 1,512.80 |
| ***Total*** | | <u>1,512.80</u> |
| Arcadis US Inc | | |
| 34221840 | January 2021 Urban Wtr Management Plan Development services | 44,447.80 |
| ***Total*** | | <u>44,447.80</u> |
| Best Best and Krieger LLP | | |
| 55401-FEB21 | February 2021 Legal services | 8,170.10 |
| 900236 | February 2021 Services for State legislative advocacy | 8,000.00 |
| ***Total*** | | <u>16,170.10</u> |
| CDM Smith | | |
| 90122096 | March 2021 Services for water resource planning | 7,597.50 |
| ***Total*** | | <u>7,597.50</u> |
| The Brattle Group Inc | | |
| 61511 | February 2021 Services for the Economic Benefit Studies and Modeling Work | 4,750.00 |
| ***Total*** | | <u>4,750.00</u> |
| Edward G Means III | | |
| MWDOC-1092 | March 2021 Consulting on MET issues and guidance to Engineering staff | 1,187.50 |
| ***Total*** | | <u>1,187.50</u> |

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

| Vendor/ Invoice | Description | Amount to Pay |
|--|---|--------------------------|
| Fenagh LLC | | |
| 5828-3 | February 2021 Services for on-site testing and inspection of structural steel and concrete for MWDOC office remodel | 4,659.85 |
| ***Total*** | | <u>4,659.85</u> |
| Hashtag Pinpoint Corporation | | |
| 1400 | March 2021 Strategic digital communications consulting services | 7,913.00 |
| ***Total*** | | <u>7,913.00</u> |
| Herndon Solutions Group LLC | | |
| INV-0000000825 | February 2021 Services to assist with America's Water Infrastructure Act compliance | 845.83 |
| ***Total*** | | <u>845.83</u> |
| IDS Group Inc | | |
| 17X114.00-9 | February 2021 Interior design for MWDOC office remodel | 558.60 |
| 18X093.00-9 | February 2021 Seismic retrofit design and project support MWDOC office remodel | 12,646.00 |
| 18X093.02-4 | February 2021 Seismic retrofit design and project support MWDOC office remodel | 9,481.50 |
| 18X093.0-10 | March 2021 Seismic retrofit design and project support MWDOC office remodel | 6,323.00 |
| 18X093.02-5 | March 2021 Seismic retrofit design and project support MWDOC office remodel | 5,538.00 |
| ***Total*** | | <u>34,547.10</u> |
| IGOE Administrative Services | | |
| 228704 | Annual administrative fee for COBRA services | 610.00 |
| ***Total*** | | <u>610.00</u> |
| Jill Promotions | | |
| 11061 | 500 Navy masks for promotional items | 1,519.34 |
| ***Total*** | | <u>1,519.34</u> |
| Karens Detail Custom Frames LLC | | |
| 3152 | MWDOC Resolution for Director Erdman | 142.03 |
| ***Total*** | | <u>142.03</u> |
| Lewis Consulting Group | | |
| 2021-110 | March 2021 Consulting services | 2,312.50 |
| ***Total*** | | <u>2,312.50</u> |
| Keith Lyon | | |
| 33121 | January-March 2021 Retiree medical premium | 891.00 |
| ***Total*** | | <u>891.00</u> |
| Mega Maids Cleaning Service | | |
| 11737 | March 2021 Cleaning services for COVID-19 prevention | 480.00 |
| ***Total*** | | <u>480.00</u> |

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

| Vendor/ Invoice | Description | Amount to Pay |
|---|--|--------------------------|
| Municipal Resource Group, LLC | | |
| 03-21-125 | Apr. 2 and Apr. 9, 2021 Staff virtual training | 17,000.00 |
| ***Total*** | | 17,000.00 |
| Natural Resource Results LLC | | |
| 3365 | March 2021 Federal legislative advocacy services | 8,000.00 |
| ***Total*** | | 8,000.00 |
| NDS | | |
| 781816 | 2/26/21 Board packet delivery service | 214.25 |
| 782590 | 3/5/21 Board packet delivery service | 320.47 |
| 782766 | 3/12/21 Board packet delivery service | 214.25 |
| 783242 | 4/2/21 Board packet delivery service | 214.25 |
| ***Total*** | | 963.22 |
| Office Depot Inc | | |
| 157441047001 | 3/12/21 Office supplies | 240.48 |
| ***Total*** | | 240.48 |
| Office Solutions | | |
| I-01858647 | 3/31/21 Office supplies | 152.11 |
| ***Total*** | | 152.11 |
| Optima RPM Inc | | |
| 5000355 | March 2021 Construction services for MWDOC office seismic Improvements and remodel | 195,526.53 |
| ***Total*** | | 195,526.53 |
| Orange County Water District | | |
| 22662 | February 2021 Postage, shared office and maintenance expense | 3,852.37 |
| 22738 | March 2021 Postage, shared office and maintenance expense | 6,584.01 |
| ***Total*** | | 10,436.38 |
| Raftelis Financial Consultants Inc | | |
| 18515 | February 2021 Rate Study services | 10,927.50 |
| 18939 | March 2021 Rate Study services | 11,182.50 |
| ***Total*** | | 22,110.00 |
| Joey C Soto | | |
| MWDOC #035 | March 2021 Grant research and acquisition assistance | 3,250.00 |
| ***Total*** | | 3,250.00 |
| Spectrum Business Centers | | |
| 216014 | 3/19/21-3/19/22 Annual maintenance renewal for Ricoh color copier | 350.00 |
| ***Total*** | | 350.00 |

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

| Vendor/ Invoice | Description | Amount to Pay |
|---|---|--------------------------|
| WageWorks Inc | | |
| INV2666488 | March 2021 Cafeteria plan administration fees | 196.07 |
| ***Total*** | | <u>196.07</u> |
| Water Systems Optimization Inc | | |
| 1932 | January 2021 Water Loss Control program | 5,580.00 |
| ***Total*** | | <u>5,580.00</u> |
| Total Core Expenditures | | <u>428,490.14</u> |
| Choice Expenditures: | | |
| Bolsa Chica Conservancy | | |
| 40721 | March 2021 Choice Water Education High School program | 1,800.00 |
| ***Total*** | | <u>1,800.00</u> |
| Building Block Entertainment Inc | | |
| 3429-4 | March 2021 Choice Elementary School program for grades TK-2 | 8,320.00 |
| ***Total*** | | <u>8,320.00</u> |
| Discovery Science Center | | |
| 1442 | March 2021 Choice Middle School program | 4,095.00 |
| 1444 | March 2021 Choice Elementary School program Grades 3-5 | 5,270.00 |
| ***Total*** | | <u>9,365.00</u> |
| Inland Group | | |
| 211237011 | PRV Program door hangers for SCWD | 409.45 |
| 211254011 | PRV Program door hangers for IRWD | 134.69 |
| ***Total*** | | <u>544.14</u> |
| Mission RCD | | |
| 2977 | March 2021 Field inspection and verification for Water Use Efficiency rebate programs | 7,829.00 |
| ***Total*** | | <u>7,829.00</u> |
| Orange County Water District | | |
| 22662 | February 2021 Postage for Water Use Efficiency rebate programs | 15.83 |
| 22738 | March 2021 Postage for Water Use Efficiency rebate programs | 17.14 |
| ***Total*** | | <u>32.97</u> |
| US Bank Voyager Fleet Systems | | |
| 8694349932113 | 2/25/21-3/24/21 Fuel for Water Loss Control Shared Services vehicles | 130.56 |
| ***Total*** | | <u>130.56</u> |
| Total Choice Expenditures | | <u>28,021.67</u> |

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

| Vendor/ Invoice | Description | Amount to Pay |
|---------------------------------------|---|--------------------------|
| Other Funds Expenditures: | | |
| EcoTech Services Inc | | |
| 1870 | February 2021 Landscape Design and Maintenance Assistance programs | 12,325.00 |
| ***Total*** | | <u>12,325.00</u> |
| Herndon Solutions Group LLC | | |
| INV-0000000825 | February 2021 Services to assist with America's Water Infrastructure Act compliance | 49,594.79 |
| ***Total*** | | <u>49,594.79</u> |
| Mission RCD | | |
| 2977 | March 2021 Field inspection and verification for Water Use Efficiency rebate programs | 999.00 |
| ***Total*** | | <u>999.00</u> |
| County of Orange | | |
| SC12777 | 4/1-6/30/21 800 MHz radio operation maintenance and management cost share | 313.00 |
| ***Total*** | | <u>313.00</u> |
| The Plant Nerd | | |
| 6405 | February 2021 Landscape Design and Maintenance Assistance programs | 14,720.00 |
| 6436 | March 2021 Landscape Design and Maintenance Assistance programs | 9,850.00 |
| ***Total*** | | <u>24,570.00</u> |
| Mary Schoenfeldt | | |
| 22221 | Disaster Stress Management in an EOC Environment training for member agencies and operational area partners on Mar. 4, 2021 | 200.00 |
| ***Total*** | | <u>200.00</u> |
| Water Systems Optimization Inc | | |
| 1932 | January 2021 Water Loss Control program | 30,090.00 |
| ***Total*** | | <u>30,090.00</u> |
| Total Other Funds Expenditures | | <u>118,091.79</u> |
| Total Expenditures | | <u><u>574,603.60</u></u> |

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

| Name/ Date | Check/ EFT | Invoice | Description | Amount |
|---|-----------------------|----------------------|--|------------------|
| Core Disbursements: | | | | |
| Corodata Records Management Inc | | | | |
| 3/15/2021 | EFT | RS4677082 | February 2021 Archived document storage fees | 52.13 |
| ***Total*** | | | | 52.13 |
| Cort Business Services Corp | | | | |
| 3/15/2021 | 140186 | 7496144 | February 2021 Furniture lease for 2 temporary workstations | 144.48 |
| ***Total*** | | | | 144.48 |
| Lina Gunawan | | | | |
| 3/31/2021 | EFT | 13121 | January 2021 Business expense | 20.00 |
| 3/31/2021 | EFT | 22821 | February 2021 Business expense | 70.00 |
| ***Total*** | | | | 90.00 |
| Laguna Beach County Water District | | | | |
| 3/15/2021 | 140190 | 30121 | CM-12 Modification Deposit Refund | 28,359.94 |
| ***Total*** | | | | 28,359.94 |
| Ricoh USA Inc | | | | |
| 3/15/2021 | EFT | 5061504885 | February 2021 Reproduction costs | 267.28 |
| ***Total*** | | | | 267.28 |
| Spectrum Business | | | | |
| 3/22/2021 | 140202 | 343564031021 | March 2021 Telephone expense for 1 analog fax lines | 39.99 |
| 3/04/2021 | 140179 | 375210030121 | March 2021 Telephone and internet expense | 1,411.54 |
| ***Total*** | | | | 1,451.53 |
| Jeffery Thomas | | | | |
| 3/31/2021 | EFT | 22821 | February 2021 Business expense | 76.99 |
| ***Total*** | | | | 76.99 |
| Jason Thorsell | | | | |
| 3/05/2021 | EFT | 113020 | Oct.-Nov. 2020 Business expense | 90.00 |
| ***Total*** | | | | 90.00 |
| US Bank | | | | |
| 3/15/2021 | 140200 | 0208/4192/4279-FEB21 | 1/23/21-2/22/21 Cal Card charges | 9,262.26 |
| ***Total*** | | | | 9,262.26 |

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

| Name/ Date | Check/ EFT | Invoice | Description | Amount |
|------------------------------------|-----------------------|----------------|---|---------------------|
| Verizon Wireless | | | | |
| 3/04/2021 | 140180 | 9874037580 | February 2021 4G Mobile broadband unlimited service | 114.03 |
| ***Total*** | | | | 114.03 |
| Total Core Disbursements | | | | 39,908.64 |
| Choice Disbursements: | | | | |
| Jason Thorsell | | | | |
| 3/05/2021 | EFT | 113020 | Oct. 2020 Business expense | 136.77 |
| ***Total*** | | | | 136.77 |
| US Bank | | | | |
| 3/15/2021 | 140200 | 4279-FEB21 | 1/23/21-2/22/21 Cal Card charges | 33.54 |
| ***Total*** | | | | 33.54 |
| Total Choice Disbursements | | | | 170.31 |
| Other Funds Disbursements: | | | | |
| AT&T | | | | |
| 3/15/2021 | 140182 | 1812-MAR20 | March 2021 U-Verse internet service for WEROC N. EOC | 64.20 |
| ***Total*** | | | | 64.20 |
| AT&T | | | | |
| 3/15/2021 | 140183 | 16094941 | February 2021 Telephone expense for WEROC N. & S. EOC | 338.64 |
| 3/15/2021 | 140183 | 16094942 | February 2021 Telephone expense for WEROC N. EOC | 117.61 |
| ***Total*** | | | | 456.25 |
| Mesa Water District | | | | |
| 3/15/2021 | EFT | 10412 | January 2021 Credit for Local Resources program | 52,862.25 |
| ***Total*** | | | | 52,862.25 |
| Metropolitan Water District | | | | |
| 3/30/2021 | WIRE-03302 | 10326 | January 2021 Water deliveries | 8,572,142.77 |
| ***Total*** | | | | 8,572,142.77 |

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

| Name/ Date | Check/ EFT | Invoice | Description | Amount |
|---------------------------------------|-----------------------|-------------------------|---|-------------------|
| Santa Margarita Water District | | | | |
| 3/31/2021 | EFT | 1152021 | January 2021 SCP Pipeline Operation Surcharge | 23,507.51 |
| ***Total*** | | | | 23,507.51 |
| Santiago Aqueduct Commission | | | | |
| 3/31/2021 | 140231 | 1152021 | January 2021 SAC Pipeline Operation Surcharge | 2,887.48 |
| ***Total*** | | | | 2,887.48 |
| Spray to Drip Rebate | | | | |
| 3/30/2021 | 140213 | S2D3-R-MESA-39652-17649 | S. Mak | 764.50 |
| 3/30/2021 | 140209 | S2D4-R-FV-41099-17762 | J. Kato | 1,221.50 |
| 3/30/2021 | 140205 | S2D4-R-IRWD-41410-17829 | R. Arasasingham | 1,092.00 |
| 3/30/2021 | 140207 | S2D4-R-IRWD-41709-17896 | D. Covell | 334.12 |
| 3/30/2021 | 140203 | S2D4-R-LH-41253-17808 | B. Anderson | 722.50 |
| 3/30/2021 | 140217 | S2D4-R-SM-41778-17912 | J. Rampone | 1,183.00 |
| 3/30/2021 | 140227 | S2D4-R-TUST-41121-17781 | T. Zarubin | 1,496.50 |
| ***Total*** | | | | 6,814.12 |
| Turf Rebate | | | | |
| 3/30/2021 | 140215 | TR13-C-MNT-26835-38119 | Monarch Summit II HOA (Laguna Niguel) | 150,000.00 |
| 3/30/2021 | 140224 | TR13-R-IRWD-39559-38401 | L. Wheeler | 3,255.00 |
| 3/30/2021 | 140223 | TR13-R-MESA-39050-37935 | J. Warren | 7,314.00 |
| 3/30/2021 | 140214 | TR13-R-MESA-39652-38480 | S. Mak | 10,677.00 |
| 3/30/2021 | 140219 | TR14-C-HB-4463-39843 | Tension Member Tech (5702 Research Drive, HB) | 1,650.00 |
| 3/30/2021 | 140220 | TR14-C-HB-4463-39844 | Tension Member Tech (5721 Research Drive, HB) | 1,641.00 |
| 3/30/2021 | 140211 | TR14-C-IRWD-41130-39930 | Kellogg Family LLC (Irvine) | 6,312.00 |
| 3/30/2021 | 140216 | TR14-C-MNT-41379-40163 | Monarch Summit II HOA (Laguna Niguel) | 89,466.00 |
| 3/30/2021 | 140222 | TR14-R-ETWD-39993-38813 | B. Tu | 1,920.00 |
| 3/30/2021 | 140210 | TR14-R-FV-41099-39904 | J. Kato | 3,400.00 |
| 3/30/2021 | 140225 | TR14-R-HB-41321-40111 | J. Whitley | 1,622.00 |
| 3/30/2021 | 140206 | TR14-R-IRWD-41410-40193 | R. Arasasingham | 1,814.00 |
| 3/30/2021 | 140204 | TR14-R-LH-41253-40061 | B. Anderson | 2,890.00 |
| 3/30/2021 | 140226 | TR14-R-MNT-41745-40498 | A. Wolf | 2,000.00 |
| 3/30/2021 | 140221 | TR14-R-SM-41138-40027 | W. Tilton | 908.00 |
| 3/30/2021 | 140208 | TR14-R-SM-41618-40391 | C. Doe | 1,086.00 |
| 3/30/2021 | 140218 | TR14-R-SM-41778-40524 | J. Rampone | 1,066.00 |
| 3/30/2021 | 140212 | TR14-R-TC-41514-40300 | B. King | 3,040.00 |
| 3/30/2021 | 140228 | TR14-R-TUST-41121-39921 | T. Zarubin | 5,040.00 |
| ***Total*** | | | | 295,101.00 |

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

| Name/ Date | Check/ EFT | Invoice | Description | Amount |
|--|-----------------------|----------------|---|----------------------------|
| US Bank | | | | |
| 3/15/2021 | 140200 | 4279-FEB21 | 1/23/21-2/22/21 Cal Card charges | 4,908.32 |
| ***Total*** | | | | <u>4,908.32</u> |
| Verizon Wireless | | | | |
| 3/04/2021 | 140180 | 9874037580 | February 2021 4G Mobile broadband unlimited service | 404.01 |
| ***Total*** | | | | <u>404.01</u> |
| Total Other Funds Disbursements | | | | <u>8,959,147.91</u> |
| Total Disbursements | | | | <u><u>8,999,226.86</u></u> |



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

Cal Card Charges
Statement Date: February 22, 2021
Payment Date: March 15, 2021

| Date | Description | Amount |
|------|-------------|--------|
|------|-------------|--------|

R. Hunter Card:

| | | |
|---------------|--|---------------------|
| 1/30/2021 | CalDesal Virtual Conference from Feb. 10-11, 2021- Registration for Director Nederhood and C. Busslinger | 500.00 |
| 2/02/2021 | CalDesal Virtual Conference from Feb. 10-11, 2021- Registration for Director Seckel, Director Tamaribuchi, and Director McVicker | 750.00 |
| 2/17/2021 | AMWA Virtual Conference from Mar. 16 to Mar. 17, 2021 - Registration for R. Hunter | 125.00 |
| 2/17/2021 | ACWA DC2021 Virtual Conference on Feb. 24, 2021 - Registration for Director Seckel | 375.00 ¹ |
| 2/19/2021 | ACWA DC2021 Virtual Conference on Feb. 24, 2021 - Registration for R. Hunter | 225.00 |
| Total: | | 1,975.00 |

C. Harris Card:

| | | |
|---------------|--|-----------------------|
| 12/22/2020 | 5 Dell laptops for SEOC/WEROC | 4,908.32 |
| 1/24/2021 | 12/25/20-1/24/21 Web hosting service for MWDOC website | 15.65 |
| 2/03/2021 | FedEx delivery charge to Best Best & Krieger on Feb. 3, 2021 | 20.15 |
| 2/08/2021 | ACWA DC2021 Virtual Conference on Feb. 24, 2021 with 3 webinars - Registration for Director Nederhood, Director Yoo Schneider, and H. Baez | 1,125.00 ¹ |
| 2/08/2021 | ACWA Virtual Spring Conference from May 12-13, 2021 - Registration for Director Seckel and Director Thomas | 750.00 |
| 2/08/2021 | Grant Proposal Development online course - Registration for J. Schunk | 349.00 |
| 2/11/2021 | February 2021 Subscription for prework screening for COVID-19 prevention | 175.56 |
| 2/12/2021 | DocuSign Business Pro annual subscription | 2,760.00 |
| 2/16/2021 | Supplies for Water Loss Control Shared Services | 33.54 |
| 2/16/2021 | The Orange County Register Annual Digital subscription | 161.95 |
| 2/17/2021 | Adobe Acrobat for Legal Professionals course on Feb. 23 and Feb. 25, 2021 - Registration for C. Hernandez and K. Davanaugh | 158.00 |
| 2/18/2021 | Adobe Acrobat for Legal Professionals course on Feb. 23 and Feb. 25, 2021 - Registration for L. Frazier and T. Dubuque | 158.00 |
| Total: | | 10,615.17 |

Public Affairs Card:

| | | |
|---------------|--|-----------------|
| 1/25/2021 | Kahoot Annual subscription | 720.00 |
| 1/25/2021 | Grammarly Annual subscription | 450.00 |
| 2/02/2021 | 2/2/21-3/1/21 Zoom Video Communications monthly fee with audio licenses | 174.95 |
| 2/03/2021 | February 2021 Storage unit for Public Affairs department use during MWDOC office remodel | 269.00 |
| Total: | | 1,613.95 |

¹ \$150 credit issued in March 2021 to adjust price to \$225 per registration for ACWA DC2021

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

| Name/ Date | Check/ EFT | Invoice | Description | Amount |
|-----------------------------------|---------------|------------|--|-----------|
| Core Disbursements: | | | | |
| CDM Smith | | | | |
| 3/31/2021 | 140229 | 90119678 | February 2021 Services for water resource planning | 11,964.50 |
| ***Total*** | | | | 11,964.50 |
| Total Core Disbursements | | | | 11,964.50 |
| Choice Disbursements: | | | | |
| Grainger | | | | |
| 3/15/2021 | 140187 | 9796973155 | Water Loss Control Shared Services supplies | 81.67 |
| ***Total*** | | | | 81.67 |
| Total Choice Disbursements | | | | 81.67 |
| Other Funds Disbursements: | | | | |
| Total Other Funds Disbursements | | | | - |
| Total Disbursements | | | | 12,046.17 |


 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
 February 28, 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 | 21.66% |
| Grant & Project Cash Flow | 1,500,000 | 8.69% |
| Election Expense | 1,333,000 | 7.72% |
| Building Repair | 436,542 | 2.53% |
| OPEB | 297,147 | 1.72% |
| Total Designated Reserves | 7,305,194 | 42.32% |
| General Fund | 7,616,499 | 44.15% |
| Water Fund | 1,257,563 | 7.29% |
| Conservation Fund | (743,252) | (4.31%) |
| WEROC Fund | 1,824,252 | 10.57% |
| Trustee Activities | (4,055) | (0.02%) |
| Total | \$17,256,201 | 100.00% |

The funds are invested as follows:

| Term of Investment | % of Portfolio | Book Value | Market Value |
|------------------------------|----------------|---------------------|---------------------|
| Cash | 0.57% | \$98,872 | \$98,872 |
| Short-term investment | | | |
| • LAIF | 10.57% | \$1,823,340 | \$1,823,340 |
| • OCIP | 70.89% | 12,233,527 | 12,233,527 |
| • US Bank Money Market | 1.45% | 249,907 | 249,907 |
| Long-term investment | | | |
| • Corporate Bond | 8.12% | 1,400,555 | 1,385,223 |
| • Certificates of Deposit | 8.40% | 1,450,000 | 1,531,676 |
| Total | 100.00% | \$17,256,201 | \$17,322,545 |

The average number of days to maturity/call as of February 28, 2021 equaled 114 and the average yield to maturity is 0.845%. During the month, the District's average daily balance was \$23,334,769.97. Funds were invested in US Bank Money Market, Negotiable Certificate of Deposit's, Corporate Bonds, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of February 2021.

The \$66,344 difference between the book value and the market value on February 28, 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 February 28, 2021

| 2/28/2021 | Par Value | Market Value | Book Value | % of Portfolio | Days to Mat/Call | YTM @ Cost |
|-----------------------------------|----------------------|----------------------|----------------------|----------------|------------------|--------------|
| Negotiable Certificate Of Deposit | 1,450,000.00 | 1,531,675.50 | 1,450,000.00 | 8.58 | 854 | 2.578 |
| Corporate Bond | 1,400,000.00 | 1,385,223.00 | 1,400,555.36 | 8.28 | 482 | 1.341 |
| Local Agency Investment Funds | 1,823,340.25 | 1,823,340.25 | 1,823,340.25 | 10.78 | 1 | 0.401 |
| Orange County Investment Pool | 12,233,526.69 | 12,233,526.69 | 12,233,526.69 | 72.36 | 1 | 0.744 |
| Total Investments | 16,906,866.94 | 16,973,765.44 | 16,907,422.30 | 100.00 | 114 | 0.914 |
| Cash | | | | | | |
| Cash | 348,779.09 | 348,779.09 | 348,779.09 | | 1 | 0.00 |
| Total Cash and Investments | 17,255,646.03 | 17,322,544.53 | 17,256,201.39 | | 114 | 0.914 |

| | | |
|--------------------------|------------------------------|----------------------------|
| Total Earnings | Month Ending February | Fiscal Year to Date |
| Current Year | 13,406.46 | 156,029.81 |
| Average Daily Balance | 23,487,796.86 | |
| Effective Rate of Return | 0.914% | |

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

Robert J. Hunter
Robert J. Hunter, General Manager

Date

04/08/2021

Hilary Chumtipazi
Hilary Chumtipazi, Treasurer

Date

04/08/2021

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
February 28, 2021

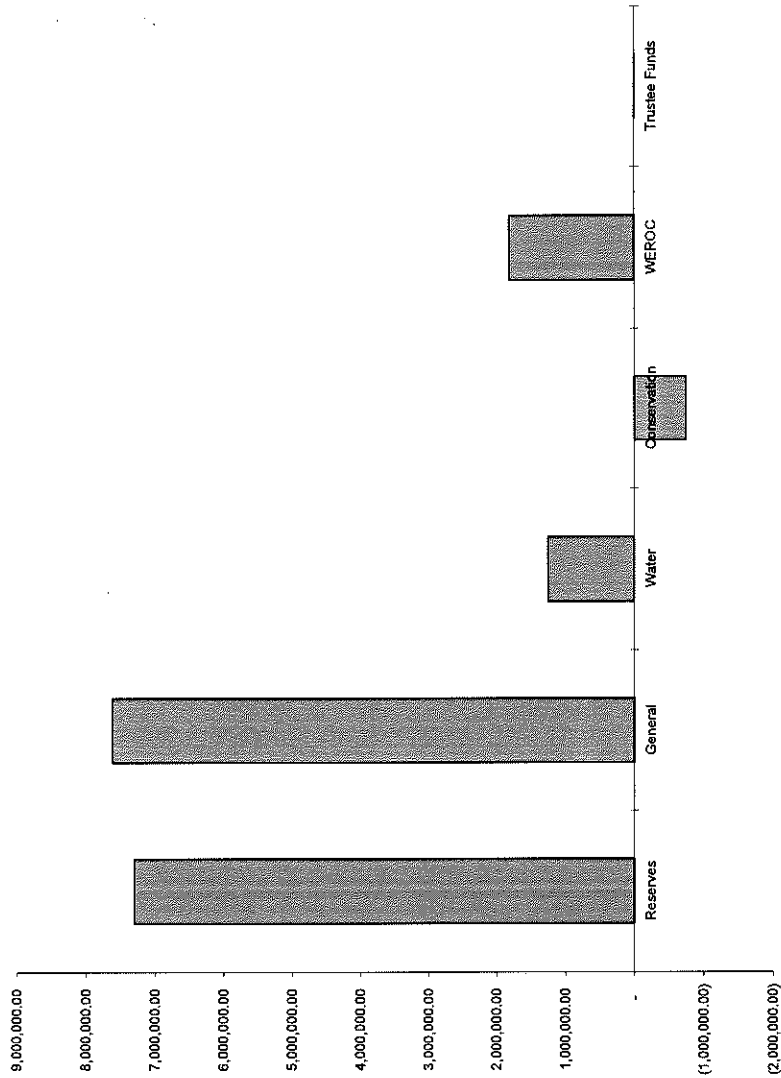
| Issuer | CUSIP/Ticker | Settlement Date | Par Value | Market Value | Book Value | Coupon Rate | YTM @ Cost | Days To Call/Maturity | Maturity Date |
|-----------------------------------|--------------|-----------------|---------------------|--------------|--------------|-------------|------------|-----------------------|---------------|
| Negotiable Certificate Of Deposit | | | | | | | | | |
| Barclays Bank | 06740KKY2 | 9/27/2017 | 250,000.00 | 258,452.50 | 250,000.00 | 2.250 | 2.250 | 576 | 9/27/2022 |
| Capital One Bank | 14042TBO9 | 8/7/2019 | 250,000.00 | 267,007.50 | 250,000.00 | 2.250 | 2.250 | 1,256 | 8/7/2024 |
| Capital One NA | 14042RMJ7 | 7/24/2019 | 250,000.00 | 266,442.50 | 250,000.00 | 2.200 | 2.200 | 1,242 | 7/24/2024 |
| Comenity Capital | 20033AUX2 | 7/25/2017 | 200,000.00 | 201,498.00 | 200,000.00 | 2.000 | 2.000 | 138 | 7/16/2021 |
| Discover Bank | 254673RV0 | 7/25/2018 | 250,000.00 | 268,840.00 | 250,000.00 | 3.300 | 3.300 | 877 | 7/25/2023 |
| Goldman Sachs Bank | 38148PT98 | 8/8/2018 | 250,000.00 | 269,435.00 | 250,000.00 | 3.350 | 3.350 | 891 | 8/8/2023 |
| Sub Total | | | 1,450,000.00 | 1,531,675.50 | 1,450,000.00 | 2.578 | 2.578 | 854 | |
| Corporate Bond | | | | | | | | | |
| Bank of America Corp | 06048WK41 | 12/7/2020 | 250,000.00 | 245,150.00 | 250,000.00 | 0.650 | 0.800 | 270 | 11/25/2025 |
| Citigroup Global Markets | 17328WFZ6 | 9/16/2020 | 250,000.00 | 243,867.50 | 250,000.00 | 1.000 | 1.000 | 200 | 9/16/2025 |
| JP Morgan Chase | 48128GV56 | 8/18/2020 | 250,000.00 | 243,455.00 | 250,000.00 | 0.800 | 0.800 | 1,267 | 8/18/2025 |
| National Rural Utili Coop | 63743FE51 | 7/27/2017 | 200,000.00 | 202,966.00 | 200,000.00 | 2.500 | 2.500 | 502 | 7/15/2022 |
| Societe Generale | 83369MD25 | 8/19/2020 | 250,000.00 | 243,922.50 | 250,000.00 | 1.000 | 1.088 | 172 | 8/19/2025 |
| Westpac Banking Corp | 961214DQ3 | 7/25/2017 | 200,000.00 | 205,862.00 | 200,555.36 | 2.500 | 2.278 | 485 | 6/28/2022 |
| Sub Total | | | 1,400,000.00 | 1,385,223.00 | 1,400,555.36 | 1.330 | 1.341 | 482 | |
| Total Investments | | | 2,850,000.00 | 2,916,898.50 | 2,850,555.36 | 1.965 | 1.970 | 671 | |
| Total Earnings | | | Fiscal Year To Date | | | | | | |
| Current Year | | | 41,822.35 | | | | | | |

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
February 28, 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 | 1,823,340.25 | 1,823,340.25 | 1,823,340.25 | 0.401 | 0.401 | 1 | N/A |
| Sub Total | | | 1,823,340.25 | 1,823,340.25 | 1,823,340.25 | 0.401 | 0.401 | 1 | |
| Orange County Investment Pool | | | | | | | | | |
| County of Orange LGIP | OCIP | 6/29/2005 | 12,233,526.69 | 12,233,526.69 | 12,233,526.69 | 0.744 | 0.744 | 1 | N/A |
| Sub Total | | | 12,233,526.69 | 12,233,526.69 | 12,233,526.69 | 0.744 | 0.744 | 1 | |
| Total Investments | | | 14,056,866.94 | 14,056,866.94 | 14,056,866.94 | 0.700 | 0.700 | | |
| Cash | | | | | | | | | |
| Petty Cash Cash | CASH | 7/1/2010 | 500.00 | 500.00 | 500.00 | 0.000 | 0.000 | 1 | N/A |
| US Bank Cash | USBANKCASH | 2/26/2021 | 249,907.51 | 249,907.51 | 249,907.51 | 0.000 | 0.000 | 1 | N/A |
| US Bank Cash | CASHUSBANK | 7/25/2018 | 98,371.58 | 98,371.58 | 98,371.58 | 0.000 | 0.000 | 1 | N/A |
| Total Cash | | | 348,779.09 | 348,779.09 | 348,779.09 | 0.000 | 0.000 | 1 | |
| Total Cash and Investments | | | 14,405,646.03 | 14,405,646.03 | 14,405,646.03 | 0.700 | 0.700 | 1 | |
| Total Earnings | | | | | | | | | |
| Current Year | | | 9,157.38 | | 114,207.46 | | | | |

**Municipal Water District of Orange County
Cash and Investments at February 28, 2021**

| ALLOCATION | AMOUNT | % |
|-------------------------------------|----------------------|----------------|
| MWDOC | | |
| Designated Reserves | | |
| General | \$ 3,738,505 | 21.66% |
| Grant & Project Cash Flow | 1,500,000 | 8.69% |
| Election Expense | 1,333,000 | 7.72% |
| Building Repair | 436,542 | 2.53% |
| OPEB | 297,147 | 1.72% |
| Total Designated Reserves | 7,305,194 | 42.32% |
| General | 7,616,499 | 44.15% |
| Water | 1,257,563 | 7.29% |
| Conservation | (743,252) | -4.31% |
| WEROC | 1,824,252 | 10.57% |
| TOTAL MWDOC | \$ 17,260,256 | 100.02% |
| TRUSTEE ACTIVITIES | | |
| AMP Sales Admin | \$ (4,055) | -0.02% |
| TOTAL TRUSTEE ACTIVITIES | \$ (4,055) | -0.02% |
| TOTAL CASH & INVESTMENTS | \$ 17,256,201 | 100.00% |



MUNICIPAL WATER DIST OF ORANGE COUNTY

PARS Post-Employment Benefits Trust

Account Report for the Period

2/1/2021to2/28/2021

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

Account Summary

| Source | Balance as of 2/1/2021 | Contributions | Earnings | Expenses | Distributions | Transfers | Balance as of 2/28/2021 |
|---------|---------------------------|---------------|-------------|------------|---------------|-----------|----------------------------|
| OPEB | \$2,596,928.73 | \$0.00 | \$41,627.70 | \$2,021.36 | \$0.00 | \$0.00 | \$2,636,535.07 |
| PENSION | \$722,484.26 | \$0.00 | \$11,581.13 | \$562.36 | \$0.00 | \$0.00 | \$733,503.03 |
| Totals | \$3,319,412.99 | \$0.00 | \$53,208.83 | \$2,583.72 | \$0.00 | \$0.00 | \$3,370,038.10 |

Investment Selection

| Source | |
|---------|------------------------|
| OPEB | Moderate HighMark PLUS |
| PENSION | Moderate HighMark PLUS |

Investment Objective

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

Investment Return

| Source | 1-Month | 3-Months | 1-Year | Annualized Return | | | Plan's Inception Date |
|---------|---------|----------|--------|-------------------|---------|----------|-----------------------|
| | | | | 3-Years | 5-Years | 10-Years | |
| OPEB | 1.60% | 4.24% | 17.57% | 8.89% | 10.01% | - | 10/26/2011 |
| PENSION | 1.60% | 4.24% | 17.43% | - | - | - | 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 FEBRUARY 28, 2021**

**Municipal Water District of Orange County
Combined Balance Sheet
As of February 28, 2021**

| | <u>Amount</u> |
|---|-----------------------------|
| <u>ASSETS</u> | |
| Cash in Bank | 98,871.58 |
| Investments | 17,157,329.81 |
| Accounts Receivable | 19,279,869.68 |
| Accounts Receivable - Other | 199,886.92 |
| Accrued Interest Receivable | 36,634.63 |
| Prepays/Deposits | 321,210.05 |
| Leasehold Improvements | 4,284,127.08 |
| Furniture, Fixtures & Equipment | 649,773.62 |
| Less: Accumulated Depreciation | <u>(3,343,053.01)</u> |
| TOTAL ASSETS | <u>38,684,650.36</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | |
| <u>LIABILITIES</u> | |
| Accounts Payable | 20,230,358.28 |
| Accounts Payable - Other | 154.58 |
| Accrued Salaries and Benefits Payable | 548,401.49 |
| Other Liabilities | 2,084,825.74 |
| Unearned Revenue | <u>642,897.15</u> |
| TOTAL LIABILITIES | <u>23,506,637.24</u> |
| <u>FUND BALANCES</u> | |
| <u>Restricted Fund Balances</u> | |
| Water Fund - T2C | <u>1,031,203.97</u> |
| Total Restricted Fund Balances | <u>1,031,203.97</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 | 1,731,473.40 |
| Other Funds | <u>(342,439.82)</u> |
| TOTAL FUND BALANCES | <u>15,178,013.12</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>38,684,650.36</u> |

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2020 thru February 28, 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 | 13,212.16 | 153,193.42 | 458,000.00 | 33.45% | 0.00 | 304,806.58 |
| Subtotal | 13,212.16 | 8,586,308.82 | 8,891,115.00 | 96.57% | 0.00 | 304,806.18 |
| Choice Programs | 0.00 | 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 | 0.00 | 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 | 8,909.50 | 24,148.35 | 120,376.00 | 20.06% | 0.00 | 96,227.65 |
| Delinquent Payment Penalty | 116.50 | 1,851.77 | 0.00 | 0.00% | 0.00 | (1,851.77) |
| Gain on Sale of Asset | 101.00 | 481.00 | 0.00 | 0.00% | 0.00 | (481.00) |
| Transfer-In from Reserve | 0.00 | 0.00 | 97,415.00 | 0.00% | 0.00 | 97,415.00 |
| Subtotal | 9,127.00 | 1,285,303.87 | 1,731,409.00 | 74.23% | 0.00 | 446,105.13 |
| TOTAL REVENUES | 22,339.16 | 9,871,612.69 | 10,622,524.00 | 92.93% | 0.00 | 750,911.31 |

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2020 thru February 28, 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 | 305,675.26 | 2,885,785.88 | 4,152,072.00 | 69.50% | 0.00 | 1,266,286.12 |
| Director's Compensation | 22,920.10 | 160,768.13 | 258,909.00 | 62.09% | 0.00 | 98,140.87 |
| MWD Representation | 8,840.61 | 81,857.50 | 157,070.00 | 52.12% | 0.00 | 75,212.50 |
| Employee Benefits | 106,017.46 | 923,501.71 | 1,335,387.00 | 69.16% | 0.00 | 411,885.29 |
| CalPers Unfunded Liability Contribution | 0.00 | 207,000.00 | 207,000.00 | 100.00% | 0.00 | 0.00 |
| Director's Benefits | 10,036.22 | 88,096.85 | 101,971.00 | 86.39% | 0.00 | 13,874.15 |
| Health Insurance for Retirees | 5,812.91 | 42,333.22 | 87,449.00 | 48.41% | 0.00 | 45,115.78 |
| Training Expense | 2,215.00 | 7,693.20 | 64,500.00 | 11.93% | 42,895.60 | 13,911.20 |
| 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 | 461,517.56 | 4,397,036.49 | 6,374,358.00 | 68.98% | 42,895.60 | 1,934,425.91 |
| Engineering Expense | 19,127.81 | 241,114.07 | 340,000.00 | 70.92% | 469,481.45 | (370,595.52) |
| Legal Expense | 7,454.80 | 118,772.45 | 210,500.00 | 56.42% | 88,700.35 | 3,027.20 |
| Audit Expense | 7,724.00 | 26,724.00 | 29,725.00 | 89.90% | 3,001.00 | 0.00 |
| Professional Services | 69,839.96 | 544,992.74 | 1,581,338.00 | 34.46% | 1,024,273.55 | 12,071.71 |
| Professional Fees | 104,146.57 | 931,603.26 | 2,161,563.00 | 43.10% | 1,585,456.35 | (355,496.61) |
| Conference - Staff | 975.00 | 3,019.00 | 26,515.00 | 11.39% | 0.00 | 23,496.00 |
| Conference - Directors | 2,875.00 | 4,985.00 | 18,695.00 | 26.66% | 0.00 | 13,710.00 |
| Travel & Accom. - Staff | 0.00 | 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 | 3,850.00 | 9,428.38 | 132,605.00 | 7.11% | 0.00 | 123,176.62 |
| Membership/Sponsorship | 0.00 | 132,044.36 | 127,161.00 | 103.84% | 0.00 | (4,883.36) |
| CDR Support | 0.00 | 39,825.24 | 53,158.00 | 74.92% | 13,275.08 | 57.68 |
| Dues & Memberships | 0.00 | 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 | 12,838.40 | 63,718.94 | 125,420.00 | 50.80% | 67,291.06 | (5,590.00) |
| Building Repair & Maintenance | 1,860.41 | 13,910.73 | 15,000.00 | 92.74% | 7,923.81 | (6,834.54) |
| Storage Rental & Equipment Lease | 52.13 | 1,485.25 | 1,750.00 | 84.87% | 264.75 | 0.00 |
| Office Supplies | 361.55 | 5,147.60 | 39,000.00 | 13.20% | 3,153.35 | 30,699.05 |
| Supplies - Water Loss Control | 115.21 | 8,373.22 | 10,000.00 | 83.73% | 0.00 | 1,626.78 |
| Postage/Mail Delivery | 1,150.66 | 7,362.83 | 9,300.00 | 79.17% | 1,167.78 | 769.39 |
| Subscriptions & Books | 161.95 | 401.92 | 1,000.00 | 40.19% | 0.00 | 598.08 |
| Reproduction Expense | 267.28 | 4,010.93 | 83,700.00 | 4.79% | 5,070.71 | 74,618.36 |
| Maintenance - Computers | 0.00 | 1,688.80 | 8,000.00 | 21.11% | 0.00 | 6,311.20 |
| Software Purchase | 3,457.43 | 27,584.62 | 57,000.00 | 48.39% | 0.00 | 29,415.38 |
| Software Support | 15.65 | 33,224.53 | 47,640.00 | 69.74% | 700.00 | 13,715.47 |
| Computers and Equipment | 2,948.64 | 16,901.69 | 33,550.00 | 50.38% | 0.00 | 16,648.31 |
| Maintenance Expense | 0.00 | 0.00 | 6,000.00 | 0.00% | 0.00 | 6,000.00 |
| Automotive Expense | 0.00 | 123.46 | 20,000.00 | 0.62% | 0.00 | 19,876.54 |
| Vehicle Expense | 279.00 | 2,444.74 | 6,350.00 | 38.50% | 0.00 | 3,905.26 |
| Toll Road Charges | 0.00 | 0.00 | 2,300.00 | 0.00% | 0.00 | 2,300.00 |
| Insurance Expense | 8,876.73 | 84,335.11 | 110,000.00 | 76.67% | 0.00 | 25,664.89 |
| Utilities - Telephone | 2,933.26 | 24,868.30 | 30,850.00 | 80.61% | 458.76 | 5,522.94 |
| Bank Fees | 0.00 | 1,864.32 | 1,200.00 | 155.36% | 0.00 | (664.32) |
| Miscellaneous Expense | 1,824.85 | 21,523.67 | 113,800.00 | 18.91% | 1,703.84 | 90,572.49 |
| MWDOC's Contrb. to WEROC | 20,103.00 | 160,824.00 | 241,236.00 | 66.67% | 0.00 | 80,412.00 |
| Depreciation Expense | 4,485.33 | 35,882.96 | 0.00 | 0.00% | 0.00 | (35,882.96) |
| Other Expenses | 61,731.48 | 515,677.62 | 967,596.00 | 53.29% | 87,734.06 | 364,184.32 |
| Election Expense | 871,321.62 | 871,321.62 | 0.00 | 0.00% | 0.00 | (871,321.62) |
| Capital Aquisition | 4,887.03 | 225,609.30 | 79,200.00 | 284.86% | 220,484.54 | (366,893.84) |
| Building Expense | 296,765.95 | 1,017,593.02 | 726,883.00 | 139.99% | 1,135,240.81 | (1,425,950.83) |
| TOTAL EXPENSES | 1,804,220.21 | 8,140,139.29 | 10,622,524.00 | 76.63% | 3,085,086.44 | (602,701.73) |
| NET INCOME (LOSS) | (1,781,881.05) | 1,731,473.40 | 0.00 | 0.00% | (3,085,086.44) | 1,353,613.04 |

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
July 1, 2020 thru February 28, 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 | 8,507,100.00 | 86,131,748.90 | 208,407,327.00 | 41.33% | 122,275,578.10 |
| Readiness to Serve Charge | 928,529.00 | 7,640,462.46 | 11,583,326.00 | 65.96% | 3,942,863.54 |
| Capacity Charge CCF | 394,384.17 | 2,734,888.36 | 3,892,240.00 | 70.27% | 1,157,351.64 |
| SCP/SAC Pipeline Surcharge | 27,142.92 | 246,909.86 | 315,000.00 | 78.38% | 68,090.14 |
| Interest Revenue | 508.27 | 4,950.43 | 22,000.00 | 22.50% | 17,049.57 |
| TOTAL WATER REVENUES | 9,857,664.36 | 96,758,960.01 | 224,219,893.00 | 43.15% | 127,460,932.99 |
| <u>WATER PURCHASES</u> | | | | | |
| Water Sales | 8,507,100.00 | 86,131,748.90 | 208,407,327.00 | 41.33% | 122,275,578.10 |
| Readiness to Serve Charge | 928,529.00 | 7,640,462.46 | 11,583,326.00 | 65.96% | 3,942,863.54 |
| Capacity Charge CCF | 394,384.17 | 2,734,888.36 | 3,892,240.00 | 70.27% | 1,157,351.64 |
| SCP/SAC Pipeline Surcharge | 27,142.92 | 246,909.86 | 315,000.00 | 78.38% | 68,090.14 |
| TOTAL WATER PURCHASES | 9,857,156.09 | 96,754,009.58 | 224,197,893.00 | 43.16% | 127,443,883.42 |
| EXCESS OF REVENUE OVER EXPENDITURE | 508.27 | 4,950.43 | 22,000.00 | 22.50% | 17,049.57 |

**Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Use Efficiency
July 1, 2020 thru February 28, 2021**

| | <u>Year to Date Actual</u> | <u>Annual Budget</u> | <u>% Used</u> |
|---|----------------------------|----------------------|---------------|
| Spray To Drip Conversion | | | |
| Revenues | 35,332.92 | 38,900.00 | 90.83% |
| Expenses | 50,736.11 | 38,900.00 | 130.43% |
| Excess of Revenues over Expenditures | (15,403.19) | 0.00 | |
| Member Agency Administered Pass-Thru | | | |
| Revenues | 1,640.00 | 175,000.00 | 0.94% |
| Expenses | 0.00 | 175,000.00 | 0.00% |
| Excess of Revenues over Expenditures | 1,640.00 | 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 | 55,965.80 | 77,000.00 | 72.68% |
| Expenses | 55,945.00 | 77,000.00 | 72.66% |
| Excess of Revenues over Expenditures | 20.80 | 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 | 853,187.32 | 648,000.00 | 131.66% |
| Expenses | 981,323.16 | 648,000.00 | 151.44% |
| Excess of Revenues over Expenditures | (128,135.84) | 0.00 | |
| Comprehensive Landscape (CLWUE) | | | |
| Revenues | 192,513.43 | 130,784.00 | 147.20% |
| Expenses | 320,877.09 | 130,784.00 | 245.35% |
| Excess of Revenues over Expenditures | (128,363.66) | 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 | 101,680.00 | 404,000.00 | 25.17% |
| Expenses | 178,345.00 | 404,000.00 | 44.14% |
| Excess of Revenues over Expenditures | (76,665.00) | 0.00 | |
| Total WUE Projects | | | |
| Revenues | 1,257,532.93 | 1,579,934.00 | 79.59% |
| Expenses | 1,656,559.92 | 1,579,934.00 | 104.85% |
| Excess of Revenues over Expenditures | (399,026.99) | 0.00 | |
| WEROC | | | |
| Revenues | 407,383.33 | 482,472.00 | 84.44% |
| Expenses | 320,136.79 | 482,472.00 | 66.35% |
| Excess of Revenues over Expenditures | 87,246.54 | 0.00 | |



CONSENT CALENDAR ITEM

April 21, 2021

TO: Board of Directors

FROM: **Planning & Operations Committee**
(Directors Yoo Schneider, Nederhood, Seckel)

Robert Hunter, General Manager

Staff Contact: Joe Berg,
Rachel Waite

**SUBJECT: Consultant Services for Orange County Dedicated Irrigation Meter
Landscape Area Measurements**

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to:

1. Enter into a Professional Services agreement with Quantum Spatial, for an amount not to exceed \$1,400,000, to provide participating retail water agencies with area measurements of landscapes with dedicated irrigation meters, as required by SB 606 and AB 1668, and
2. Enter into agreements with participating agencies for area measurement services from Quantum Spatial.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

The proposed consultant-provided services will be used to assist MWDOC member agencies in complying with SB 606 and AB 1668 (Conservation Framework) by identifying and measuring landscaped areas associated with dedicated irrigation meters. Urban Water Suppliers are responsible for measuring landscapes that are irrigated or irrigable by dedicated irrigation meters to calculate their Urban Water Use Objective. A MWDOC-led,

| | | | |
|---|----------------------|-------------------------------|--|
| Budgeted (Y/N): N | Budgeted amount: N/A | Core <input type="checkbox"/> | Choice <input checked="" type="checkbox"/> |
| Action item amount: \$1.4m | Line item: | | |
| Fiscal Impact (explain if unbudgeted): This dedicated irrigation meter area measurements effort will be funded through Choice contributions from participating retail agencies. MWDOC staff time will be used for Project administration. | | | |

regional approach increases cost effectiveness for Orange County retailers through economies of scale and minimizes administrative burdens.

Detailed Report

Project Background

In 2018, the California State Legislature enacted two policy bills, Senate Bill (SB) 606 and Assembly Bill (AB) 1668, to establish a new foundation for long-term improvements in water conservation and drought planning through a water-budget based approach. These bills are commonly referred to as the Conservation Framework.

The Conservation Framework requires each Urban Water Supplier to calculate and report their Urban Water Use Objective by January 1, 2024 (extended from October 1, 2023 by AB 1414), and to stay within their calculated Water Use Objective each year.

The Urban Water Use Objective is an aggregate of efficient water use based on:

- Indoor Residential Use (population x gallons per capita per day standard);
- Outdoor Residential Use (based on measurements of irrigated/irrigable area and local weather data);
- Outdoor Use with Dedicated Irrigation Meters (based on measurements of irrigated/irrigable area and local weather data);
- Distribution System Water Losses;
- Approved Variances; and
- Potable Reuse Bonus.

The California Department of Water Resources (DWR) will provide *residential* outdoor landscape measurements; however, Urban Water Suppliers are responsible for measuring landscapes that are irrigated/irrigable by *dedicated irrigation meters* in order to calculate their Water Use Objective.

Assistance to Orange County Retailers

Dedicated Irrigation Meter Area Measurements have been identified as the component of the Conservation Framework that retail agencies may need the most assistance with. Seventy-eight percent of Orange County's retail water agencies that qualify as an Urban Water Supplier and have dedicated irrigation meter accounts have expressed interest in accessing a contractor through MWDOC, at the retail agency's cost, to assist with measuring these landscapes.

Request for Proposals

MWDOC staff, in conjuncture with Santa Ana Watershed Project Authority (SAWPA) staff, released a Request for Proposals (RFP) to firms capable of providing the required area measurement associated with dedicated irrigation meters. MWDOC and SAWPA coordinated on this effort after identifying that both agencies were planning similar projects. This prevented duplication of efforts, saving staff time and allowing both agencies to benefit from increased economies of scale.

The RFP was released on November 10, 2020 and proposals were received from three firms: Quantum Spatial, Waterfluence, and Geovironment. Interviews with all three firms were conducted on December 17, 2020. A review panel consisting of six staff members

representing MWDOC, SAWPA, Inland Empire Utilities Agency, and Laguna Beach County Water District evaluated respondents based on each firm's proposal and interview. Firms were evaluated on a scale from 0-11 in the following categories: Experience and Qualifications, Project Approach and Understanding of Needs, and Anticipated Value and Quality of Services Received.

Of the three firms, Quantum Spatial received the highest score from the panel, see all scores in Table 1 below. The maximum potential score is 198.

Table 1. Review Panel Scores

| Firm Name | Score | Rank |
|------------------|--------------|-------------|
| Quantum Spatial | 152 | 1 |
| Waterfluence | 117 | 2 |
| Geovironment | 105 | D/Q |

Quantum Spatial's qualifications, experience, and ability to execute the project resulted in a unanimous selection from the interview panel. Geovironment was disqualified due to displaying little experience with water suppliers, water meters, and landscape area measurements. The panel determined that lack of experience and familiarity with the Conservation Framework for this project could be detrimental to a retailer's ability to comply with the Conservation Framework.

Pricing was considered as a component of the evaluation category *Project Approach and Understanding of Needs*. Costs are assigned on a per customer basis and are contingent on whether the measurement can be obtained remotely (via aerial imagery, existing maps, etc.) or if fieldwork is required. It is anticipated that most agencies will have both remote and fieldwork customers. Quantum Spatial and Waterfluence proposed competitive pricing. Quantum Spatial's remote cost is \$112 dollars more than Waterfluence; however, Quantum Spatial's field cost is \$104.75 less than Waterfluence, see Table 2 below.

Table 2. Cost Comparison

| | Quantum Spatial | Waterfluence | Difference |
|--------------------|------------------------|---------------------|-------------------|
| Remote Cost | \$262.98 | \$150.00 | +\$112.00 |
| Field Cost | \$495.25 | \$600.00 | -\$104.75 |

While Waterfluence displayed competitive pricing and relevant experience and qualifications, the panel was concerned with staffing availability, and it was not apparent that the firm had the bandwidth to cover a large, regional project in the necessary timeframe set by the legislature. Quantum Spatial was determined to have competitive pricing and the staffing capacity for the project in addition to the most substantial, relevant experience. This experience includes being part of the team DWR is utilizing to provide residential landscape area measurements to Urban Water Suppliers across the state and therefore having a clear understanding to DWRs landscape classification system to define irrigated and irrigable landscaped area.

Project Cost

Total project cost is dependent on two key variables: 1) the number of customers serviced and 2) if those customers are measured remotely or via field work.

Variable 1, the total number of customers, is estimated to be around 4,703.

Table 3 reflects agencies who have expressed interest in the project and an estimated number of customers that may need consultant services. This list is preliminary and subject to change as agencies refine their needs. Agencies not currently included on this list are still welcome participate.

Table 3. Estimated dedicated irrigation customers needing services

| Agency | Estimated Number of DIM Customers |
|------------------------------------|--|
| City of Anaheim | 528 |
| City of Brea | 156 |
| City of Buena Park | 177 |
| El Toro Water District | 176 |
| City of Fountain Valley | 90 |
| City of Fullerton | 259 |
| City of Garden Grove | 326 |
| Golden State Water Company | 225 |
| City of La Habra | 91 |
| Laguna Beach County Water District | 43 |
| Mesa Water District | 616 |
| Moulton Niguel Water District | 200 |
| City of Newport Beach | 704 |
| City of Orange | 73 |
| City of San Clemente | 247 |
| City of Seal Beach | 47 |
| South Coast Water District | 209 |
| Trabuco Canyon Water District | 28 |
| City of Westminster | 276 |
| Yorba Linda Water District | 232 |
| Estimated Total: | 4,703 |

Variable 2, cost per customer per method, is represented in Table 4 below. Measurement methodology categories are mutually exclusive; each customer will fall only in one category. The consultant will first attempt to utilize a remote methodology and initiate field work only if necessary. In many cases, customer contact will be essential to delineate and measure landscapes. In an instance where customer contact is imperative but customers are unresponsive, a statistical methodology will be utilized at a discounted price. As shown in Table 4, remote and field work are shown as a range. Quantum Spatial has offered price breaks based on guaranteed activity levels. MWDOC staff have narrowed potential activity down to the two price options; once staff best understands all Orange County retailer needs, one price will be selected based on anticipated activity level.

Additionally, Quantum offers an optional data viewing portal that an agency may purchase for an additional cost. The portal will allow an agency to store and view their customers and associated measurements in a map-style view. This option may be of most interest to

retailers who do not have geographic information systems (GIS) software and/or staff, but wish to view their data in a GIS-style format. The cost of this portal is a flat \$10,560 fee per agency plus \$33 per customer.

Table 4. Proposed Unit Costs

| Measurement Method | Cost Per Customer | |
|-----------------------|---------------------------------|------------|
| | Low Range | High Range |
| Remote Work | \$258.33 | \$262.98 |
| Field Work | \$465.52 | \$495.25 |
| Statistical | \$131.49 | |
| Optional Viewing Tool | \$10,560/Agency + \$33/customer | |

Of the estimated 4,703 Orange County dedicated irrigation customers that may be assigned area measurements through Quantum Spatial, it is estimated that 15% (705 customers) may be unresponsive and fall in the statistical methodology category. Of the remaining 3,998 customers, it is anticipated that 85% (3,398 customers) will be completed remotely and 15% (600 customers) will be measured utilizing field work. The total costs associated with these assumptions are shown below in Table 5, and conservatively assume the upper range of remote and field work pricing. Additionally, it is estimated that six agencies totaling 900 customers may select to purchase the optional Data Viewer Tool, for an estimated total project cost of just below \$1.4 million.

Table 5. Estimated Total Price

| Method Category | # of Customers | Unit Cost | Total Cost |
|---------------------------------|----------------|-----------|-----------------------|
| Remote | 3,398 | \$262.98 | \$893,606.04 |
| Field | 600 | \$495.25 | \$297,150.00 |
| Statistical | 705 | \$131.49 | \$92,700.45 |
| <i>Subtotal: \$1,283,456.49</i> | | | |
| Data Viewer | 6 Agencies | \$10,560 | \$63,360.00 |
| | 900 Customers | \$33 | \$29,700.00 |
| <i>Subtotal: \$93,060.00</i> | | | |
| Total | | | \$1,376,516.49 |

Because the key components that determine the total estimated cost—number of customers and measurement methodology—are variable, the total cost estimate is variable. As Orange County agencies and MWDOC continue to improve their understanding and needs of both variables, the total project cost will continue to be refined.

Additionally, MWDOC staff is exploring options to help offset agency costs with funding from Metropolitan and SAWPA (note: SAWPA funding is only available to agencies within the

Santa Ana Watershed). This funding will directly lower agency costs on a per customer basis.

BOARD OPTIONS

Option #1: Staff recommends the Board of Directors authorize the General Manager to enter into a Professional Services agreement with Quantum Spatial, for an amount not to exceed \$1,400,000, to provide participating retail water agencies with area measurements of landscapes with dedicated irrigation meters, as required by SB 606 and AB 1668.

Fiscal Impact: Consultant services will be funded by the participating retail water agencies; MWDOC will provide staff time to oversee the contract.

Business Analysis: Through a regional, MWDOC-led approach, administrative burdens of Orange County water retailers will be minimized, and lower unit cost pricing is accessible.

Option #2: Take no action

Fiscal Impact: Increased administrative and unit costs will be placed on Orange County water retailers.

Business Analysis: Orange County water retailers will duplicate efforts to obtain consultant-services and miss out on reduced pricing achieved through a regional approach.



CONSENT CALENDAR ITEM

April 21, 2021

TO: Board of Directors

FROM: **Planning & Operations Committee**
(Directors Yoo Schneider, Nederhood, Seckel)

Robert Hunter, General Manager

Staff Contact: Charles Busslinger

SUBJECT: MWD OC Administration Building Seismic Retrofit and Remodel Project – ABS Owner’s Representative Professional Services Contract - Change Order

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve a change order to the ABS Consulting Professional Services contract to extend the contract through to completion of the Administration Building Seismic Retrofit and Remodel Project. The change order includes the necessary additional professional services hours for the duration of the project in the amount of \$90,425.00 for a revised not to exceed total of \$385,031.00.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

Staff is seeking Board authorization to proceed with extending the term of the ABS Consulting Professional Services agreement to provide additional owner’s representative services for an additional five months through to project completion.

| | | | |
|--|--------------------|--------|-----------|
| Budgeted (Y/N): N | Budgeted amount: | Core X | Choice __ |
| Action item amount: | Line item: 19-8811 | | |
| Fiscal Impact (explain if unbudgeted): The additional \$90,425 will be taken from reserves | | | |

DETAILED REPORT

On February 19, 2020, the Board approved entering into an agreement with ABS Consulting to provide Owner's Representative services for the MWDOC Administration Building Seismic Retrofit and Remodel project in the amount of \$245,434.00 plus 5% contingency for a total not to exceed amount of \$257,706.

ABC Consulting worked with IDS (the Architect of Record) to prepare the bid document package, advertised the project, helped IDS respond to Requests for Information, and reviewed bids. During the pre-bid phase it was determined that further assistance would be needed in the area of move management planning, scheduling, and coordination for the multiple move-outs/move-backs to allow for continued operations within the building during construction. ABS Consulting stepped forward to provide those services on short notice which allowed the project to continue on schedule. The Board subsequently awarded the construction contract to Optima, RPM on October 21, 2020 along with a \$36,900 increase to ABS Consulting's contract scope of work to include move management services through all phases of construction.

The original ABS Consulting contract included part-time Owner's Representative/ Construction Management services including pre-bid and bidding support services, as well as construction management services for an estimated seven-month construction schedule. During the bidding phase of the project, multiple potential bidders indicated that the construction schedule for the project would be closer to 12 months. Staff has held off on coming back to the Board for any additional increases to ABS' contract until sufficient information became available.

ABS Consulting services has exceeded expectations. ABS' construction and structural expertise has saved the District time and provided valuable assistance in managing Change Orders. ABS has repeatedly stepped in to provide guidance to IDS with design change alternatives which reduced change order costs; all while keeping the project largely on track.

During the course of the project, the following changes to ABS Consulting's scope of work and associated Change Orders (C.O.) were approved:

Approved Change Orders:

| C.O. | Description | Cost |
|------|---|--------------------|
| 1 | Additional scope of work added for move management planning and scheduling services. There was no change to the contract total as this amount was taken from the 5% contingency portion of the original contract. The deliverables for this work were the move schedule and move plan. | \$9,623.00 |
| 2 | Increased ABS' scope of work to include move management support services for the entire project through sub consultant – Blackman & Forsyth for all phases of construction. This work includes coordination with MWDOC staff, movers, the construction contractor, and various MWDOC sub-contractors. | \$36,900.00 |
| | Total | \$46,523.00 |

Staff is recommending the Board approve the Change Order as summarized below.

Additional Requested Change Order:

| C.O. | Description | Cost |
|-------------|---|--------------------|
| 3 | Provide Owner's Representative/Construction Management services for an additional five months to cover the duration of the construction schedule. | \$90,425.00 |
| | Total | \$90,425.00 |

BOARD OPTIONS

Option #1

- Approve the Change Order for ABS Consulting services

Fiscal Impact: \$90,425.00

Business Analysis: Construction is currently underway and ABS Consulting's Owner's Representative and Construction Management services have been vital to the project's completion.

Option #2

- Do not approve the Change Order.

Fiscal Impact: No increase to construction management services costs

Business Analysis: If not approved, engineering staff will need to discontinue working on other tasks to provide the necessary additional construction management support. This option risks potential delay claims by the contractor as staff expertise in building renovation is limited.

STAFF RECOMMENDATION

Option #1

March 9, 2021

Mr. Charles Busslinger
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street
Fountain Valley, CA 92728

Ph: (714) 292-2405
Email: cbusslinger@mwdoc.com

Subject: *Proposal to Provide Additional Part-Time Owner's Representative Services for Twelve-Month Construction Schedule at Municipal Water District of Orange County Administration Building*
(ABSG Consulting Inc. Proposal No. 4385398-003)

Dear Mr. Busslinger:

ABSG Consulting Inc. (ABS Consulting) is pleased to present this proposal to provide the subject owner's representative services. The purpose of these services is to continue to provide part-time owner's representative services for Municipal Water District of Orange County (MWDOC) seismic and tenant improvement project for the total duration of the construction work, up to twelve months.

The original ABS Consulting proposal included providing part-time owner's representative services for a seven-month construction schedule. The seven-month construction schedule was established in the MWDOC RFP for the project. Subsequently, during the bidding and construction phases of the project, it became evident that the construction schedule for the project would be twelve months, or effectively five additional months beyond the original MWDOC RFP construction schedule. ABS Consulting is providing this change order request, for MWDOC's review and consideration, to continue providing part-time owner's representative services up to twelve months of construction. A complete breakdown of additional hours are included in Table 1.

SCOPE OF WORK

The scope of work consists of the following task:

CO #3.doc

Task 3 *Provide Additional Part-Time Owner's Representative Services up to Twelve-Months of Construction*

ABS Consulting will continue to provide owner's representative services identified in the original ABS Consulting proposal on a part-time basis. Services would include the following:

1. Manage weekly construction meetings and prepare meeting minutes for distribution to the Team.
2. Coordinate construction progress and issues with MWDOC, Designer, and Contractor on daily basis.
3. Conduct site visits (one to two times per week) and monitor construction progress.
4. Review Contractor RFIs, Submittals, Change Order Requests, Payment Applications, and correspondence and coordinate with MWDOC and Designer for responses.
5. Assist MWDOC and Designer in issuance of Architectural Supplemental Instructions (ASI).
6. All other services requested and agreed upon by MWDOC and ABS Consulting during duration of construction.

EXCLUSIONS

- Permit and Plan Check Fees
- Full-Time Owner's Representative Services
- Part-Time Owner's Representative Services beyond Twelve-Month Construction Schedule and beyond estimated weekly hours noted in Table 1

COST & SCHEDULE

The following section presents ABS Consulting's proposed fee breakdown for performing the project as described in our proposed scope of work. The proposed **Time and Materials Fees** includes all labor costs, travel costs and expenses to perform the proposed scope of work. **The additional fee for Task 3 is \$90,425** (difference between original Task 3 fee of \$117,940 (Table 0) and the revised Task 3 fee of \$208,365 (Table 1)).

Table 0 reflects an augmented original weekly hour breakdown and fee for seven months of construction per the original ABS Consulting proposal for Task 3 (Owner's Representative Services during Construction Phase) while Table 1 indicates a revised weekly hour breakdown and fee for up to twelve months of construction. Table 2 reflects the total ABS Consulting Revised Project Fee.

Table 0 – Original Task 3 Fee for 7-Months (1)

| Task 003 (7-Month Schedule) | PM (hrs/wk) (\$250/hr) | CM (hrs/wk) (\$115/hr) | No. Weeks | Reimbursables (\$) | Total (\$) | Comments |
|--|---------------------------------------|---------------------------------------|----------------------|---------------------------|-------------------|-----------------|
| Hourly Budget/Week | 5.5 | 20.5 | 30.31 | \$4,280 | \$117,940 | 7-Months |

(1): Hours per Week are approximate and rounded**Table 1 – Revised Task 3 Fee for 12-Months (1)**

| Task 003 (12-Month Schedule) | PM (hrs/wk) (\$250/hr) | CM (hrs/wk) (\$115/hr) | No. Weeks | Reimbursables (\$) | Total (\$) | Comments |
|---|---------------------------------------|---------------------------------------|----------------------|---------------------------|-------------------|-----------------|
| Initial 4 Months | 6.1 | 25.4 | 17.32 | \$436 | \$77,441 | 4-Months |
| 3-Months (Phase 1) | 6.0 | 26.0 | 13.00 | \$352 | \$58,722 | 3-Months |
| 5-Months (Phases 2-3) | 4.0 | 20.0 | 21.68 | \$658 | \$72,202 | 5-Months |
| Total | --- | --- | 52.00 | \$1,446 | \$208,365 | 12-Months |

(1): Hours per Week are approximate and rounded**Table 2 – ABS Consulting Revised Total Project Fee**

| Task Name | Revised Fee (\$) |
|--|-----------------------------|
| Task 001 - Preconstruction | \$54,860 |
| Task 002- Plan Check and Bidding | \$54,424 |
| Task 003 - Construction Phase (12-Months) | \$208,365 |
| Task 004 - Closeout | \$18,210 |
| Task 005 - Relocation Phase 1 | \$9,623 |
| Task 006 - Relocation Phases 2-4 | \$36,900 |
| Task 007 - Contingency | \$2,649 |
| Total | \$385,031 |

Mr. Charles Busslinger

March 9, 2021

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This fee is valid for a period of 60 days from the date of this proposal, after which ABS Consulting reserves the right to retain or modify this cost to reflect changing economic conditions. Work performed by ABS Consulting will be billed monthly based on the actual expenses incurred.

REQUIRED INFORMATION

Prior to commencement of work, we will need the following documents sent to our office:

- An executed change order.

Please execute and return to us a copy of this letter contract to acknowledge your understanding of our proposal and to formally authorize us to proceed.

We look forward to continue working with MWDOC on this important project. If you have any questions regarding this proposal, please do not hesitate to call.

Sincerely,

ABSG Consulting Inc.



Daniel J. Dopudja, S.E.
Group Manager

APPROVED FOR MWDOC

Task 3: _____

By: _____

Title: _____

Date: _____



CONSENT CALENDAR ITEM

April 21, 2021

TO: Board of Directors

FROM: **Planning & Operations Committee**
(Directors Yoo Schneider, Nederhood, Seckel)

Robert Hunter, General Manager

Staff Contact: Vicki Osborn

SUBJECT: South Emergency Operations Center Capital Project Decision

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to execute Option #1 and proceed with the project as outlined.

COMMITTEE RECOMMENDATION

The Committee recommended the Board approve Option 1 and to work with ETWD to refine the cost estimates associated with the project, and research alternative options (if available) in the event the project costs prove too high.

SUMMARY

The WEROC South Emergency Operations Center (South EOC) is located on El Toro Water District (ETWD) property in Mission Viejo, CA. ETWD is beginning a redevelopment project of the site and needs a decision and commitment as to whether WEROC/MWDOC will participate in the redevelopment of the South EOC. While this redevelopment project will occur over a three-year period, a Go/NoGo decision by MWDOC is required now. Project options and estimated costs are presented.

DETAILED REPORT

| | | | |
|--|------------------|---------|-----------|
| Budgeted (Y/N): N | Budgeted amount: | Core __ | Choice __ |
| Action item amount: See Option 1 | Line item: | | |
| Fiscal Impact (explain if unbudgeted): See Option 1 | | | |

As a provider of critical water resources, the Municipal Water District of Orange County (MWDOC) plays a vital role in supporting the on-going needs of the community. Being well prepared to quickly and effectively respond to natural or man-made hazard events is an inherent component of community resilience and a sound business practice. Maintaining a dedicated (primary) and properly-equipped Emergency Operations Center (EOC) that can be staffed and operational on a 24X7 basis along with an identified alternate (backup) EOC is considered an industry “best practice” for critical infrastructure providers.

In 2016, a WEROC Emergency Operations Center Site Facility Assessment was conducted by Claris Strategy consulting firm on the three WEROC EOC Sites consisting of the South EOC, North EOC and MWDOC Administration Building. Thirteen distinct evaluation criteria elements were identified, prioritized, ranked and scored for each of the sites. Within that document, the recommendation of the independent consulting team was for MWDOC to consider designating the WEROC South EOC in Mission Viejo, CA as the **primary** EOC with the MWDOC Administration Offices in Fountain Valley, CA as the **alternate** (or backup) EOC. The South EOC is the optimal location for countywide communications from border to border based on its line of site for both low band and the primary 800Mhz radio system repeaters. In addition, the fire risk is much lower than the North EOC location and the undersoil is not subject to liquefaction. It was also recommended that MWDOC retain access to the North EOC facility to be utilized for furniture storage and as potential space that can be used in the event of a catastrophic loss of both the South EOC and MWDOC Administration Office facilities.

The South EOC is a permanent, ready to use facility that supports a multitude of critical infrastructure for communications including radios that communicate directly with member agencies, a radio direct connection to MET, and with the County and State. Additional redundant, interoperable permanent communication systems are installed at the South EOC within the EOC layout for direct access. The South EOC facility was constructed in 1982 and has undergone minor renovations in the intervening years. The 2,400 square foot metal building is comprised of steel columns and beams with metal panels on a concrete slab foundation.

Part of the facility assessment study highlighted the need to address the following operational capabilities of the South (Primary) EOC. Potential improvements included:

- Structural enhancements
- Life safety modifications
- Building infrastructure improvements
- Furniture and equipment upgrades
- Workspace improvements

In 2019, ETWD began working on the Prothero Filter Plant and Clearwell Project. ETWD offered WEROC/MWDOC to be part of the redevelopment project relative to the South EOC.

Initial preliminary project cost estimates were developed for the overall site redevelopment components:

- Demolition cost was estimated at \$1.7 million (100% ETWD)
- New ETWD m warehouse building estimates at \$1.15 million (100% ETWD).
- New 3,265 S.F. WEROC Building (only the building) built to Essential Facility Standards estimated at \$750,000 (100% WEROC)

The initial building-only cost estimate has been further developed and analyzed for the total wrap around costs of the EOC.; to include the total estimated cost for WEROC to build a new structure and include the electrical, plumbing/water, back-up power, fire suppression, design and engineering soft costs, AV and communications and, fixtures, furniture and equipment costs. The total estimated costs for this project is approximately \$1.7 million over three fiscal years.

WEROC Overall EOC Development Costs

| | |
|---------------------------------------|------------------|
| FY 2021-22: Soft Costs & Site Grading | \$404,219 |
| FY 2022-23: Construction Costs | \$670,391 |
| FY 2023-24: Construction Costs & FF&E | <u>\$670,391</u> |
| Total Costs | \$1,745,000 |

During previous board discussions, MWDOC Staff was requested to look at funding alternatives including grants and funding partners. The other WEROC funding agencies are either unable to commit funding to this project above the WEROC Operating Budget contributions or have not yet made a decision on participation. While the search for grant funding continues, there are currently no grants available.

During the committee meeting discussions on the South EOC redevelopment, other site locations have been recommended and have been researched including the potential use of the Baker Treatment Plant. In speaking with the General Manager of IRWD, this site is not viable based on size, location and logistics. IRWD had a consultant perform an EOC study for their own agency, and this site was disqualified for a variety of reasons.

The P&O Committee discussions (March 1, 2021) of rehabilitating the existing South EOC building so that it meets current seismic standards and addresses the electrical, roof and generator issues concluded that the estimated investment of over \$1.1 million is not fiscally responsible given that the building is 40-years old.

ETWD is ready to proceed with their project redevelopment and requires a decision by MWDOC regarding participation in order that they can proceed with their budget, funding, and schedule.

Financing Options

MWDOC Staff evaluated eligibility and availability of the United States Environmental Protection Agency's Water Infrastructure Finance and Innovation Act (WIFIA), CA State Water Resources Control Board's State Revolving Fund (SRF), California Infrastructure Economic Development Bank (IBank) and US Bank loan options. The District/Project does not qualify for WIFIA and while it would technically qualify for SRF funding it will not succeed in the scoring analysis and will not receive funding. Information has not yet been received from IBank relative to qualification. US Bank would have loan options of various terms and offered the example of a 5-year loan with a fixed rate of 1.55% with no option for early payoff or a fixed rate of 1.65% with options to pay off early. Both rates are subject to change depending on market conditions until locked in. A Net Revenue Pledge would be required as security for the loan. The District will need to create a Debt Policy with assistance from legal counsel and provide a Resolution before loan funding. Reserve funds are also available for partial or complete project funding. While available grants have not been currently identified, research will continue. The infrastructure funding situation in Washington, DC is very fluid at the moment and opportunities could develop.

BOARD OPTIONS

Option #1: The Board approves proceeding with the new South EOC construction project and authorizes the General Manager to do the following:

- Enter into an agreement with El Toro Water District
- Use cash reserves to cover the first year costs for FY 2021-22 (estimated \$404,219)
- MWDOC to continue seeking grant funding
- Utilize FY 2021-22, to finalize and implement funding options for full project budget with additional Board approval through either:
 - A combination of debt and grant financing to mitigate rate impacts with potential options of the Infrastructure State Revolving Fund (ISRF) Program thru IBank, or a Bank loan with a Bank.
 - Full project funding with MWDOC reserves with a proscribed period of reserve repayment to mitigate rate impacts.

Fiscal Impact: FY 2021-22 cash reserves are available and can move this project forward. Remaining funding could be through debt financing or use of reserves. Debt payment or reserve repayment would likely extend over a period of 5-15 years to mitigate rate impacts. Funding the project on a PayGo basis would roughly equate to increases in the retail meter rate for the three fiscal years of \$0.65, \$1.05, and \$1.05 per meter. The equivalent

increases in the Groundwater Customer Charge would be approximately \$15,500, \$25,800, and \$25,800. These charges would expire at the end of the three-year period.

Business Analysis:

Option #1 (new construction) provides the highest quality product (EOC) and increases Orange County's resilience and response capability to emergencies. The past analyses have indicated that the South EOC is the best alternative for the primary EOC location. As a provider of critical water resources, the Municipal Water District of Orange County (MWDOC) plays a vital role in supporting the on-going needs of the community. Maintaining a dedicated (primary) and properly-equipped emergency operations center (EOC) that can be staffed and operational on a 24X7 basis along with an identified alternate (backup) EOC is considered an industry "best practice" for critical infrastructure providers. Being well prepared to quickly and effectively respond to natural or man-made hazard events is an inherent component of community resilience and a sound business practice.

Option #2: The Board approves rehabilitating the existing South EOC and authorizes the General Manager to do the following:

- Enter into an agreement with El Toro Water District
- Financial options similar to Option #1

Fiscal Impact: Similar to Option #1 but at 65% of costs and estimated rate impacts.

Business Analysis:

Option #2 (rehabilitation) has been previously discussed and rejected at the P&O Committee meeting. The substantial amount of work (seismic, electrical, roof and generator) and the significant cost of over \$1.1 million was deemed inappropriate, as the resulting facility is still a 40-years old metal building.

Option #3: Board opts not to invest in the South Emergency Operations Center.

- MWDOC/WEROC advises El Toro Water District that we will not move forward on the Joint Project.
- WEROC will not continue to use the current South Emergency Operations Center, and will terminate the South Emergency Operations Center Lease Agreement with ETWD.
- The MWDOC Administration Building will become the primary EOC and the North EOC will be the alternate.

Fiscal Impact: None.

Business Analysis: Based on the 2016 facility assessment, loss of the South Emergency Operations Center will decrease the capability of WEROC to support all 37 water and wastewater agencies in Orange County. A primary issue is that both WEROC EOCs will be

in north Orange County in hazard-prone risk areas. MWDOC's Administration Building is in a high liquefaction zone and based on studies/assessments will have significant impact following an earthquake on the Newport Inglewood, San Andres, and Northridge Earthquake faults. The MWDOC facility is currently being seismically retrofitted, but the impacts to the building and surrounding areas following a significant event are unknown. The North EOC is small and has its own hazard zone issues including earthquake liquefaction and location in a High Fire risk area. The area has required fire protection two times in the last few years. Each location has communication challenges based on location and topography, which would have to be addressed.



South Emergency Operations Center

Tour By Pictures
4.5.2021



2



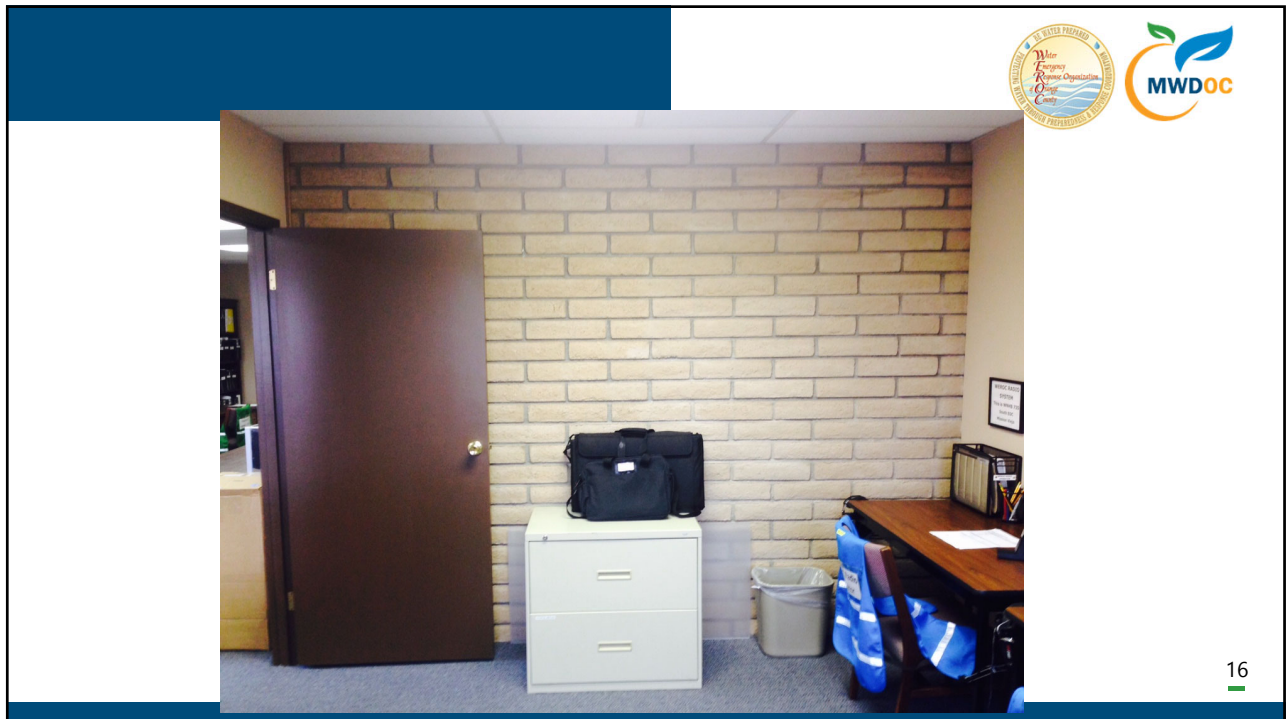


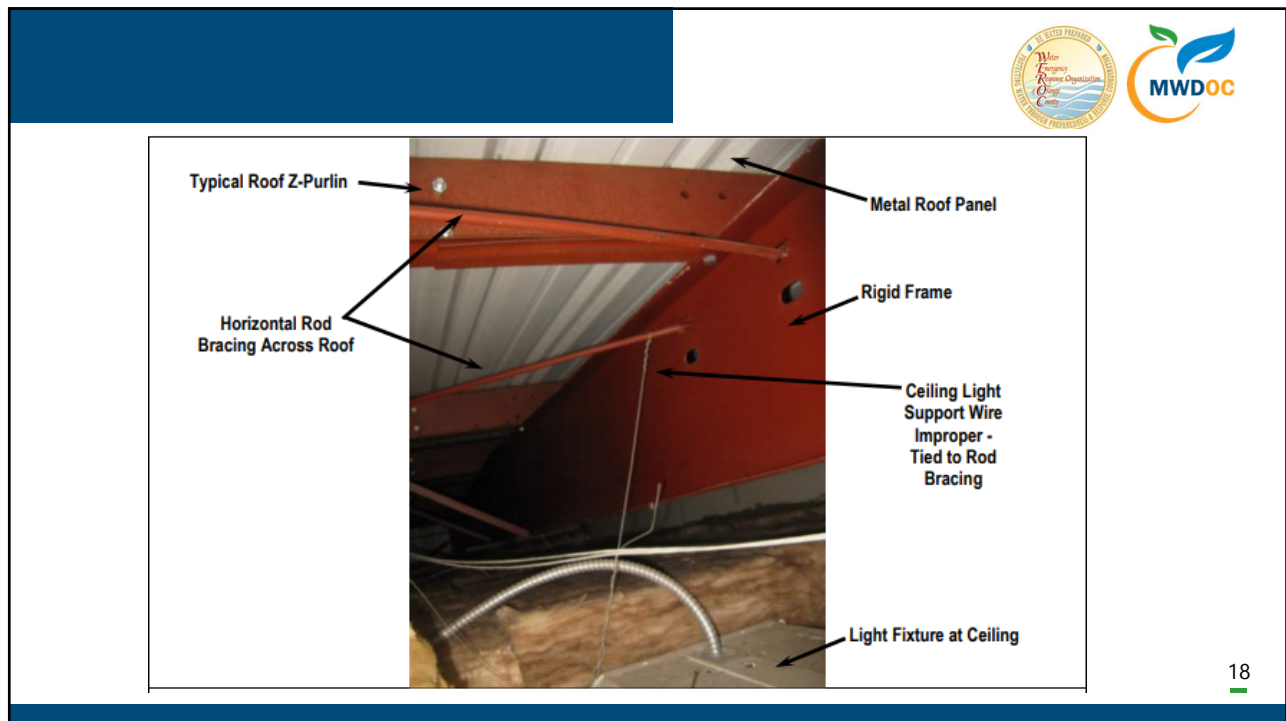



















No Compression Posts Present

Ceiling Mounted Projector - No Direct Support to Structure

19





Electrical Wire Used to Brace Ceiling in Several Locations

20





**PUBLIC HEARING AND
ACTION ITEM**
April 21, 2021

TO: Board of Directors

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

Robert J. Hunter, General Manager

**SUBJECT: HOLD PUBLIC HEARING AND ADOPT ORDINANCE SUPERSEDING AND
REPEALING MWD OC ORDINANCE NO. 54 REGARDING
COMPENSATION FOR DIRECTORS**

STAFF RECOMMENDATION

It is recommended that the Board of Directors: (1) open the public hearing (as noticed) on the Proposed Ordinance to receive input from the public; (2) consider said input on the Ordinance; and (3) adopt Ordinance, in the general form presented, with amendments if necessary.

COMMITTEE RECOMMENDATION

The Committee will review this item on April 19, 2021 and make a recommendation to the Board.

SUMMARY

In 2019 the MWD OC Board revised its Ordinance so that any increases in Director Compensation be limited to the amount set for staff in the annual budget, but not more than the amount allowable under California State law.

Directors' (and MET Directors') compensation is established by Ordinance pursuant to Water Code Section 20200 *et seq.*, and requires a Public Hearing in order to amend the existing procedure set forth in Ordinance No. 54.

Pursuant to the legal requirements, the notices of the public hearing were published in the *OC Register* on April 7 and April 14.

Attached is the proposed Ordinance.

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

DRAFT

ORDINANCE NO. ____

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

COMPENSATION OF DIRECTORS

WHEREAS, the Board of Directors has previously adopted Ordinance No. 54 governing the compensation to be paid to members of the Board of Directors of the Municipal Water District of Orange County, and to those members of the Board of Directors of the Metropolitan Water District of Southern California representing the Municipal Water District of Orange County (collectively referred to as the “MWDOC Board of Directors”) , in accordance with Chapter 2 of Division 10 of the Water Code of the State of California (Water Code § 20200 et seq.); and

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

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

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

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

Section 1. That Ordinance No. 54 is hereby superseded and repealed as of the effective date of this Ordinance.

Section 2. The MWDOC Board of Directors shall receive a ____% compensation increase above its existing compensation on the effective date of this Ordinance, which is consistent with the amount MWDOC staff received via the Fiscal Year 2021-22 budget approval.

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

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

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

Section 6. Effective Date. Any MWDOC Board of Directors compensation increase contemplated by this Ordinance will take effect sixty (60) days after the date of its adoption.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

I hereby certify that the foregoing is a true and correct copy of Ordinance No. ____ adopted by the Board of Directors of Municipal Water District of Orange County at its meeting held on April __, 2021.

MARIBETH GOLDSBY, Secretary
Municipal Water District of Orange County



ACTION ITEM

April 21, 2021

TO: Board of Directors

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

Staff Contact: Robert J. Hunter
General Manager

Cathleen Harris

SUBJECT: DISTRICT BENCHMARK COMPENSATION AND BENEFITS STUDY

STAFF RECOMMENDATION

It is recommended that the Board of Directors approve Option 1, the proposed recommended position reclassifications, title change, revisions to the pay structure ranges and a 1.64% pay structure adjustment to the salary ranges only, effective July 1, 2021.

COMMITTEE RECOMMENDATION

The Committee will review this item on April 19, 2021 and make a recommendation to the Board.

SUMMARY

In accordance with District Policy, a comprehensive compensation and benefits survey shall be conducted every three years to evaluate market practices and job grading. The last survey was initiated in fall of 2017 and completed in April 2018.

Ralph Andersen & Associates began working on the Compensation Study in fall of 2020 and recently completed the Study. Doug Johnson, Vice President of Ralph Andersen and Associates will present his findings at the Administration and Finance Committee Meeting on April 19th.

Based on its review of the salary structure and the survey results the following was identified:

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

1. Salary Range Modification

- In making the range classifications consistent at 7.5% between each range, it was identified that the Intern Range and Ranges 1 and 2 need to be adjusted. As a result, the Intern and Range 1 were rescaled and a new Range 2 was created. The rest of the ranges remain in place and are renumbered accordingly.

2. Reclassification

- The survey results identified that overall, MWDOC's current ranges compared to the median market range maximums, are on average 1.5% above the market median. In an effort to maintain internal equity within the pay structure and stay competitive with the labor market, three out of 50 job classifications have been identified for reclassification:

The following outlines the recommended range adjustments in accordance with the July 1, 2021 Pay Structure:

| Proposed Classification Titles | Current Pay Grade | Current Range Max | Recommended Range | Recommended Range Max |
|---|-------------------|-------------------|-------------------|-----------------------|
| Director of Engineering/District Engineer | 19 | 16,052 | 20 | 17,261 |
| Office Assistant (Currently Vacant) | 1 | 4,366 | 2 | 4,694 |
| Education Assistant | 1 | 4,366 | 2 | 4694 |

3. Title Change

- Based on organizational structure, reporting relationships and industry guidelines, one position is being recommended for a title change.

| Current Classification Title | Recommended Classification Title |
|--------------------------------------|----------------------------------|
| Sr. Executive Assistant to the Board | District Secretary |

4. Adjustment to Pay Structure – Salary Ranges Only

- MWDOC annually adjusts its 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%. Adjusting the Pay Structure annually helps to stay consistent with the market and avoids significantly falling behind.

In addition, the District's health, pension and leave benefits were reviewed and the findings determined that the District's benefits are competitive with the labor market, therefore no changes to the District's benefits are being recommended at this time.

Job descriptions were reviewed and updated by the consultant as well as MWDOC staff and Human Resources. Employees were also provided an opportunity to review and discuss the job descriptions during the review process.

Attached for your review is the presentation to be reviewed at the A&F Meeting and the proposed Pay Structure with recommended changes highlighted in yellow.

BOARD OPTIONS

Option #1 - Approve the salary range modification, reclassification, title change and adjustment to the Pay Structure, effective July 1, 2021, as presented.

Fiscal Impact: None

Business Analysis: Approving this item will allow the District's salary ranges and positions to remain competitive with the market and avoid significantly falling behind.

Option #2 – Do not Approve.

Fiscal Impact: None currently however, can create future fiscal impact.

Business Analysis: Not approving this item will cause the District's positions and Salary Ranges to fall behind the market median causing a future financial impact in having to make several position reclassification adjustments by more than one range.

| MWDOC PAY STRUCTURE - EFFECTIVE JULY 1, 2021 (1.64% range adjustment) | | | | | | | | |
|---|--------------------|---------------------------------------|----------|-----------------|-----------|-----------------|-----------|-----------------|
| Exempt / Non-Exempt | Job Classification | | | Range Min \$ | 25th % \$ | Range Mid \$ | 75th % \$ | Range Max \$ |
| INT | NE | Student Intern (varies by department) | hourly | 17.37 | 18.88 | 20.40 | 21.93 | 23.43 |
| R1 | | Open | annually | 38,834 | 42,224 | 45,614 | 49,026 | 52,395 |
| | | | monthly | 3,236 | 3,519 | 3,801 | 4,086 | 4,366 |
| | | | hourly | 18.67 | 20.30 | 21.93 | 23.57 | 25.19 |
| R2 | NE | Office Assistant | annually | 41,746 | 45,386 | 49,026 | 52,707 | 56,326 |
| | NE | Education Program Assistant | monthly | 3,479 | 3,782 | 4,086 | 4,392 | 4,694 |
| | | | hourly | 20.07 | 21.82 | 23.57 | 25.34 | 27.08 |
| R3 | | Open | annually | 44,866 | 48,797 | 52,707 | 56,659 | 60,549 |
| | | | monthly | 3,739 | 4,066 | 4,392 | 4,722 | 5,046 |
| | | | hourly | 21.57 | 23.46 | 25.34 | 27.24 | 29.11 |
| R4 | NE | Database Coordinator | annually | 48,235 | 52,458 | 56,680 | 60,882 | 65,146 |
| | | | monthly | 4,020 | 4,372 | 4,723 | 5,074 | 5,429 |
| | | | hourly | 23.19 | 25.22 | 27.25 | 29.27 | 31.32 |
| R5 | NE | Accounting Technician | annually | 51,854 | 56,389 | 60,902 | 65,478 | 70,013 |
| | | | monthly | 4,321 | 4,699 | 5,075 | 5,457 | 5,834 |
| | | | hourly | 24.93 | 27.11 | 29.28 | 31.48 | 33.66 |
| R6 | NE | Administrative Assistant | annually | 55,744 | 60,590 | 65,499 | 70,387 | 75,254 |
| | | | monthly | 4,645 | 5,049 | 5,458 | 5,866 | 6,271 |
| | | | hourly | 26.80 | 29.13 | 31.49 | 33.84 | 36.18 |
| R7 | NE | Sr. Admin Assistant | annually | 59,904 | 65,187 | 70,408 | 75,670 | 80,891 |
| | NE | Public Affairs Assist | monthly | 4,992 | 5,432 | 5,867 | 6,306 | 6,741 |
| | NE | Water Loss Control Programs Tech | hourly | 28.80 | 31.34 | 33.85 | 36.38 | 38.89 |
| R8 | NE | Records Coordinator | annually | 64,438 | 70,054 | 75,691 | 81,328 | 86,923 |
| | | | monthly | 5,370 | 5,838 | 6,308 | 6,777 | 7,244 |
| | | | hourly | 30.98 | 33.68 | 36.39 | 39.10 | 41.79 |
| R9 | NE | Public Affairs Coordinator | annually | 69,264 | 75,296 | 81,349 | 87,422 | 93,496 |
| | | | monthly | 5,772 | 6,275 | 6,779 | 7,285 | 7,791 |
| | | | hourly | 33.30 | 36.20 | 39.11 | 42.03 | 44.95 |
| R10 | NE | WUE Analyst I | annually | 74,422 | 80,974 | 87,464 | 93,995 | 100,506 |
| | NE | Executive Assistant | monthly | 6,202 | 6,748 | 7,289 | 7,833 | 8,376 |
| | NE | Assoc. Water Resources Analyst | hourly | 35.78 | 38.93 | 42.05 | 45.19 | 48.32 |
| | NE | Accountant | | | | | | |
| | NE | WEROC Emergency Coordinator | | | | | | |
| R11 | NE | Public Affairs Specialist | annually | 80,038 | 87,048 | 93,995 | 101,005 | 108,014 |
| | NE | WUE Analyst II | monthly | 6,670 | 7,254 | 7,833 | 8,417 | 9,001 |
| | NE | WEROC Specialist | hourly | 38.48 | 41.85 | 45.19 | 48.56 | 51.93 |
| R12 | E | Water Resources Analyst | annually | 86,029 | 93,558 | 101,067 | 108,597 | 116,126 |
| | NE | Sr. Accountant | monthly | 7,169 | 7,797 | 8,422 | 9,050 | 9,677 |
| | NE | Sr. Executive Assistant | hourly | 41.36 | 44.98 | 48.59 | 52.21 | 55.83 |

| | | | | | | | | |
|------|---------|--|----------|---------|---------|---------|---------|---------|
| R13 | E | Fin. Analyst/Database Analyst | annually | 92,456 | 100,589 | 108,638 | 116,792 | 124,862 |
| | E | Network Systems Engineer | monthly | 7,705 | 8,382 | 9,053 | 9,733 | 10,405 |
| | NE | Sr. WUE Analyst | hourly | 44.45 | 48.36 | 52.23 | 56.15 | 60.03 |
| | E | Water Loss Control Programs Supv | | | | | | |
| | E | Public Affairs Supervisor | | | | | | |
| R14 | E | Accounting Supervisor | annually | 99,424 | 108,098 | 116,834 | 125,507 | 134,202 |
| | E | Public Affairs Manager | monthly | 8,285 | 9,008 | 9,736 | 10,459 | 11,184 |
| | E | Sr. Water Resources Analyst | hourly | 47.80 | 51.97 | 56.17 | 60.34 | 64.52 |
| | E | Associate Engineer | | | | | | |
| | E | District Secretary | | | | | | |
| R15 | E | WUE Program Supervisor | annually | 106,891 | 116,210 | 125,570 | 134,930 | 144,269 |
| | E | WEROC Programs Manager | monthly | 8,908 | 9,684 | 10,464 | 11,244 | 12,022 |
| | E | Sr. Fin. Analyst/Database Analyst | hourly | 51.39 | 55.87 | 60.37 | 64.87 | 69.36 |
| R16 | E | Sr. Engineer | annually | 114,878 | 124,946 | 134,992 | 145,038 | 155,064 |
| | | | monthly | 9,573 | 10,412 | 11,249 | 12,087 | 12,922 |
| | | | hourly | 55.23 | 60.07 | 64.90 | 69.73 | 74.55 |
| R17 | E | Principal Water Resources Analyst | annually | 123,490 | 134,285 | 145,101 | 155,917 | 166,733 |
| | E | WUE Progam Manager | monthly | 10,291 | 11,190 | 12,092 | 12,993 | 13,894 |
| | E | Accounting Manager | hourly | 59.37 | 64.56 | 69.76 | 74.96 | 80.16 |
| | E | Governmental Affairs Mgr. | | | | | | |
| R18 | E | Principal Engineer | annually | 132,766 | 144,373 | 156,000 | 167,627 | 179,234 |
| | E | Administrative Services Manager | monthly | 11,064 | 12,031 | 13,000 | 13,969 | 14,936 |
| | | | hourly | 63.83 | 69.41 | 75.00 | 80.59 | 86.17 |
| R19 | E | Director of Public Affairs | annually | 142,730 | 155,189 | 167,690 | 180,190 | 192,629 |
| | E | Director of Water Use Efficiency | monthly | 11,894 | 12,932 | 13,974 | 15,016 | 16,052 |
| | E | Director of Emergency Management | hourly | 68.62 | 74.61 | 80.62 | 86.63 | 92.61 |
| | E | Director of Human Resources & Administration | | | | | | |
| R20 | E | Director of Finance/IS | annually | 153,442 | 166,837 | 180,274 | 193,690 | 207,126 |
| | E | Associate General Manager | monthly | 12,787 | 13,903 | 15,023 | 16,141 | 17,261 |
| | E | Director of Engineering/District Engineer | hourly | 73.77 | 80.21 | 86.67 | 93.12 | 99.58 |
| R21 | E | Open | annually | 164,923 | 179,358 | 193,794 | 208,208 | 222,664 |
| | | | monthly | 13,744 | 14,947 | 16,150 | 17,351 | 18,555 |
| | | | hourly | 79.29 | 86.23 | 93.17 | 100.10 | 107.05 |
| R22 | E | Assistant General Manager | annually | 173,618 | 190,965 | 208,354 | 225,701 | 243,048 |
| | | | monthly | 14,468 | 15,914 | 17,363 | 18,808 | 20,254 |
| | | | hourly | 83.47 | 91.81 | 100.17 | 108.51 | 116.85 |
| GM | E | General Manager (eff. 7/1/2020) \$295,095 | annually | | | | | |
| rev. | 4/13/21 | | | | | | | |

Ralph Andersen &
Associates

April 13, 2021

MWDOC Compensation Survey Findings

Why Surveys Are Done

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

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

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

Survey Agencies

Survey agencies are a balance between the selection factors of:

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



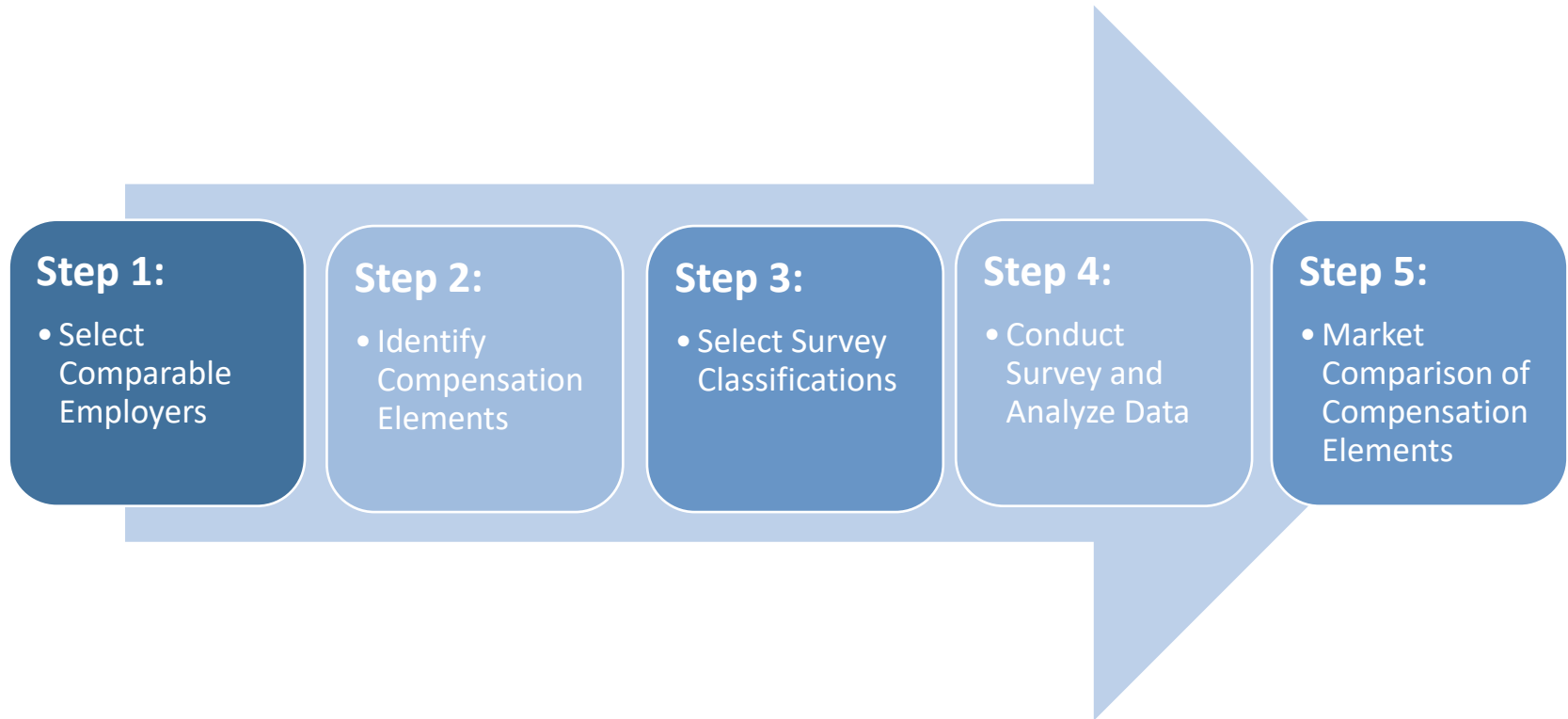
Calleguas MWD
Central Basin MWD
Eastern MWD
El Toro Water District
Inland Empire UA
Irvine Ranch WD
Laguna Beach CWD
Las Virgenes MWD
Mesa WD
Moulton Niguel WD

City of Brea
City of Fountain Valley
City of San Clemente
City of Tustin

Orange County SD
Orange County WD
San Diego Co WA
Santa Margarita WD
South Coast WD
Three Valleys MWD
Walnut Valley WD
West Basin MWD
Western Municipal WD
Yorba Linda WD

Supplemental (EROc):
Metropolitan Water District
County of Orange
Orange County Fire Authority
City of Anaheim
City of Los Angeles

Survey Process



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

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

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

Matching Job Classifications

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

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

Scope of Data Collection

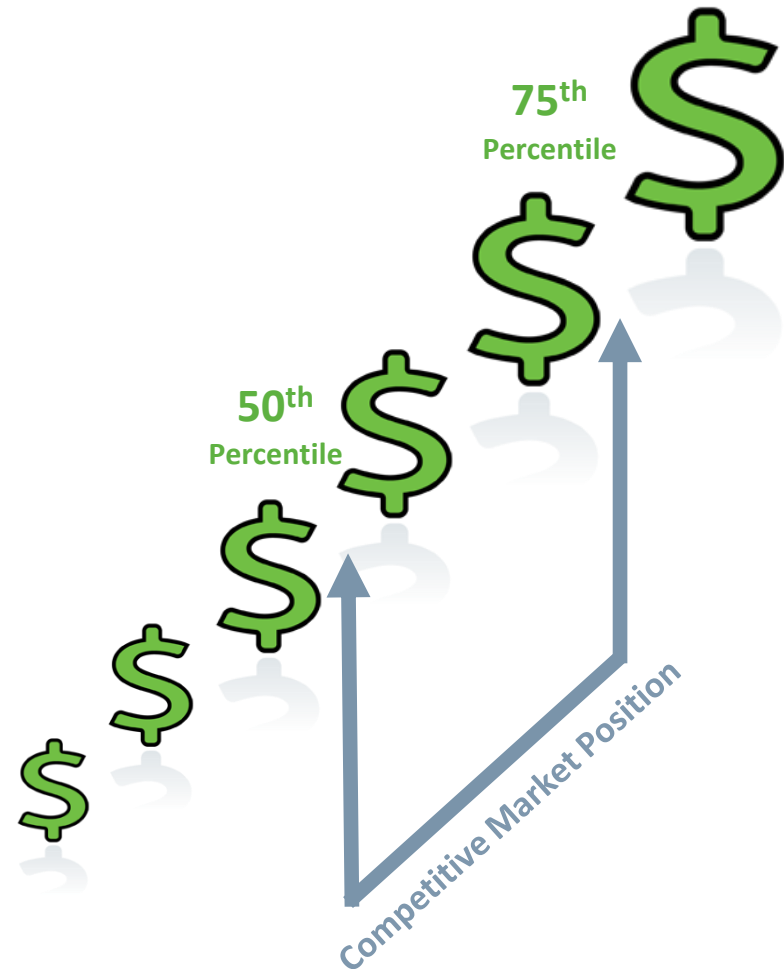
The compensation survey included the collection and analysis of base salary and benefit data to understand how the District's total compensation compares with labor market practices. Elements included in the survey include:

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

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

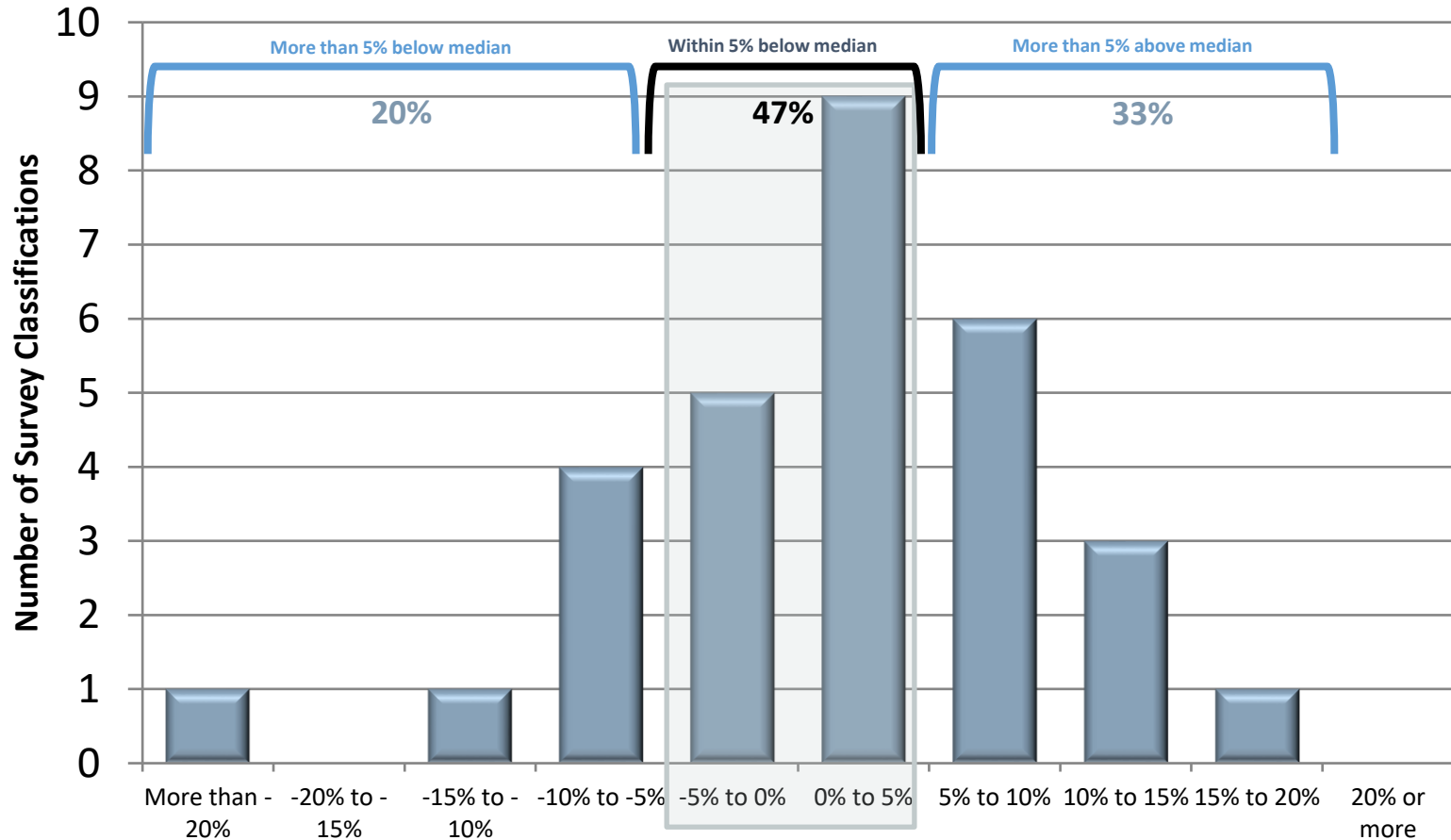
Market Position

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



Market Summary – All Jobs

At Median on Average



Strongest trend of the survey jobs should be in shaded region

Base Salary Relationship to Market Median

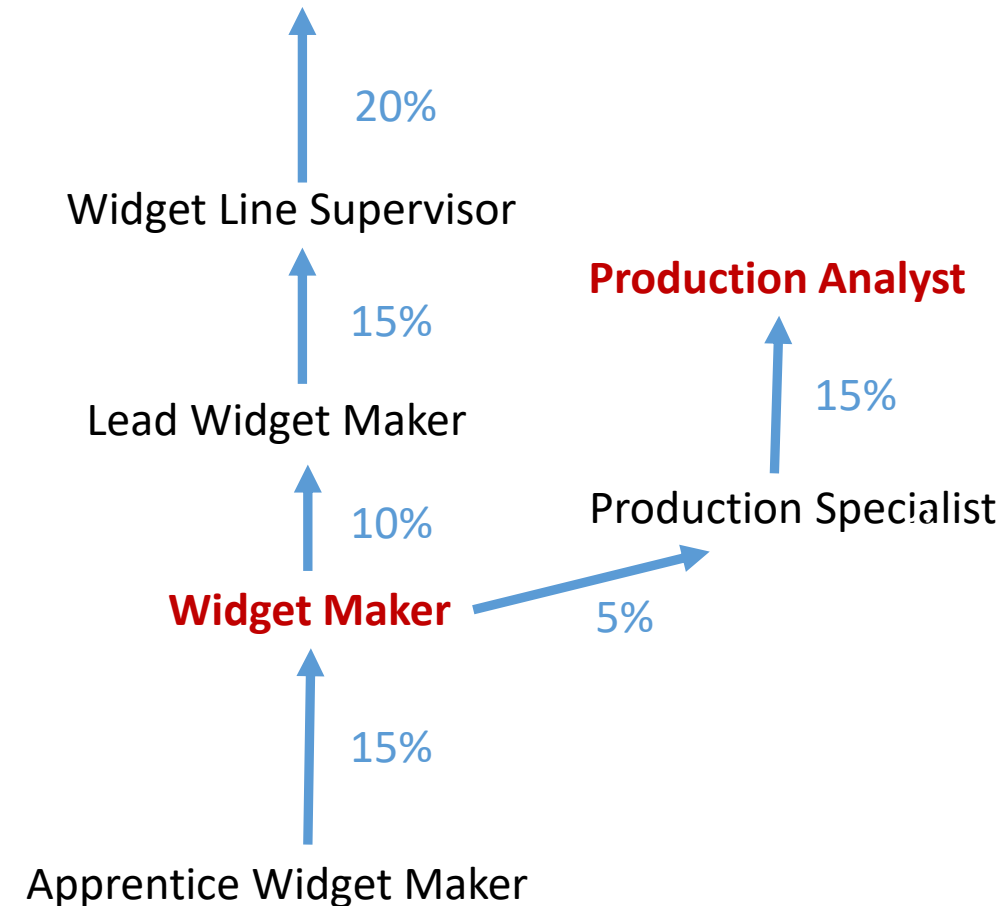
Survey Findings

- While the overall survey results for all employee groups show a strong central trend (bell curve), there are jobs that are more than 5% below and 5% above market.
 - 20% of the survey jobs are more than 5% below the median (50th percentile)
 - 33% of the survey jobs are more than 5% above the median
 - 47% of the survey jobs are within 5% of the median
- On average, the District is 1.5% above the market median and is at the 53rd percentile
- Our analysis of the District's benefits found the following:
 - Overall the District's benefits are competitive with the labor market with less than a 3.0% variance when all benefits are analyzed
 - 14 agencies provide an employer paid deferred compensation benefit
 - Five agencies still have Employer Paid Member Contribution (EPMC) for retirement
 - The District's insurance benefits are comparable to the market

Benchmarking - Example

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

Widget Production Manager



Salary Range Recommendations

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

Range Structure Modification

- Current salary range structure has a large gap between grades R1 and R2
- Modified range structure provides more flexibility

| Current Pay Range Structure | | |
|-----------------------------|-------------|---------------|
| Pay Grade | Monthly Max | % Bet. Ranges |
| Int | 3,959 | |
| R1 | 4,139 | 4.5% |
| R2 | 4,966 | 20.0% |
| R3 | 5,339 | 7.5% |
| R4 | 5,739 | 7.5% |
| R5 | 6,170 | 7.5% |
| R6 | 6,631 | 7.5% |
| R7 | 7,130 | 7.5% |
| R8 | 7,665 | 7.5% |
| R9 | 8,240 | 7.5% |
| R10 | 8,857 | 7.5% |
| R11 | 9,522 | 7.5% |
| R12 | 10,235 | 7.5% |
| R13 | 11,003 | 7.5% |
| R14 | 11,829 | 7.5% |
| R15 | 12,715 | 7.5% |
| R16 | 13,669 | 7.5% |
| R17 | 14,695 | 7.5% |
| R18 | 15,796 | 7.5% |
| R19 | 16,982 | 7.5% |
| R20 | 18,256 | 7.5% |
| R21 | 19,927 | 9.2% |

| Modified Pay Range Structure | | |
|------------------------------|-------------|---------------|
| Pay Grade | Monthly Max | % Bet. Ranges |
| Int | 3,997 | |
| R1 | 4,297 | 7.5% |
| R2 | 4,620 | 7.5% |
| R3 | 4,966 | 7.5% |
| R4 | 5,339 | 7.5% |
| R5 | 5,739 | 7.5% |
| R6 | 6,170 | 7.5% |
| R7 | 6,631 | 7.5% |
| R8 | 7,130 | 7.5% |
| R9 | 7,665 | 7.5% |
| R10 | 8,240 | 7.5% |
| R11 | 8,857 | 7.5% |
| R12 | 9,522 | 7.5% |
| R13 | 10,235 | 7.5% |
| R14 | 11,003 | 7.5% |
| R15 | 11,829 | 7.5% |
| R16 | 12,715 | 7.5% |
| R17 | 13,669 | 7.5% |
| R18 | 14,695 | 7.5% |
| R19 | 15,796 | 7.5% |
| R20 | 16,982 | 7.5% |
| R21 | 18,256 | 7.5% |
| R22 | 19,927 | 9.2% |

- Consistent 7.5% between ranges
- Rescaled R1 to R22
- Intern and grades R1 and R2 adjusted for 7.5% consistency
- Provides more flexibility at lower ranges for range placement
- Optimizes job groupings
- Creates threshold for salary range adjustments
- No financial impact since ranges have just been rescaled

Salary Range Adjustments

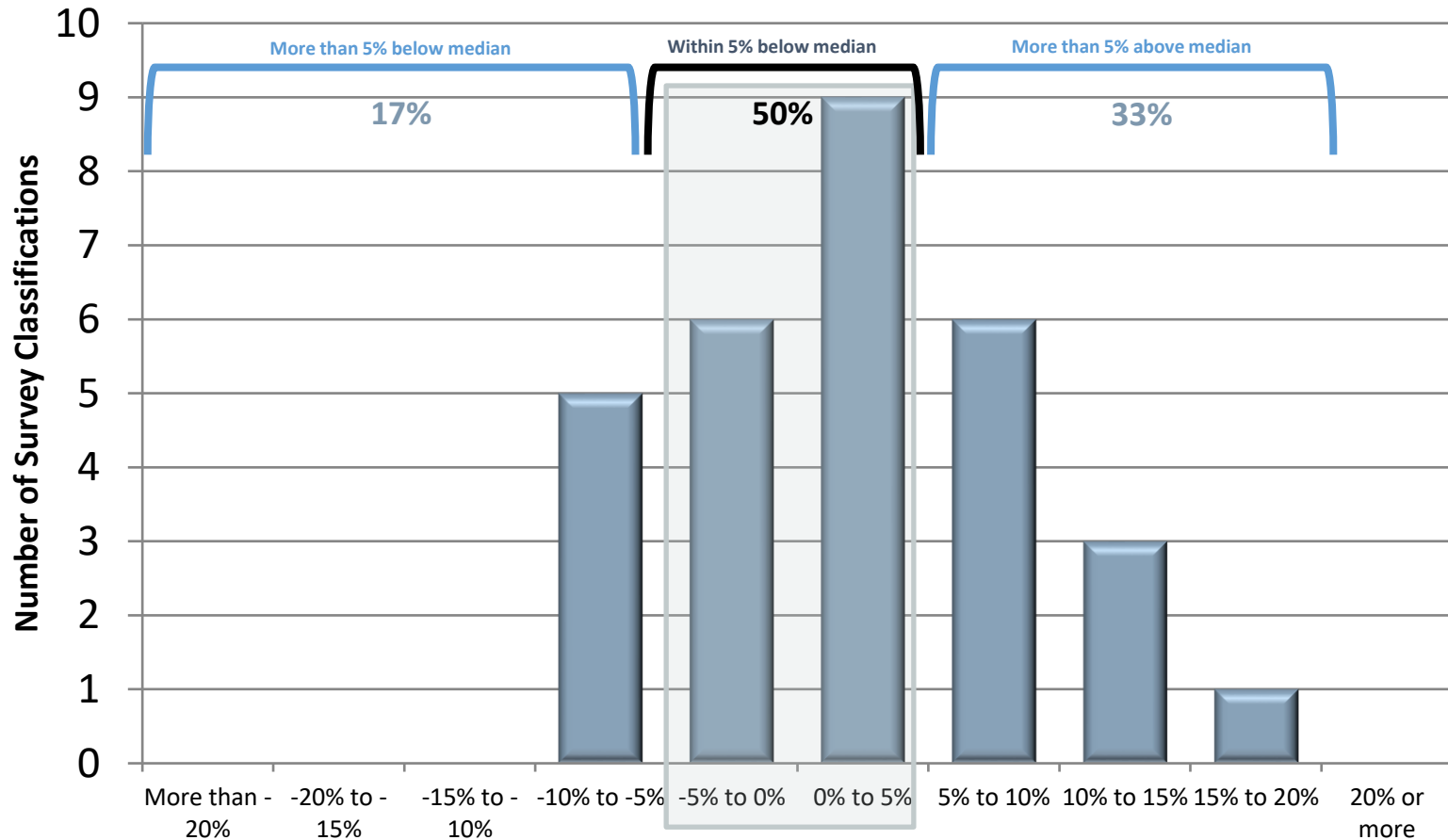
- Adjustment based on median market data and consideration of internal relationships
- Market median deviation equal to or more than 7.5% below median based on the District's salary range structure
- The following job classifications require placement in a higher salary range:

| New Classification Title | Current Range Max | Market Deviation | Recomm. Range | Recomm. Max. | Percent Change |
|---|-------------------|------------------|---------------|--------------|----------------|
| Director of Engineering/District Engineer | \$ 15,796 | -10.6% | 20 | \$16,982 | 7.5% |
| Office Assistant (vacant position) | \$ 4,139 | -22.8% | 2 | \$4,620 | 11.6% |
| Education Program Assistant | \$ 4,139 | | 2 | \$4,620 | 11.6% |



Market Summary w/ Adjustments

At Median on Average



Strongest trend of the survey jobs should be in shaded region

Base Salary Relationship to Market Median

Classification Review

Analysis of District positions and job classifications based on:

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

| Current Class Title | Recommended Class Title |
|--------------------------------------|-------------------------|
| Sr. Executive Assistant to the Board | District Secretary |



ACTION ITEM
April 21, 2021

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contact: Sarah Wilson

SUBJECT: **Authorization to Contract for MWDOC Choice School Programs**

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to enter into a two-year contract with three (3), one-year options to extend with Building Block Entertainment, Inc. (Shows That Teach) and Orange County Department of Education's (OCDE) Inside the Outdoors to design and present the Municipal Water District of Orange County's (MWDOC) K-12 Choice School Programs (Option #1).

COMMITTEE RECOMMENDATION

Committee will review this item on April 19, 2021 and make a recommendation to the Board.

SUMMARY

With current Choice School Program contracts ending FY 20/21, MWDOC Public Affairs staff issued a [Request for Proposals](#) (RFP) for design and implementation of MWDOC's K-12 Choice School Programs on behalf of MWDOC and participating Orange County cities and retail water agencies. After careful review, in-depth interviews were conducted with five (5) qualified firms. Based on proposal content, presentations, and thorough discussions, staff recommends two separate firms to administer the MWDOC K-12 Choice School Programs beginning FY 21/22.

First, staff recommends the District retain the services of Building Block Entertainment, Inc.'s "Shows That Teach" to administer a portion of the MWDOC Choice Elementary School Program for grades K-2. Additionally, staff recommends the Orange County Department of Education's Inside the Outdoors administrate the MWDOC Choice

| | | | |
|--|----------------------|------|-----------------|
| Budgeted (Y/N): Y | Budgeted amount: N/A | Core | Choice <u>X</u> |
| Action item amount: \$402,658 | | | |
| Fiscal Impact (explain if unbudgeted): The MWDOC-led, regional program is funded through Choice contributions from participating Orange County cities and retail water agencies which vary from year to year. The action item is an estimate based on previous participation numbers. | | | |

Elementary School Program serving grades 3–5, and the MWDOC Choice Middle School (grades 6-8) and High School (grades 9-12) Programs.

Several factors weighed heavily on the Program contractor selection, including the challenges that will be faced ahead by the impacts of COVID-19. The pandemic has forced MWDOC to rethink its K-12 water education programs, including structure, format, and offerings. The proposed Programs will continue to support California State Standards, including [Environmental Principles and Concepts \(EP&Cs\)](#), now integrated into the Science (Next Generation Science Standards – NGSS), History-Social Science, Health, and Arts Frameworks with Mathematics on the way. EP&Cs now enable MWDOC to expand its involvement in youth education beyond science classes, providing essential water-focused lessons in multiple core subjects. Through participation in the MWDOC Choice School Programs, Orange County K-12 students gain the interdisciplinary knowledge to become thoughtful water stewards prepared for active citizenship and academic and career success.

Though many schools are reopening for in-person instruction, it is unlikely that large, assembly-style gatherings or outside visitors will be allowed at the beginning of the school year. As such, both Shows That Teach and OCDE's Inside the Outdoors have proposed a robust plan to offer both in-person and virtual programs, including marketing and outreach strategy, student and teacher evaluations, pre-and-post program activities, and service-learning projects.

Shows That Teach – Grades K-2

Based on observations and teacher feedback, Shows that Teach has successfully provided comprehensive water education to Orange County K-2 students through MWDOC's Choice Elementary School Program. Shows That Teach utilizes original songs, humor, puppetry, visual aids, and video resources to effectively engage students and increase comprehension in water science topics such as the water cycle, water supply resources, and conservation. Staff believes this exciting, assembly-style program is best suited for the youngest grade levels, grabbing their attention and introducing them to fundamental water education early on in their academic career. As an added feature, Ricky the Rambunctious Raindrop will be integrated back into the classroom as a puppet cast member, enhancing the experience and rebranding the program without disrupting the class.

Because schools vary in size, enrollment, and capacity, Shows That Teach offers several versions of these assemblies, both in-person and online, to accommodate participating schools. As part of the program, Shows That Teach also provides a detailed teacher's guide and pre-and post-program activities that encourage students to use art to reflect on their relationship with water exploring ways to use it more efficiently. Program pricing varies depending on class size, the number of performers, and program format.

Orange County Department of Education: Inside the Outdoors – Grades 3-5 and 6-12

As an extension of Orange County Department of Education, Inside the Outdoors is already well established in Orange County schools and understands California content standards, curriculum frameworks, and guidelines. As such, their programs did not lose any momentum when the pandemic hit, and they are confident they can continue their success into the next school year.

OCDE's proposed elementary school program (grades 3-5) focuses on foundational knowledge and skills, guiding students to connect the classroom lessons to real-world

situations. The elementary school program consists of pre-and-post program resources, a live stream field trip (for distance learning) or traveling scientist presentation (in-person instruction) with learning stations, and family engagement activities designed to allow students and their families to explore critical water-centric topics together.

OCDE's proposed middle (6-8) and high school (9-12) programs build on the elementary school programs' foundation. The middle and high school programs consist of pre-and post-program resources, a live stream field trip (for distance learning) or traveling scientist presentation (in-person instruction) with learning stations, and field study or service-learning activity for students to receive credit toward their required service hours. Additionally, ITO is part of a Southern California pilot program that gives students engaged in environmental literacy projects the opportunity to earn hours toward the California Department of Education's Seal of Civic Engagement.

All of OCDE's in-person programs for grades 3-12 include multiple activity stations where students interact with models of human and natural water systems such as an aquifer model, water conveyance maps, and systems engineering experiments. The proposed virtual programs for grades 3-12 encourage students to explore how human and natural water systems interact and influence each other. They include drawing, games, and interactive simulation models to maintain student engagement. Pre- and post-program activities include videos, teacher slide decks, and interactive digital resources such as Kahoot! that encourage students to examine water-related environmental phenomena within their community, answering the question "Why should this matter to me?"

Since March 2020, student's interaction with classmates and teachers has declined, and their engagement has decreased in large group settings. Opportunities for students to engage in lessons and explain their thought processes are crucial to understanding content. Inside the Outdoors base their programs on the 5E Model (Engage, Explore, Explain, Elaborate, and Evaluate) and Universal Design for Learning instructional model so that programs allow students to dive deeper into topics, interact with their peers, and share their observations. Program pricing for all three program levels (elementary, middle, and high school) varies depending on grade level.

BOARD OPTIONS

Option #1: Staff recommends the Board of Directors authorize the General Manager to enter into a two-year contract with three (3), one-year options to extend with Building Block Entertainment, Inc. (Shows That Teach) for grades K-2, and Orange County Department of Education's (OCDE) Inside the Outdoors for grades 3-12, to provide the Municipal Water District of Orange County's (MWDOC) K-12 Choice School Programs (Option #1).

Fiscal Impact: As a Choice Program, consultant services will be funded by the participating retail water agencies.

Business Analysis: Through MWDOC's facilitation of this regional program, Orange County water retailers are able to participate at their designated level without the responsibility of program administration, marketing, and content development.

Option #2: Take no action

Fiscal Impact: All aspects of the Choice School Programs will become the sole responsibility of Orange County retail water agencies.

Business Analysis: Without a regional approach, individual Orange County water retailers become responsible for program administration, outreach, content development, and cost, multiplying their efforts to obtain consultant-services.



ACTION ITEM

April 21, 2021

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff Contact: Harvey De La Torre
Hilary Chumpitazi

SUBJECT: MWDOC'S 2021 COST ALLOCATION RATE STUDY

STAFF RECOMMENDATION

It is recommended that the Board of Directors adopt the findings and recommendations in Raftelis' Core Service Charge Allocation Study for MWDOC; which calls for maintaining the current Meter Service Charge methodology for all MWDOC retail agencies and changing the methodology and calculation of MWDOC's Groundwater Customer Charge for Orange County Water District. These adjustments will be effective beginning in FY 2021-22.

COMMITTEE RECOMMENDATION

The Committee will review this item on April 19, 2021 and make a recommendation to the Board.

REPORT

In November 2020, MWDOC began the process of reviewing its two core service charges, the Retail Meter Charge and the Groundwater Customer Charge. The MWDOC Board authorized Raftelis Financial Consultants, Inc. (Raftelis) to conduct the Core Service Charge Allocation Study (2021 Rate Study) to evaluate its methodology and calculation.

The scope of the 2021 Rate Study called for developing a rate model that illustrated the allocation of costs (MWDOC's core expenses) among the member agencies under different rate structure options. With the goal to recommend a rate structure that not only satisfies future revenue requirements of the District and meets State law requirements, but also balance revenue stability, financial resiliency, and equity among member agencies. The

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

guiding principles of the 2021 Study remain similar the previous rate study conducted in 2016: legal compliance, fairness/equity, and revenue stability.

Additionally, one of MWDOC's primary directives for the 2021 Rate Study is to ensure that all member agencies have ample opportunity to participate in the development of the study. As part of this process, MWDOC held a number of member agency manager meeting discussions facilitated by Melissa Elliott of Raftelis. Outside of the facilitated discussions, MWDOC also utilized a survey tool and encouraged the submission of letters to ensure all comments were included.

Below is the schedule for engagement for both member agency and MWDOC Board/Committee meetings:

| 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 19 | Admin & Finance Committee | Action on the recommended rate structure |
| April 21 | MWDOC Board Meeting | Board Adopts Rates & Charges for FY2021-22 |

This schedule was established with the intention of implementing the results of the 2021 Rate Study into the MWDOC's FY2021-22 Budget. Of note, MWDOC's 3rd Draft Budget and the proposed Rate Resolution, both included for Board consideration this month, include the findings and recommendations of the 2021 Rate Study.

MWDOC 2021 Cost Allocation Rate Study

As outlined in the 2021 Rate Study, the primary objectives are as followed:

- Evaluate the existing methodology used to calculate member agency charges for Core services
- Research and develop alternative methodologies for consideration
- Engage directly with member agencies to ensure transparency and solicit feedback
- Achieve consensus with member agencies on a proposed methodology to calculate charges for Core services
- Discuss the nexus between Core service charges and MWDOC's Core service costs
- Document study results and recommendations in a report that serves as the administrative record

It was emphasized that the focus of the 2021 Rate Study reside solely within MWDOC's two Core Service charge classes – the Retail Meter Charge and the Groundwater Customer

Charge. Moreover, the methodology and calculation of how MWDOC's allocates its Core cost centers was reviewed and considered.

Although, Raftelis developed and presented varied alternative methods for charging the member agencies (e.g., fixed, volumetric, and hybrid alternatives), it was clear early into the process that the member agencies collectively considered a fixed charge most appropriate for recovering MWDOC's Core costs; as MWDOC's Core costs do not vary with the volume of water purchased from Metropolitan. Thus, the Retail Meter Service Charge methodology would remain unchanged.

However, based on this belief the Orange County Water District (OCWD) suggested the Groundwater Customer Charge should be modified and be calculated based on an equal distribution of all of MWDOC's Core cost centers (i.e., $\frac{1}{26}$ proportional share), instead of the current calculation that includes volumetric purchases for two cost centers (21-Reliability Planning and 23-MET Issues). The member agencies collectively agreed and felt the most equitable methodology for the Groundwater Customer Charge would be a fixed charge based on the equal proportional share of MWDOC's costs.

Building on the consensus from the member agencies for a new Groundwater Customer Charge methodology and continuation of the existing retail service charge, MWDOC and Raftelis conducted an analysis to ensure the proposed Core service allocation methodologies provides a nexus between Core costs and Core charges in light of Proposition 26. In a two-step process outlined in the 2021 Rate Study, it was determined that *"All MWDOC's **Core** services benefit all retail member agencies regardless of the amount of water purchased from MWDOC"* and *"MWDOC's activities support all member agencies, and costs are incurred regardless of MWDOC water purchases"*. Therefore, it is reasonable for these costs to be charged on a basis other than water use.

In conclusion, based on member agency feedback, District Counsel (BBK) review, and MWDOC Board member feedback, MWDOC staff support the findings and recommendations in Raftelis' Core Service Charge Allocation Study.

BOARD OPTIONS

Option #1

- Recommend that the Board of Directors adopt the findings and recommendations in Raftelis' Core Service Charge Allocation Study for MWDOC; which calls for maintaining the current Meter Service Charge methodology for all MWDOC retail agencies and changing the methodology and calculation of MWDOC's Groundwater Customer Charge for Orange County Water District. These adjustments will be effective beginning in FY 2021-22.

Fiscal Impact: No fiscal impact is identified

Business Analysis: Adopting the findings and recommendations in the study will update MWDOC's rate methodology and calculation according to the support and endorsement of our member agencies.

Option #2

- The Board of Director not adopt the findings and recommendations in Raftelis' Core Service Charge Allocation Study for MWDOC.

Fiscal Impact: Additional funds may be needed if the consultant is requested to make any revisions, modifications or additional analyses to the study.

Business Analysis: Not adopting the study's recommendations may cause delays in MWDOC's as well as the member agencies' adoption of their budget.

STAFF RECOMMENDATION

Option #1

Attachment: Raftelis' Core Service Charge Allocation Study for Municipal Water District of Orange County, 2021

Municipal Water District of Orange County

Core Service Charge Allocation Study

Draft Report / April 13, 2021



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April 13, 2021

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

Subject: Core Service Charge Allocation Study Report

Dear Mr. Hunter,

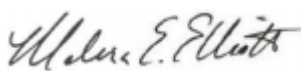
Raftelis is pleased to present this Core Service Charge Allocation Study Report to the Municipal Water District of Orange County (MWDOC). The Core service charge allocation methodology was developed using a transparent process that provided member agencies with multiple opportunities to provide input including an online survey and four-member agency virtual meetings. We believe the process yielded a fair and reasonable charge methodology for your core services and complies with the requirements of Proposition 26.

It was a pleasure working with you and we wish to express our thanks to you, Mr. Harvey De La Torre, Mrs. Melissa Baum Haley, and other MWDOC staff for the support and cooperation extended throughout the study. If you have any questions, please call me, the Project Manager, at (213) 262-9308.

Sincerely,



Steve Gagnon, PE (AZ)
Project Manager



Melissa Elliot, APR
Outreach and Engagement Lead



Charles Diamond
Lead Analyst

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List of Abbreviations

AF: Acre-feet

AWWA: American Water Works Association

FY: Fiscal year

GW: Groundwater

MWD: Metropolitan Water District of Southern California

MWDOC: Municipal Water District of Orange County

OCWD: Orange County Water District

WEROC: Water Emergency Response Organization of Orange County

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1. Introduction

The Municipal Water District of Orange County (MWDOC) engaged Raftelis in late 2020 to conduct a rate study, herein called a Core Service Charge Allocation Study (Study), to evaluate and update the existing allocation methodology used to recover MWDOC's Core Service expenses from its 26 paying member agencies. Study results and recommendations presented herein were informed by direct engagement and collaboration with MWDOC's staff, the Administration and Finance Committee, and representatives from each member agency. This report describes the Study process, results, and provides a nexus between rates and the costs recovered. It also provides MWDOC staff with a clear method to calculate each member agency's annual charges for Core services beginning in fiscal year (FY) 2021-22.¹

The primary objectives of the Study are to:

- » Evaluate the existing methodology used to calculate member agency charges for Core services,
- » Research and develop alternative methodologies for consideration,
- » Engage directly with member agencies to ensure transparency and solicit feedback,
- » Achieve consensus with member agencies on a proposed methodology to calculate charges for Core services,
- » Discuss the nexus between Core service charges and MWDOC's Core service costs,
- » Document the Study results and recommendations in a report that serves as the administrative record.

As explained later in this report, the scope of this Study excludes MWDOC's Choice services/costs (associated with voluntary programs for member agencies) and Metropolitan Water District of Southern California (MWD or Metropolitan) wholesale water supply costs, which MWDOC directly passes through to member agencies.

2. Study Background

Agency Overview

MWDOC is a wholesale water agency formed in 1951 under the Municipal Water District Act of 1911 to import water from MWD on behalf of retail water suppliers in Orange County. MWDOC currently serves 28 member agencies² including 14 cities, 13 special districts, and one private water company. MWDOC's member agencies collectively provide retail water service to over 2.4 million residents in Orange County. In addition to wholesale water sales, MWDOC's key activities pertain to water supply development, water resource planning, legislative advocacy, water use efficiency, water education, and emergency preparedness. MWDOC is classified as an independent special district and is governed by a 7-member Board of Directors elected to represent specific areas of Orange County.

¹ MWDOCs fiscal year is from July through June. For example, FY 2021-22 is July 1, 2021 – June 30, 2022.

² MWDOC serves twenty-eight member agencies, however it has twenty-six paying member agencies as two agencies fall under parent agencies.

MWDOC's mission statement is as follows:

To provide reliable, high-quality supplies from the Metropolitan Water District of Southern California 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.

MWD originally encouraged water retail agencies to establish collective representation to improve efficiency and streamline collaborative processes requiring member agency involvement. While the formation of MWDOC effectively secured access in Orange County to imported water supplies from MWD, it also served to establish a single member agency (of MWD) to collectively represent all of MWD's wholesale water customers in Orange County. MWDOC's own 26 paying member agencies therefore do not have to directly purchase water from or directly deal with MWD. Instead, MWDOC enables more effective and cohesive representation and advocacy of MWDOC's member agencies within MWD's governance structure. It enhances administrative efficiency for MWD since it eliminates the need to deal individually with each of MWDOC's member agencies. MWDOC also provides shared services that otherwise would be provided individually by each member agency. Appendix A shows MWDOC's Core Services.

Current System of Cost Recovery

Costs incurred directly by MWDOC are currently grouped into two primary categories:

1. **MWD Wholesale Water Supply Costs:** MWDOC purchases imported water directly from MWD on behalf of MWDOC's 28 member agencies. MWD's charges for water include volumetric rates per acre-foot (AF) and fixed charges based on historical use and peak daily flow. MWDOC passes through all MWD charges directly to its member agencies. MWDOC's water supply charges from MWD in FY 2020-21 are currently projected to total \$224 million. This represents over 90% of MWDOC's total costs.
2. **MWDOC Budget:** All other costs incurred by MWDOC are budgeted at \$9.8 million in FY 2020-21 and are further divided into a Core Budget and a Choice Budget.
 - **Core Budget:** These costs are associated with MWDOC's functions and activities that support all member agencies. As explained above, the creation of MWDOC enables unified advocacy with MWD and shared services that would otherwise be provided by each member agency. Approximately 84% of MWDOC's FY 2020-21 budgeted expenses (excluding MWD wholesale water supply costs) are classified as Core. Core costs are recovered from Orange County Water District (OCWD) by a "Ground Water Customer Charge" and from other member agencies by a "Retail Charge." OCWD is the only MWDOC member agency³ that is a groundwater recharge agency and is subject to a unique charge because it does not have retail meters as other member agencies do. OCWD purchases water from MWDOC to replenish the groundwater basin rather than directly providing water service to retail customers. The current method to determine annual member agency charges for Core services is explained in detail in the next subsection of this report.

³ Since OCWD is currently the only groundwater recharge agency served by MWDOC, the term Ground Water Customer Charge refers to the charge to OCWD.

Choice Budget: These costs are associated with *optional* services offered by MWDOC that member agencies can partake in. Choice services include programs for water use efficiency, water education in schools, and water loss control. Member agency participation in Choice programs is voluntary. Choice costs are recovered by “Choice Revenue” collected from participating member agencies based on their level of activity.

Figure 2-1 shows MWDOC’s current cost recovery system. This Study is limited to Core services only (shown circled in red). Neither MWD wholesale water supply costs nor Choice services are considered within this Study. All subsequent report sections therefore only pertain to member agency charges for MWDOC’s Core services. Table 2-1 shows MWDOC’s Core and Choice budget for FY 2020-21 by cost center, which as mentioned earlier totals \$9.8 million. Choice services constitute 16% of total costs shown (or approximately \$1.6 million). All other costs shown are associated with Core services, totaling approximately \$8.3 million in FY 2020-21.

Figure 2-1: MWDOC’s Current System of Cost Recovery

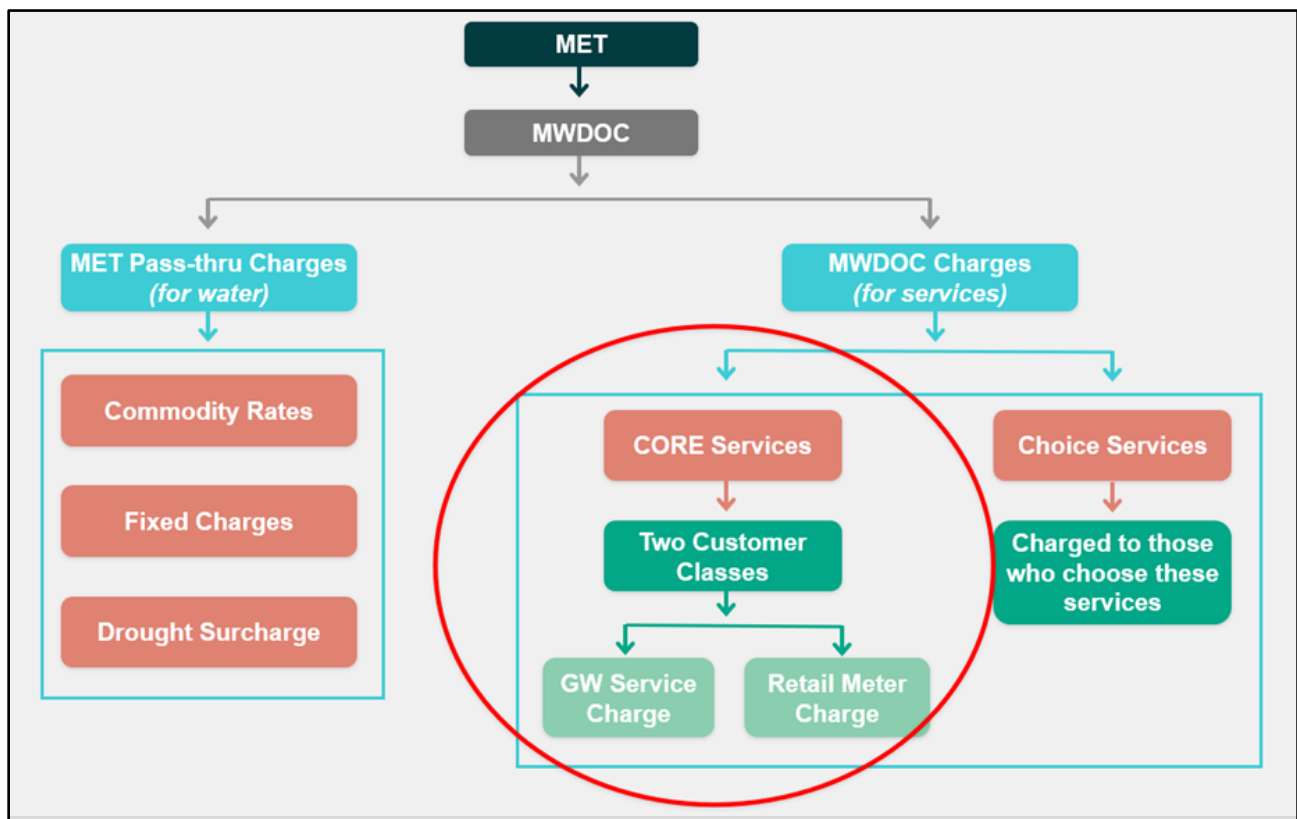


Table 2-1: FY 2020-21 MWDOC Budget

| Cost Center | Program | FY 2020-21 Budget (\$) | FY 2020-21 Budget (%) |
|-------------|--------------------------------------|------------------------|-----------------------|
| | CORE | | |
| 11 | Administrative - Board | \$1,173,230 | 11.9% |
| 12 | Administrative - General | \$695,341 | 7.1% |
| 13 | Personnel / Staff Development | \$427,047 | 4.3% |
| 19 | Overhead | \$1,068,235 | 10.9% |
| 21 | Reliability Planning and Engineering | \$941,736 | 9.6% |
| 23 | Metropolitan Issues and Water Policy | \$777,165 | 7.9% |
| 31 | Governmental Affairs | \$514,960 | 5.2% |
| 35 | Water Use Efficiency (Core) | \$461,443 | 4.7% |
| 32 | Public Affairs | \$910,703 | 9.3% |
| 41 | Finance | \$673,518 | 6.8% |
| 45 | Information Technology | \$380,031 | 3.9% |
| 25 | MWDOC's Contribution to WEROC | \$241,236 | 2.5% |
| | Subtotal – Core | \$8,264,645 | 84.0% |
| | | | |
| | CHOICE | | |
| 62 | Water Use Efficiency Program | \$900,920 | 9.2% |
| 63 | School Programs | \$412,513 | 4.2% |
| 70 | Water Loss Control | \$260,668 | 2.6% |
| | Subtotal – Choice | \$1,574,100 | 16.0% |
| | | | |
| | Total | \$9,838,746 | 100.0% |

Prior Core Service Charge Allocation Study

MWDOC currently charges 26 member agencies for Core services based on an allocation methodology developed in 2016 and documented in the “FY 2017 Wholesale Water Rate Study” report. Two member agencies are not directly charged for Core services because they receive wholesale water service from special districts that are also MWDOC member agencies (the City of Tustin is served by East Orange County Water District and Emerald Bay is served by Laguna Beach County Water District).

The prior study in 2016 included extensive collaboration with MWDOC’s 28 member agencies and resulted in the implementation of the existing Core service allocation methodology. The existing methodology consists of a two-step process outlined below and summarized in Table 2-2. The rationale for the existing methodology is provided in greater detail in Section 4, and more detailed explanations of cost centers are provided in Section 6.

1. **Step 1 - Ground Water Customer Charge Allocation** (for OCWD only): The Ground Water Customer Class requires a separate allocation to determine Core charges because it does not serve retail customers with water meters. All other member agencies are charged in proportion to each member agency’s number of water meters. The basis for the Ground Water Customer Class’s (also known as OCWD) share of Core services varies by cost center as follows:
 - o **Cost Center 25 (WEROC):** OCWD provides funding contributions to the Water Emergency Response Organization of Orange County (WEROC) separate from MWDOC contributions. Therefore, OCWD is not allocated costs associated with “MWDOC’s Contribution to WEROC.”

- **Cost Centers 21 & 23:** OCWD is allocated Core service costs associated with “Reliability Planning and Engineering” and “Metropolitan Issues and Water Policy” in proportion to OCWD’s ten-year historical water purchases from MWDOC (by volume) relative to MWDOC’s total ten-year historical water purchases to serve all member agencies. Cost Centers 21 and 23 include costs incurred by MWDOC to administer groundwater recharge programs/services and advocate at MWD on behalf of member agencies. During the prior study, OCWD’s water use was lower than it is now and did not expect to change much. An analysis at that time suggested that MWDOC’s effort in these two Cost Centers (21 and 23) for OCWD was in line with their water use (10-year average) and thus a reasonable charge basis. Since the last study, OCWD’s water use has increased (doubled) and water use is no longer believed to be a suitable nexus as discussed in Section 6.
- **All other Cost Centers:** OCWD is allocated 1/26th of Core service costs associated with all other cost centers. OCWD is one of 26 paying member agencies. Therefore, 1/26th represents an equal cost apportionment to OCWD relative to all paying member agencies. As explained below, these costs are allocated equally among the 26 member agencies that are direct customers of MWDOC because these services benefit each member agency equally, regardless of how much water is purchased.

2. Step 2 - Retail Charge Allocation: After the Core service cost allocation to OCWD based on Step 1, all remaining Core service costs are allocated to the other 25 paying member agencies in proportion to total certified water meters associated with each member agency. Each member agency provides certified meter counts to MWDOC staff on an annual basis. The City of Tustin’s water meters are included with meter counts for East Orange County Water District. Emerald Bay’s water meters are included with meter counts for Laguna Beach County Water District. Consequently, these agencies are not separately charged because their costs are already included in the costs for East Orange County Water District and Laguna Beach County Water District. This ensures that Core costs are appropriately allocated based on meter counts to the 25 paying retail member agencies.

Table 2-2: Current Core Service Charge Allocation Methodology by Cost Center

| Cost Center | Core Budget | Current Ground Water Customer Charge Allocation Basis | Current Retail Charge Allocation Basis |
|-------------|---|---|--|
| 11 | Administrative - Board | Equally (1/26 th) | % of certified water meters |
| 12 | Administrative - General | Equally (1/26 th) | % of certified water meters |
| 13 | Personnel / Staff Development | Equally (1/26 th) | % of certified water meters |
| 19 | Overhead | Equally (1/26 th) | % of certified water meters |
| 21 | Reliability Planning and Engineering | % of 10-year water use | % of certified water meters |
| 23 | Metropolitan Issues and Water Policy | % of 10-year water use | % of certified water meters |
| 31 | Governmental Affairs | Equally (1/26 th) | % of certified water meters |
| 35 | Water Use Efficiency (Core) | Equally (1/26 th) | % of certified water meters |
| 32 | Public Affairs | Equally (1/26 th) | % of certified water meters |
| 41 | Finance | Equally (1/26 th) | % of certified water meters |
| 45 | Information Technology | Equally (1/26 th) | % of certified water meters |
| 25 | MWDOC’s Contribution to WEROC | Not allocated to OCWD | % of certified water meters |
| | MWDOC Building Expense Less Miscellaneous Income ⁴ | Equally (1/26 th) | % of certified water meters |

⁴ “MWDOC Building Expense Less Miscellaneous Income” is added to the Core budget to account for the member agencies’ share of MWDOC building expense costs.

3. Legal Environment

The primary legal constraint relevant to this Study is Proposition 26. Proposition 26 amended the California constitution by adding, among other things, article XIII C, section 1(e). Proposition 26 was approved by California voters in 2010 to require a supermajority vote to pass new taxes. Furthermore, Proposition 26 defined a tax requiring voter approval as any levy, charge, or exaction of any kind imposed by a local government. Any fees or charges that are not exempted by the language of Proposition 26 are considered taxes and subject to voter approval.

The expanded definition of a tax placed new burdens on water purveyors who must routinely increase rates to meet their revenue requirement. After the passage of Proposition 26, local water agencies must demonstrate their fees and charges are not taxes by demonstrating that they meet one of the exemptions listed in article XIII C, section 1(e). Exemptions relevant to this Study include:

(e) As used in this article, "tax" means any levy, charge, or exaction of any kind imposed by a local government, except the following:

(1) A charge imposed for a specific benefit conferred or privilege granted directly to the pay[e]r that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

(2) A charge imposed for a specific government service or product provided directly to the pay[e]r that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

To not be considered a tax, local water purveyors must show that their charges are no more than necessary to cover the costs to provide service and that the charges levied on a payer have a financial nexus to the costs to serve said payer.

4. Study Process

Raftelis worked with MWDOC's staff, the Administration and Finance Committee, and member agency representatives over the course of the Study to evaluate and update the existing Core service charge allocation methodology. The process to determine the proposed Core service charge allocation methodology included the following key steps:

1. Raftelis and MWDOC staff identified an initial list of alternative allocation methodologies for consideration in addition to the existing methodology.
2. Raftelis and MWDOC staff solicited feedback from member agencies, as to any other charge methodologies member agencies would like to explore via an online survey and four virtual meetings held with member agency representatives.
3. Raftelis presented up to 12 different charge methodologies and narrowed the alternatives based on merit and member agency input.
4. Raftelis proposed an allocation methodology after considering feedback from member agencies and evaluating the merit of each alternative.

Core Service Charge Allocation Options

Raftelis worked with MWDOC staff to establish an initial list of Core service charge allocation methods for consideration. The following guiding principles informed the allocation options considered:

- » **Legal Compliance:** Fees are exempt from the definition of a “tax” under Proposition 26 in that they do not exceed the estimated proportional cost of the service, product, privilege or benefit provided. Legal compliance was assumed a basic requirement)
- » **Fairness/Equity:** Best aligns costs with the service provided and/or benefit received by each agency. (Fairness/equity assumed a basic requirement).
- » **Revenue stability:** Produces stable revenues for MWDOC and minimizes revenue volatility.
- » **Administrative Complexity:** Can be implemented with existing MWDOC staff, available information, and infrastructure.
- » **Communication:** Easily understood by member agencies and their retail customers (the public at large).

All alternatives adhered to the general 2-step process utilized in the existing allocation methodology and described below. A 2-step process is necessary because OCWD does not have retail meters. OCWD provides groundwater replenishment rather than retail water services. The 2-step allocation process includes:

1. **Step 1:** Allocate costs to the Ground Water Customer Charge (OCWD).
2. **Step 2:** Allocate remaining costs to the 25 paying retail member agencies in proportion to the cost of providing service or benefits to such agencies. MWDOC considered allocating costs using: 1) number of meters, 2) number of hydraulically equivalent meters, 3) average 10-year water use, 4) population served. This step calculates the Retail Charge.

Step 1 Allocation Options - Ground Water Customer Charge

Option 1a: Ground Water Customer Charge Based on Current Methodology

The current Ground Water Customer Charge methodology excludes Cost Center 25 (for WEROC), allocates Cost Centers 21 and 23 in proportion to 10-year historical water purchases from MWD, and allocates all other cost centers based on an equal distribution to all 26 paying member agencies (i.e., 1/26th of costs). The current methodology is reasonable if MWDOC staff in Reliability Planning and Engineering (Cost Center 21) and Metropolitan Issues and Water Policy (Cost Center 23) spend more than an average (1/26th) amount of time and effort working on behalf of the groundwater customer class (OCWD).

Option 1b: Ground Water Customer Charge Based on Equal Proportional Share (1/26th)

Option 1b allocates Core costs to the groundwater customer class by excluding Cost Center 25 (for WEROC) and allocating all other cost centers based on an equal distribution to all twenty-six paying member agencies (i.e., 1/26th of costs). The difference from Option 1a is that Cost Centers 21 and 23 are allocated equally (1/26th) rather than based on the groundwater classes' share of 10-year historical water purchases. Option 1B is reasonable if MWDOC staff in Cost Centers 21 and 23 spend an average amount of time and effort working on behalf of the groundwater class.

Option 1c: Eliminate the Ground Water Customer Charge

Option 1c allocates no Core costs to OCWD and would eliminate the Ground Water Customer Charge. This option was quickly eliminated because MWDOC works on behalf of the groundwater customer class and therefore incurs costs. Not charging for these costs would mean other agencies are subsidizing the ground water customer class. Currently, OCWD recovers Ground Water Customer Charges paid to MWDOC through replenishment assessments (per AF of groundwater production) charged to retail water agencies in northern Orange County that pump local groundwater. Nearly all retail water agencies subject to OCWD's replenishment assessments are MWDOC member agencies with the exception of Santa Ana, Fullerton, and Anaheim. Therefore, OCWD effectively passes through MWDOC's Ground Water Customer Charges to other retail agencies via OCWD's replenishment assessment. Alternatively, the elimination of MWDOC's Ground Water Customer Charge as proposed in Option 1C would result in direct recovery of OCWD's current share of Core costs from *all* retail member agencies, some of which do not pump groundwater replenished by OCWD.

Step 2 Allocation Options – Retail Charge

Option 2a: Retail Charge Based on Number of Meters (current methodology)

MWDOC currently allocates Core costs to its retail member agencies based on the proportion of retail water meters served by each member agency. There is no adjustment made to account for larger meters. In other words, a standard 5/8-inch residential water meter is accounted for in the same manner as a 4-inch commercial/industrial water meter. This option relies on the assumption that the meter size distribution for each retail member agency is sufficiently similar, and therefore reasonably estimates the proportional cost per agency.

Option 2b: Retail Charge Based on Number of Hydraulically Equivalent Meters

Option 2b allocates Core costs to retail member agencies based on the number of hydraulically equivalent water meters. Unlike the current methodology, an adjustment would be made to account for the hydraulic capacity of different meter sizes. For example, based on American Water Works Association (AWWA) capacity factors, a 4-inch meter is equivalent to twenty-one 5/8" meters. Allocating costs in proportion to the number of hydraulically equivalent meters recognizes that much of the work that MWDOC does relates to ensuring standby capacity is available and standby capacity is related to equivalent meters.

Option 2c: Retail Charge Based on 10-Year Historical Water Use

Option 2c allocates Core costs to retail member agencies in proportion to each member agency's share of MWDOC's 10-year imported water purchases (by volume) from MWD.⁵ Allocating costs based on imported water use is reasonable if MWDOC's costs are proportional to water use. However, MWDOC's Core costs do not vary with the volume of water purchases from MWD, as described in Section 6. During the member agency meetings several member agencies expressed that because the need for MWDOC's Core services is not related to the volume of water purchased, there is no rationale to charge based on the purchased water volume.

Option 2d: Retail Charge Based on Population in Service Area

Option 2d allocates Core costs to retail member agencies costs based on the population within each member agency's service area. The advantage of this rate structure is that it is easily explained and understood (i.e., benefits flow to the population). Drawbacks to this methodology include scenarios in which costs are disproportionately allocated to high population member agencies with low per capita water use. Agencies with low population and high per capita water use would unfairly benefit from a smaller cost allocation under Option 2d. This option received the lowest support from member agencies of all options in the online survey and feedback during the four workshops.

Stakeholder Involvement

Schedule

Raftelis and MWDOC staff engaged directly with member agency representatives and MWDOC's Administration and Finance Committee to solicit input over the course of the Study (see Table 4-1). All meetings were hosted virtually. The Study started with a kickoff meeting to introduce and review the existing Core service charge allocation methodology developed in the prior study. After the kickoff meeting, an online survey was sent to member agency representatives so that member agencies could provide input regarding potential rate structures. Core service allocation methodologies were then narrowed down over three subsequent member agency meetings based on feedback from member agency representatives. Raftelis and MWDOC staff also hosted three meetings with MWDOC's Administration and Finance Committee (which is made up of three Directors from MWDOC's seven-member Board of Directors) to provide updates on Study progress and solicit feedback.

⁵ Historical imported water use only includes water purchased from MWDOC by the member agency rather than each member agency's total water use. Some member agencies supply water from other sources in addition to wholesale water purchases from MWDOC.

Table 4-1: Study Schedule of Meetings

| Date | Meeting Type | Meeting Agenda |
|-----------------------|---|---|
| Jan 14, 2021 | Member Agency Meeting #1 | -Introduce Study and existing methodology -Discuss rate setting principles |
| Jan 21, 2021 | Member Agency Meeting #2 | -Review survey results, which included feedback on various options |
| Feb 10, 2021 | Administration & Finance Committee Meeting #1 | -Introduce Study -Discuss rate setting principles -Show preliminary results for all options |
| Feb 18, 2021 | Member Agency Meeting #3 | -Discuss allocation options & solicit feedback -Show preliminary results for all options |
| March 10, 2021 | Administration & Finance Committee Meeting #2 | -Provide status update on Study progress |
| March 18, 2021 | Member Agency Meeting #4 | -Solicit feedback from member agencies with goal of obtaining consensus on a preferred allocation methodology |
| April 14, 2021 | Admin & Finance Committee Meeting #3 | -Solicit feedback from Admin & Finance Committee with goal of obtaining consensus on a preferred allocation methodology |
| April 21, 2021 | Board of Directors Meeting | Board to vote on whether to adopt proposed allocation methodology |

Member Agency Survey

Raftelis and MWDOC staff solicited member agency input through a short online survey after the initial kickoff meeting. Member agencies were asked to answer questions about the prior study in 2016 and to provide feedback on preliminary rate structure options. Member agency responses to key survey questions related to preliminary Core service charge allocation options are shown in Table 4-2. The full survey results is shown in Appendix C. Twenty-five out of 28 total member agencies responded to the survey. However, not all respondents provided answers to each question.

Table 4-2: Select Results from Member Agency Survey

| Question | Answer Choice | % of Responses | Number of Responses |
|--|----------------------------|----------------|---------------------|
| Please rate your agreement with the following statement: A rate structure without a Ground Water Charge that therefore reallocates these (GW replenishment) costs to all other member agencies is fair and equitable. | Yes | 18.2% | 4 |
| | No | 54.6% | 12 |
| | No opinion | 27.3 | 6 |
| | Total | 100.0% | 22 |
| Please rate your agreement with the following statement: A rate structure, in proportion to the number of meters (without accounting for meter size) is fair and equitable. | Strongly agree | 4.6% | 1 |
| | Agree | 59.1% | 13 |
| | Neither agree nor disagree | 13.6% | 3 |
| | Disagree | 9.1% | 2 |
| | Strongly disagree | 13.6% | 3 |
| | Total | 100.0% | 22 |
| Question: Compared to MWDOC's current rate structure, in which each retail member agency pays based on the total number of meters without accounting for meter size, how would you rate the fairness and equity of a fixed charge, in which each agency pays in proportion to their total number of meters accounting for meter size? | Much better | 35.00% | 7 |
| | Somewhat better | 10.00% | 2 |
| | About the same | 45.00% | 9 |
| | Somewhat worse | 5.0% | 1 |
| | Much worse | 5.0% | 1 |
| | Total | 100.0% | 20 |
| Question: Compared to MWDOC's current rate structure, in which each retail member agency pays based on the total number of meters without accounting for meter size, how would you rate the fairness and equity of a volumetric rate, in which each agency pays in proportion to the volume of water they purchase? | Much better | 35.1% | 5 |
| | Somewhat better | 7.1% | 1 |
| | About the same | 35.7% | 5 |
| | Somewhat worse | 14.3% | 2 |
| | Much worse | 7.1% | 1 |
| | Total | 100.0% | 14 |
| Question: Compared to MWDOC's current rate structure, in which each retail member agency pays based on the total number of meters without accounting for meter size, how would you rate the fairness and equity of a population-based charge, in which each agency pays in proportion to their population served? | Much better | 7.1% | 1 |
| | Somewhat better | 0.0% | 0 |
| | About the same | 50.0% | 7 |
| | Somewhat worse | 7.1% | 1 |
| | Much worse | 35.7% | 5 |
| | Total | 100.0% | 14 |

Building Consensus Among Member Agencies

After the kickoff meeting with member agencies, Raftelis and MWDOC staff held three subsequent virtual meetings with member agencies to discuss Core service charge allocation options, present preliminary results, and solicit input from member agencies. During each meeting, Raftelis presented example charges using MWDOC's FY 2020-21 budget and solicited feedback from member agencies. By the third meeting, member agencies reached consensus regarding the Core service charge allocation methodology. During the fourth meeting, the member agencies confirmed the consensus reached at the third meeting. Below is a summary of

the goals, discussion, and feedback from each member agency and Administration and Finance committee meeting.

- » **Member agency meeting #1:** Raftelis and MWDOC staff briefed member agencies on the Study scope, prior study, and rate-setting principles relevant to the Study. Member agencies were also briefed on initial Core service allocation methodologies under consideration. Most of the feedback provided by member agencies pertained to the Ground Water Customer Charge determination. Consensus to continue the Ground Water Customer Charge emerged quickly, which ruled out Ground Water Customer Charge Option 1C. Several agencies expressed opposition to using historical water use as a allocation basis for OCWD. Reasons cited included OCWD's significant year-to-year fluctuation in water purchases from MWDOC. Additionally, several agencies voiced that there is a weak nexus between MWDOC costs and water use.
- » **Member agency meeting #2:** Member agencies completed the online survey prior to the second meeting. Raftelis reviewed survey results and solicited feedback from member agency representatives. Member agencies were provided an opportunity to suggest alternative rate structures not yet shown. Multiple member agency representatives repeated their opposition to the Ground Water Customer Charge Option 1a and Option 1c from the first meeting. For retail allocation methodologies, several member agencies voiced opposition to allocating costs based on historical water use (Option 2c). Numerous member agency representatives expressed support for the existing retail allocation methodology based on the number of meters (Option 2a). The advantages of Option 2a discussed included simplicity and member agency charge stability (as number of meters does not fluctuate annually like water use).
- » **Administration and Finance Committee Meeting #1:** Raftelis and MWDOC staff met with the Administration and Finance Committee to introduce the Study, brief the committee on the prior two member agency meetings, and show preliminary charge results using the FY 2020-21 MWDOC budget. Detailed preliminary charges estimates by member agency are shown in Appendix B.
- » **Member agency meeting #3:** Raftelis presented preliminary charge results for the allocation methodologies under consideration to the member agencies to demonstrate the impacts from each option. All preliminary results were based on MWDOC's FY 2020-21 Core budget. No preliminary results were shown for Option 1c, which was eliminated during the second member agency meeting. Results were shown for an alternative Step 1 allocation methodology suggested by a member agency representative in the online survey, in which the OCWD Core service allocation would equal $4/29^{\text{th}}$ of all costs excluding WEROC⁶. This alternative Step 1 allocation option generated little to no interest or support from member agencies during this meeting. Moreover, based on discussions with MWDOC staff, it is likely that MWDOC costs to serve the groundwater customer class were not near 14% ($4/29^{\text{th}}$). Therefore, Raftelis recommended removing this groundwater customer class methodology and no member agencies disagreed. By the end of the meeting, 16 member agencies voiced support for Option 1b (Ground Water Customer Charge equal to $1/26^{\text{th}}$ of Core budget excluding WEROC), and

⁶ OCWD serves three retail water agencies that are not MWDOC member agencies. This alternative Step 1 allocation methodology therefore suggested that OCWD be apportioned an equal share of costs after accounting for the three additional agencies who are not member agencies of MWDOC (i.e., $[1 + 3] \div [26 + 3]$).

nearly as many member agencies expressed support for Option 2a (Retail Charges in proportion to the number of meters). No member agency representatives voiced opposition to either Option 1b or 2a.

- » **Administration and Finance Committee Meeting #2:** Raftelis and MWDOC staff summarized the third member agency meeting for the Administration and Finance Committee and reviewed member agency feedback and preferences. The committee expressed support for Options 1b and 2a.
- » **Member agency meeting #4:** Study participants had likely reached a consensus during the third meeting. Raftelis used the fourth meeting as a final opportunity for member agencies to express opinions. Raftelis informed member agencies that it would recommend Option 1b (Ground Water Customer Charge equal to $1/26^{\text{th}}$ of Core budget excluding WEROC) and Option 2a (Retail Charges in proportion to the number of meters) to the Administration and Finance Committee. No concerns or protests were expressed by member agency representatives.
- » **Administration and Finance Committee Meeting #3:** Raftelis will recommend Option 1b (Ground Water Customer Charge equal to $1/26^{\text{th}}$ of Core budget excluding WEROC) and Option 2a (Retail Charges in proportion to the number of meters) to the Administration and Finance Committee based on the consensus reached at all prior meetings. It is anticipated that the Administration and Finance Committee will recommend Options 1b and 2a to the Board at the subsequent meeting.
- » **Board of Directors Meeting:** The Board of Directors will vote on whether to adopt the proposed Core service charge allocation methodology (Option 1b for Step 1 and Option 2a for Step 2).

5. Recommendations and Results

Proposed Core Service Charge Allocation Methodology

Based on the evaluation of MWDOC's Core costs and feedback from member agencies and the Administration and Finance Committee, Raftelis recommends that MWDOC update its Core service charge allocation methodology as follows:

- » **Step 1 – Allocate costs based on Option 1b:** For the Ground Water Customer Charge, OCWD will be charged an amount equal to $1/26^{\text{th}}$ of the Core budget (all cost centers excluding WEROC Contributions [Cost Center 25]).
- » **Step 2 – Allocate costs based on Option 2a:** For the Retail Charge, all remaining Core costs (i.e., the Core budget less OCWD's allocation from Step 1) will be allocated to the twenty-five paying retail member agencies in proportion to total certified water meters associated with each member agency.

If adopted by MWDOC's Board of Directors, the proposed change to the Core service charge allocation methodology will become effective beginning in FY 2021-22. However, sample results based on the FY 2020-21 Core budget are presented below to demonstrate how the proposed allocation methodology will be utilized to calculate the Ground Water Customer Charge and Retail Charges each year.

Proposed Calculation of Ground Water Customer Charge

Table 5-1 shows Core cost allocation to OCWD based on the proposed Step 1 allocation method for FY 2020-21. OCWD is allocated $1/26^{\text{th}}$ of all Core costs excluding WEROC contributions (Cost Center 25). The total allocation to OCWD equals OCWD's total Ground Water Customer Charge under the proposed methodology. All remaining costs are to be recovered from retail member agencies based on the proposed Step 2 allocation methods.

Table 5-1: Proposed Step 1 Ground Water Customer Allocation for FY 2020-21

| Cost Center | Core Budget | FY 2020-21 Core Budget | Step 1 Allocation Basis (for OCWD) | Core Allocation to OCWD | Core Allocation to Retail Agencies |
|-------------|---|------------------------|------------------------------------|-------------------------|------------------------------------|
| 11 | Administrative - Board | \$1,173,230 | Equally (1/26th) | \$45,124 | \$1,128,106 |
| 12 | Administrative - General | \$695,341 | Equally (1/26th) | \$26,744 | \$668,597 |
| 13 | Personnel / Staff Development | \$427,047 | Equally (1/26th) | \$16,425 | \$410,622 |
| 19 | Overhead | \$1,068,235 | Equally (1/26th) | \$41,086 | \$1,027,149 |
| 21 | Reliability Planning and Engineering | \$941,736 | Equally (1/26th) | \$36,221 | \$905,515 |
| 23 | Metropolitan Issues and Water Policy | \$777,165 | Equally (1/26th) | \$29,891 | \$747,274 |
| 31 | Governmental Affairs | \$514,960 | Equally (1/26th) | \$19,806 | \$495,154 |
| 35 | Water Use Efficiency (Core) | \$461,443 | Equally (1/26th) | \$17,748 | \$443,695 |
| 32 | Public Affairs | \$910,703 | Equally (1/26th) | \$35,027 | \$875,676 |
| 41 | Finance | \$673,518 | Equally (1/26th) | \$25,905 | \$647,613 |
| 45 | Information Technology | \$380,031 | Equally (1/26th) | \$14,617 | \$365,414 |
| 25 | MWDOC's Contribution to WEROC | \$241,236 | Not allocated to OCWD | \$0 | \$241,236 |
| | MWDOC Building Expense Less Miscellaneous Income ⁷ | \$168,470 | Equally (1/26th) | \$6,480 | \$161,990 |
| | Total Core Budget | \$8,433,115 | | \$315,072 | \$8,118,043 |

Proposed Calculation of Retail Charges

Table 5-2 shows the Core cost allocation to the twenty-five paying retail member agencies based on the proposed Step 2 allocation method for FY 2020-21. The *total* allocation to retail member agencies was determined in Table 5-1 after allocating costs to OCWD via the Ground Water Customer Charge. The Core allocation to each retail member agency is calculated by multiplying the total retail agency allocation (\$8,118,043) by the percentage of certified water meters associated with each member agency. Certified water meter counts shown are for FY 2020-21.

⁷ = [Building Expenses] – [Carryover Credit] – [Interest Revenue] – [Miscellaneous Income] – [Draw from Reserves]
= [\$1,870,000] – [\$1,143,117] – [\$458,000] – [\$3,000] – [\$97,413]

Table 5-2: Proposed Step 2 Retail Charge Allocation for FY 2020-21

| Member Agency | Number of Certified Water Meters | % of Certified Water Meters | Core Allocation to Retail Agencies |
|------------------------------------|----------------------------------|-----------------------------|------------------------------------|
| Brea, City of | 13,724 | 2.1% | \$173,420 |
| Buena Park, City of | 19,252 | 3.0% | \$243,273 |
| East Orange County Water District | 20,761 | 3.2% | \$262,341 |
| El Toro Water District | 9,578 | 1.5% | \$121,030 |
| Fountain Valley, City of | 16,845 | 2.6% | \$212,857 |
| Garden Grove, City of | 33,712 | 5.2% | \$425,992 |
| Golden State Water Company | 42,112 | 6.6% | \$532,137 |
| Huntington Beach, City of | 55,154 | 8.6% | \$696,938 |
| Irvine Ranch Water District | 113,097 | 17.6% | \$1,429,119 |
| La Habra, City of | 14,556 | 2.3% | \$183,933 |
| La Palma, City of | 4,370 | 0.7% | \$55,220 |
| Laguna Beach County Water District | 8,708 | 1.4% | \$110,036 |
| Mesa Water District | 24,196 | 3.8% | \$305,746 |
| Moulton Niguel Water District | 52,703 | 8.2% | \$665,967 |
| Newport Beach, City of | 27,422 | 4.3% | \$346,511 |
| Orange, City of | 32,997 | 5.1% | \$416,958 |
| San Clemente, City of | 17,519 | 2.7% | \$221,374 |
| San Juan Capistrano, City of | 11,592 | 1.8% | \$146,479 |
| Santa Margarita Water District | 54,438 | 8.5% | \$687,891 |
| Seal Beach, City of | 5,365 | 0.8% | \$67,793 |
| Serrano Water District | 2,271 | 0.4% | \$28,697 |
| South Coast Water District | 12,217 | 1.9% | \$154,377 |
| Trabuco Canyon Water District | 4,076 | 0.6% | \$51,505 |
| Westminster, City of | 20,477 | 3.2% | \$258,752 |
| Yorba Linda Water District | 25,300 | 3.9% | \$319,697 |
| Total | 642,442 | 100.0% | \$8,118,043 |

Member Agency Impacts

Table 5-3 shows a comparison of the proposed and current allocation methodologies based on the FY 2020-21 Core budget. Note that the current Core service charges shown represent actual charges to member agencies in FY 2020-21 and are based on the FY 2020-21 budget prior to revision. All proposed charges are based on the FY 2020-21 budget and are for illustrative purposes only (as no changes will be implemented prior to FY 2021-22). Under the proposed methodology, OCWD's Ground Water Customer Charge decreases from \$582,164 to \$315,072 (approximately a 45.9% decrease). Under the proposed methodology, all Retail Charges increase by approximately 3.4% to offset the decrease to the Ground Water Customer Charge. Raftelis' estimated charges under the current methodology may deviate slightly from actual MWDOC charges due to subsequent revisions to the budget.

Table 5-3: Proposed versus Current Core Service Charge Allocation (FY 2020-21)

| Member Agency | Proposed Core Service Charge (\$) | Proposed Core Service Charge (% of Total) | Current Core Service Charge (\$) | Current Core Service Charge (% of Total) |
|------------------------------------|-----------------------------------|---|----------------------------------|--|
| Brea, City of | \$173,420 | 2.1% | \$167,714 | 2.0% |
| Buena Park, City of | \$243,273 | 2.9% | \$235,269 | 2.8% |
| East Orange County Water District | \$262,341 | 3.1% | \$253,709 | 3.0% |
| El Toro Water District | \$121,030 | 1.4% | \$117,048 | 1.4% |
| Fountain Valley, City of | \$212,857 | 2.5% | \$205,854 | 2.4% |
| Garden Grove, City of | \$425,992 | 5.1% | \$411,977 | 4.9% |
| Golden State Water Company | \$532,137 | 6.3% | \$514,629 | 6.1% |
| Huntington Beach, City of | \$696,938 | 8.3% | \$674,008 | 8.0% |
| Irvine Ranch Water District | \$1,429,119 | 16.9% | \$1,382,100 | 16.4% |
| La Habra, City of | \$183,933 | 2.2% | \$177,881 | 2.1% |
| La Palma, City of | \$55,220 | 0.7% | \$53,404 | 0.6% |
| Laguna Beach County Water District | \$110,036 | 1.3% | \$106,416 | 1.3% |
| Mesa Water District | \$305,746 | 3.6% | \$295,687 | 3.5% |
| Moulton Niguel Water District | \$665,967 | 7.9% | \$644,056 | 7.6% |
| Newport Beach, City of | \$346,511 | 4.1% | \$335,110 | 4.0% |
| Orange, City of | \$416,958 | 4.9% | \$403,239 | 4.8% |
| Orange County Water District | \$315,072 | 3.7% | \$582,164 | 6.9% |
| San Clemente, City of | \$221,374 | 2.6% | \$214,091 | 2.5% |
| San Juan Capistrano, City of | \$146,479 | 1.7% | \$141,660 | 1.7% |
| Santa Margarita Water District | \$687,891 | 8.2% | \$665,259 | 7.9% |
| Seal Beach, City of | \$67,793 | 0.8% | \$65,563 | 0.8% |
| Serrano Water District | \$28,697 | 0.3% | \$27,753 | 0.3% |
| South Coast Water District | \$154,377 | 1.8% | \$149,298 | 1.8% |
| Trabuco Canyon Water District | \$51,505 | 0.6% | \$49,811 | 0.6% |
| Westminster, City of | \$258,752 | 3.1% | \$250,239 | 3.0% |
| Yorba Linda Water District | \$319,697 | 3.8% | \$309,178 | 3.7% |
| Total | \$8,433,115 | 100.00% | \$8,433,115 | 100.00% |

6. Cost and Charge Nexus

Raftelis, with input from MWDOD staff, evaluated the reasonableness of the proposed allocation methodology to assess the nexus between MWDOD's Core expenses and Core service charges paid by member agencies. Section 6 provides an overview of this analysis for the proposed allocation methodology. The goal was to evaluate whether the proposed Core service allocation methodology provides a nexus between Core costs and Core charges in light of Proposition 26.

Cost and Charge Nexus Evaluation - Step 1

A separate step for the Ground Water Customer Charge is necessary because OCWD does not have retail meters, whereas all the other member agencies do. Therefore, a separate methodology is required. Raftelis evaluated whether charging OCWD for 1/26th of Core costs (excluding WEROC contributions) was a reasonable and equitable method. Charging OCWD for 1/26th of Core costs (excluding WEROC) is appropriate if MWDOD staff in general spend an average amount of time and effort on OCWD-related matters relative to other member agencies. To evaluate the time and effort on OCWD-related matters, Raftelis requested that MWDOD conduct an analysis. Specifically, the cost center manager, who is responsible for and most familiar with the activities and functions performed by personnel within each cost center, reviewed and analyzed the time and effort spent for OCWD in relation to all other member agencies. This analysis was performed over a 5-year period to normalize any variations that may occur in any single year. Detailed results of this analysis are provided below.

Overall, across all cost centers, MWDOD staff estimate that an average amount of time and effort is spent working on OCWD-related matters, meaning staff does not spend considerably more or less time on OCWD-related matters in comparison to any other member agencies. Two cost centers (Cost Centers 11 and 23) require slightly more than average time and effort for OCWD-related matters and Cost Center 35, Water Use Efficiency, requires significantly less time and effort compared to other agencies. The additional time/effort on two cost centers (cost centers 11 and 23) is balanced by the reduced time/effort for Cost Center 35 as shown in Column D of Table 6-1. The resulting difference does not create a material difference in the cost of service. MWDOD estimates that staff spend no more or less time on OCWD matters compared to other agencies for the remaining cost centers. Therefore, charging OCWD 1/26th of all cost centers (excluding WEROC) is a reasonable estimate of OCWD's proportional share of the cost of services provided by MWDOD.

Table 6-1: MWDOC Staff Analysis of Time Spent on OCWD-Related Matters

| | [A] | [B] | [C] | [D] | [E] |
|-------------|--|------------------------|---|-----------------------------------|----------------------------------|
| Cost Center | Core Budget | FY 2020-21 Core Budget | Time and Effort Spent by Staff on OCWD-Related Matters Compared to Other Member Agencies (over a 5-year period) | Proportional Cost Adjustment (\$) | Proportional Cost Adjustment (%) |
| 11 | Administrative - Board | \$1,173,230 | 10% more than average | \$4,512 | 10% |
| 12 | Administrative - General | \$695,341 | Average | | |
| 13 | Personnel / Staff Development | \$427,047 | Average | | |
| 19 | Overhead | \$1,068,235 | Average | | |
| 21 | Reliability Planning and Engineering | \$941,736 | Average | | |
| 23 | Metropolitan Issues and Water Policy | \$777,165 | 20% more than average | \$5,978 | 20% |
| 31 | Governmental Affairs | \$514,960 | Average | | |
| 35 | Water Use Efficiency (Core) | \$461,443 | 50% less than average | (\$8,874) | -50% |
| 32 | Public Affairs | \$910,703 | Average | | |
| 41 | Finance | \$673,518 | Average | | |
| 45 | Information Technology | \$380,031 | Average | | |
| 25 | MWDOC's Contribution to WEROC | \$241,236 | N/A | | |
| | MWDOC Building Expense Less Miscellaneous Income | \$168,470 | N/A | | |
| | | | | | |

Cost and Charge Nexus Evaluation - Step 2

Raftelis also evaluated whether charging retail member agencies for Core services in proportion to number of water meters was reasonable and equitable. Raftelis analyzed MWDOC's budget and reviewed the agency's functions and responsibilities to determine whether meter-based Core cost allocations provided a reasonable nexus between Core costs and charges.

Table 6-2 provides a summary of MWDOC services and how/why these Core services benefit (or are caused by) all retail member agencies regardless of the amount of water purchased from MWDOC as shown in

Table 6-2.

MWDOC's Core services primarily focus on securing a readily available supply of imported water from MWD for **all** member agencies, regardless of actual use. Some of MWDOC's retail member agencies currently secure water supplies from sources other than MWDOC. However, these agencies still benefit from and cause MWDOC to incur costs related to Water Supply Reliability Planning, Representation at MWD and Public Affairs core functions as described in Table 6-2. One benefit of being a MWDOC member agency is the availability and reliability of MWD water, should their alternative water source (usually groundwater) be impaired. Therefore, water member agencies, even the few that do not regularly purchase significant amounts of water from MWDOC, receive a supply and reliability benefit that causes MWDOC to incur costs.

Furthermore, as mentioned previously, the creation of MWDOC enables unified advocacy with MWD and shared services that would otherwise be provided by each member agency. MWDOC's activities support all member agencies, and costs are incurred regardless of MWDOC water purchases. During the four virtual meetings, many member agencies confirmed that MWDOC's costs are not entirely proportional to water use. Core costs are caused by all member agencies and all member agencies benefit from these services, regardless of whether an agency uses little or a large amount of water. Therefore, it is reasonable for these costs to be charged on a basis other than water use. The proposed methodology, the number of water meters served by each retail member agency, ensures that all member agencies support MWDOC Core services regardless of purchased water volume.

Table 6-2: MWDOC Services

| Services Provided by MWDOC | Core or Choice | Costs incurred and Services Provided to All Member Agencies Regardless of the Amount of Water they Use (Yes or No) | Cost Causation and Benefit |
|--|----------------|--|--|
| Public Affairs: During the 2014-2015 drought, to assist with the statewide 25% reduction in water use, MWDOC assisted member agencies via outreach efforts to residents through flyers, pamphlets, newsletter and social media. | Core | Yes | Public Affairs services are offered to all Member Agencies and the outreach efforts benefit / are caused by all agencies regardless of water use |
| Emergency Preparedness: WEROC manages the emergency preparedness and response efforts among OC water and wastewater service providers. This involves planning for High Fire Zones. Hazard Mitigation Plan identifies critical water facilities needed to address high fire zones. | Core | Yes | Emergency Preparedness services are offered to all Member Agencies and the services benefit / are caused by all agencies regardless of water use |
| Representation at MWD: MWDOC appoints four representatives to advocate the interests of MWDOC's member agencies and Orange County on the MWD Board. | Core | Yes | MWDOC representatives advocate for all MWDOC member agencies regardless of the amount of water they use. MWDOC must be ready to supply water to its Member Agencies. |
| Reliability Planning Studies: MWDOC prepares studies that provide projections on current and future water supply conditions in Orange County that includes analyzing local water projects that can help meet water demand. | Core | Yes | The Reliability Planning Studies are on behalf of all Member Agencies to ensure there is adequate water supply, regardless of an agencies water use. MWDOC must be ready to supply water to its Member Agencies. |
| Legislative Advocacy: MWDOC provides legislative advocacy on water resources, infrastructure planning, regulations and sponsorship of statewide water policy that support regional reliability. | Core | Yes | Advocacy services are offered to all Member Agencies and the services benefit / are caused by all agencies regardless of water use |
| Water Use Efficiency Programs: MWDOC offers consumer incentives for indoor and outdoor water efficient devices for all residents and business in Orange County. These include water saving rebates and programs. This includes assisting retail agencies with the marketing of efficient water use. | Choice | N/A | N/A |

7. Appendix A

MWDOC's Cores Services

Board Compensation & Benefit

Retiree Costs

Legal Costs

Board Elections

Accounting and General Admin

MET Representation

MET Director Support

MET policy analysis, programs and special projects

MET operations, water rates and accounting

Staff time for MWDOC's Water Use Efficiency Programs Manager

Governmental Affairs

In-house staff for legislative info

WACO, ISDOC and other support

Federal lobbyist for countywide funding

State lobbyist for countywide legislative, grant funding and policy access

Local lobbyist for Board of Supervisors

Public Affairs

Coordination with MET, other regional and local retailers

Basic communications functions-media outreach and inquiries, water information and messaging, MWDOC website

MWDOC newsletter (e-currents)

Countywide surveys as appropriate

Countywide water awareness in coordination with retail agencies

Research – support for Center for Demographic Research

Water Supply Planning

Coordination among agencies

Water use tracking and projections

Water supply analysis

Regulatory compliance issues

Water trends analysis

Countywide studies

Water Emergency Response Organization of Orange County (WEROC) –
MWDOC Contribution

8. Appendix B

FY 2020-21 Core Service Charge Allocation Scenarios: Option 1A (Ground Water Customer Charge based on current methodology)

| FY 2020-21 Core Service Charges | Retail Allocation 2a: Meters | | Retail Allocation 2b: Equivalent Meters | | Retail Allocation 2c: 10-Yr Avg. Water Use | | Retail Allocation 2d: 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% |

FY 2020-21 Core Service Charge Allocation Scenarios: Option 1B (Ground Water Customer Charge equal to 1/26th of Core Budget excl. WEROC)

| FY 2020-21 Core Service Charges | Retail Allocation 2a: Meters | | Retail Allocation 2b: Equivalent Meters | | Retail Allocation 2c: 10-Yr Avg. Water Use | | Retail Allocation 2d: 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% |

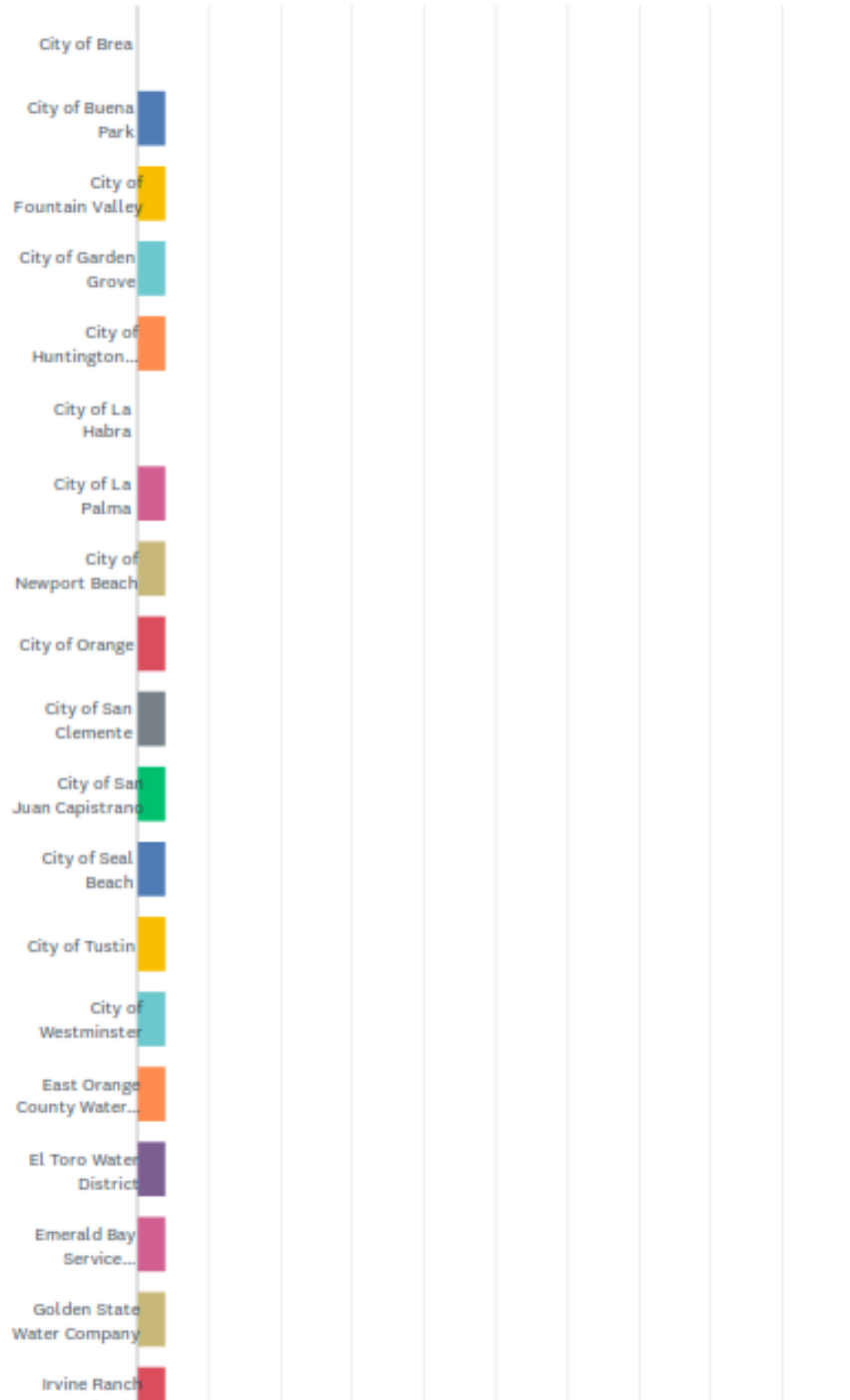
9. Appendix C

See following pages for member agency online survey and results in its entirety.

MWDOC Rate Study - Member Agency Questionnaire

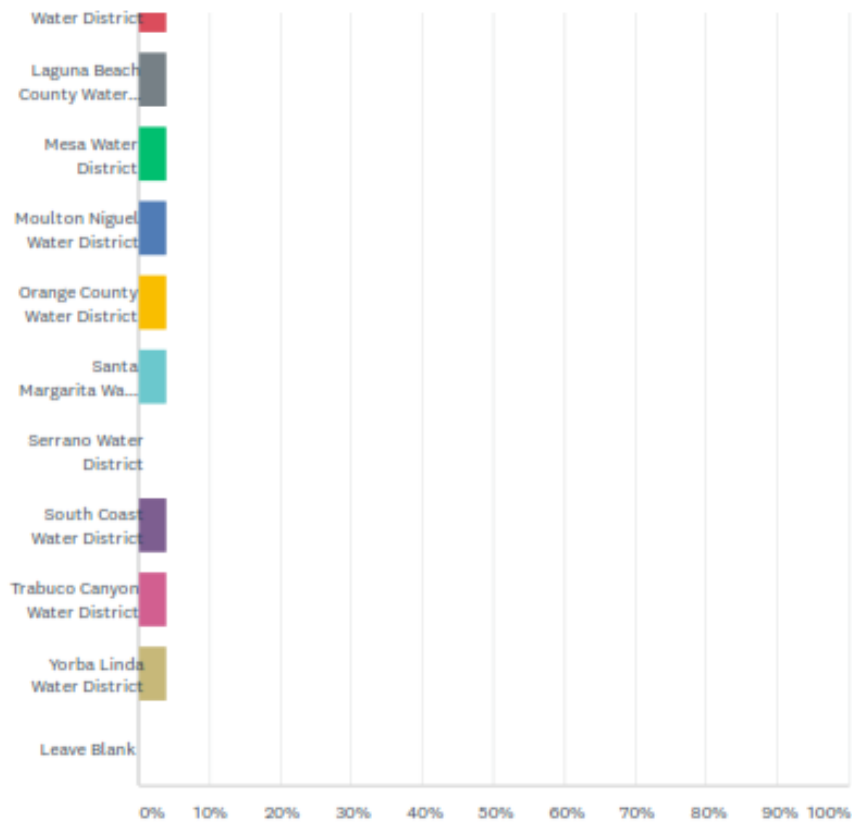
Q1 What agency do you represent?

Answered: 25 Skipped: 0



1 / 21

MWDOC Rate Study - Member Agency Questionnaire



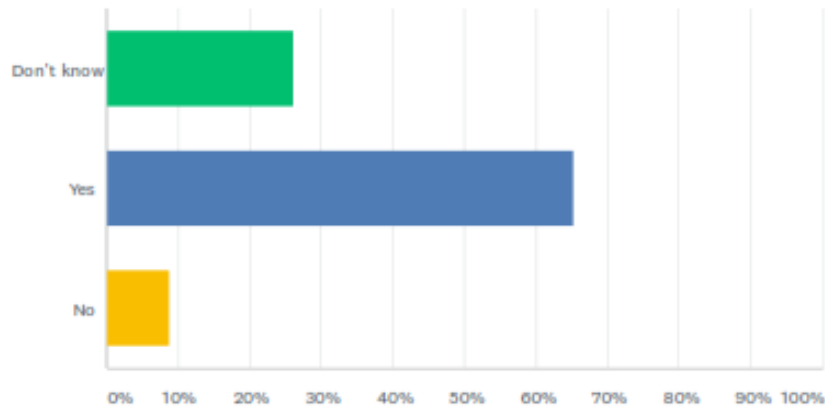
MWDOC Rate Study - Member Agency Questionnaire

| ANSWER CHOICES | RESPONSES | |
|------------------------------------|-----------|-----------|
| City of Brea | 0.00% | 0 |
| City of Buena Park | 4.00% | 1 |
| City of Fountain Valley | 4.00% | 1 |
| City of Garden Grove | 4.00% | 1 |
| City of Huntington Beach | 4.00% | 1 |
| City of La Habra | 0.00% | 0 |
| City of La Palma | 4.00% | 1 |
| City of Newport Beach | 4.00% | 1 |
| City of Orange | 4.00% | 1 |
| City of San Clemente | 4.00% | 1 |
| City of San Juan Capistrano | 4.00% | 1 |
| City of Seal Beach | 4.00% | 1 |
| City of Tustin | 4.00% | 1 |
| City of Westminster | 4.00% | 1 |
| East Orange County Water District | 4.00% | 1 |
| El Toro Water District | 4.00% | 1 |
| Emerald Bay Service District | 4.00% | 1 |
| Golden State Water Company | 4.00% | 1 |
| Irvine Ranch Water District | 4.00% | 1 |
| Laguna Beach County Water District | 4.00% | 1 |
| Mesa Water District | 4.00% | 1 |
| Moulton Niguel Water District | 4.00% | 1 |
| Orange County Water District | 4.00% | 1 |
| Santa Margarita Water District | 4.00% | 1 |
| Serrano Water District | 0.00% | 0 |
| South Coast Water District | 4.00% | 1 |
| Trabuco Canyon Water District | 4.00% | 1 |
| Yorba Linda Water District | 4.00% | 1 |
| Leave Blank | 0.00% | 0 |
| TOTAL | | 25 |

MWDOC Rate Study - Member Agency Questionnaire

Q2 MWDOC's last Rate Study was completed in 2016. Did your agency participate in MWDOC's 2016 rate study process?

Answered: 23 Skipped: 2

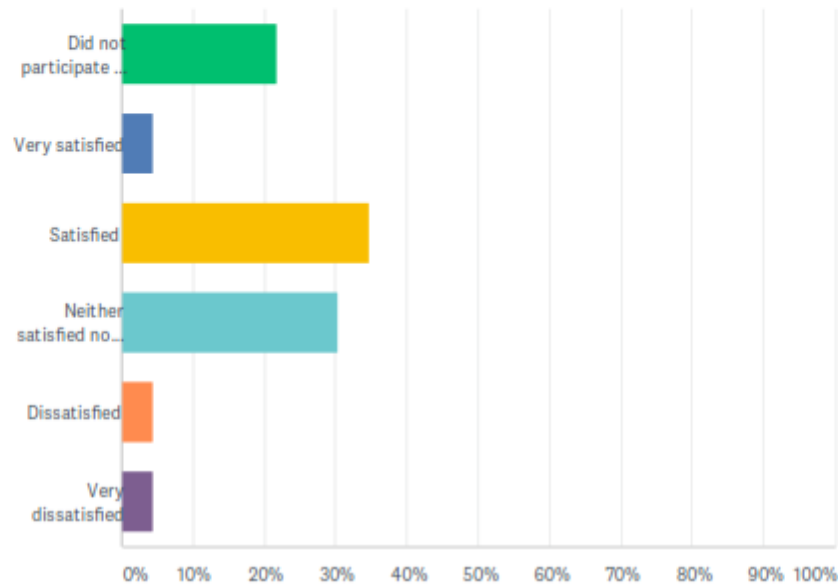


| ANSWER CHOICES | | RESPONSES | |
|----------------|--|-----------|----|
| Don't know | | 26.09% | 6 |
| Yes | | 65.22% | 15 |
| No | | 8.70% | 2 |
| TOTAL | | | 23 |

MWDOC Rate Study - Member Agency Questionnaire

Q3 How satisfied was your agency with the process MWDOC used for the 2016 Rate Study?

Answered: 23 Skipped: 2



| ANSWER CHOICES | RESPONSES | |
|-------------------------------------|-----------|-----------|
| Did not participate / Do not recall | 21.74% | 5 |
| Very satisfied | 4.35% | 1 |
| Satisfied | 34.78% | 8 |
| Neither satisfied nor dissatisfied | 30.43% | 7 |
| Dissatisfied | 4.35% | 1 |
| Very dissatisfied | 4.35% | 1 |
| TOTAL | | 23 |

MWDOC Rate Study - Member Agency Questionnaire

Q4 Please tell us how the process can be improved.

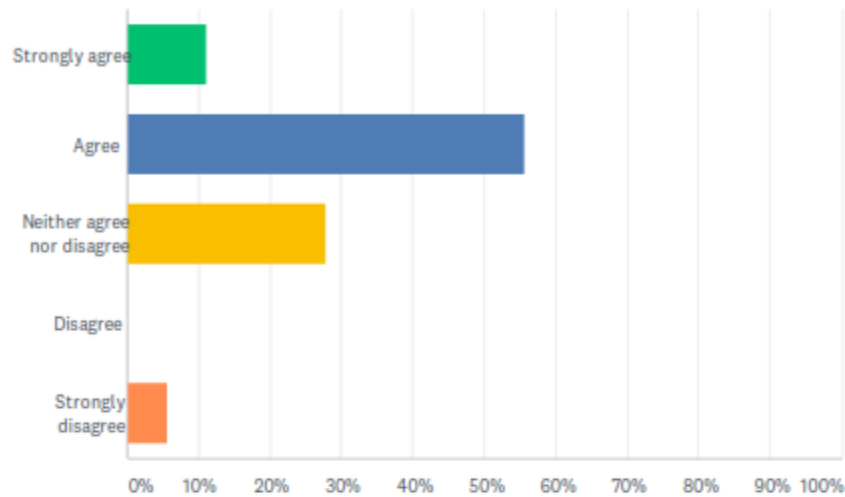
Answered: 2 Skipped: 23

| # | RESPONSES | DATE |
|---|---|--------------------|
| 1 | Actually listen to BASIN AGENCIES | 1/19/2021 1:26 PM |
| 2 | By listening more closely and reacting to member agencies concerns. | 1/11/2021 12:04 PM |

MWDOC Rate Study - Member Agency Questionnaire

Q5 Please rate your level of agreement with the following statement: I/my agency had adequate opportunity to provide input into the 2016 Rate Study process.

Answered: 18 Skipped: 7



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|-----------|
| Strongly agree | 11.11% | 2 |
| Agree | 55.56% | 10 |
| Neither agree nor disagree | 27.78% | 5 |
| Disagree | 0.00% | 0 |
| Strongly disagree | 5.56% | 1 |
| TOTAL | | 18 |

MWDOC Rate Study - Member Agency Questionnaire

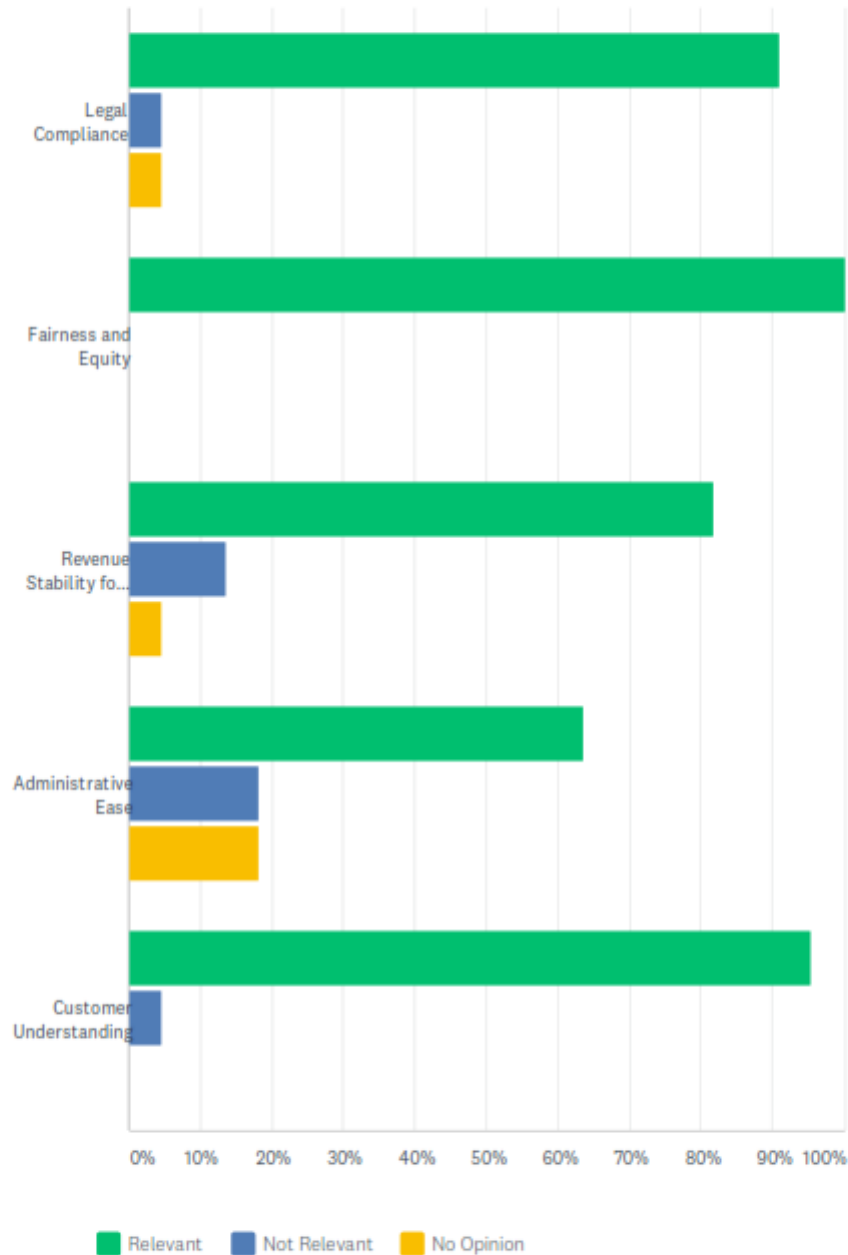
Q6 Tell us more about why you feel this way.

Answered: 10 Skipped: 15

| # | RESPONSES | DATE |
|----|--|--------------------|
| 1 | CSJC tracked the process, and although not commenting felt that the comments of others covered our views. | 1/19/2021 5:42 PM |
| 2 | All input summarily dismissed by MWDOC staff at the direction of South County agencies | 1/19/2021 1:27 PM |
| 3 | sufficient number of meetings and opportunities to comment. | 1/18/2021 11:28 AM |
| 4 | The meetings that MWDOC staff had with the member agencies were helpful in flushing out the issues and getting agency input. | 1/18/2021 9:28 AM |
| 5 | It was an open process with plenty of information | 1/15/2021 9:00 AM |
| 6 | A fine process, we don't need to repeat things we crossed off the table, like variable charges | 1/14/2021 3:39 PM |
| 7 | MWDOC staff listened and acknowledged member agency input and suggestions. I was very satisfied with the process. | 1/14/2021 10:47 AM |
| 8 | Sufficient meetings to provide input and feedback. | 1/11/2021 4:34 PM |
| 9 | We had input, it's just that the input was ignored. | 1/11/2021 12:05 PM |
| 10 | We were given ample time to submit input on matters pertaining to the study. Wether it was during Manager's meetings or through email. | 1/11/2021 10:47 AM |

Q7 Please share your current perspective on the relevance of each of these guiding principles.

Answered: 22 Skipped: 3

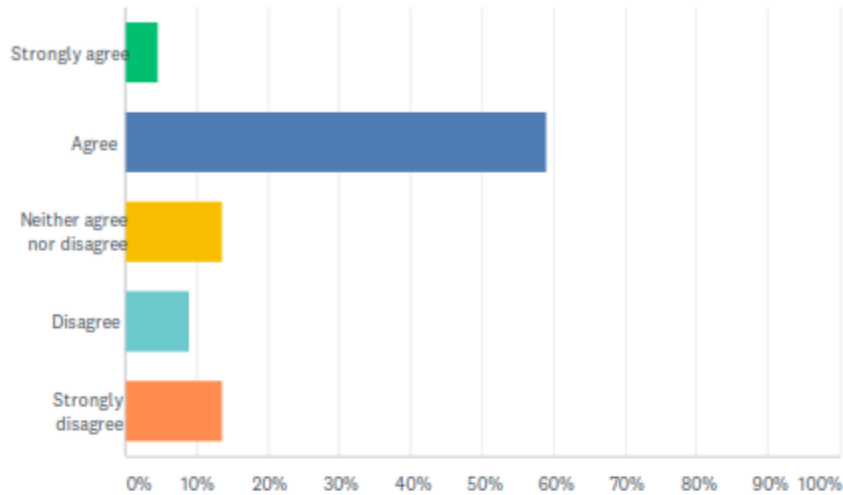


MWDOC Rate Study - Member Agency Questionnaire

| | RELEVANT | NOT RELEVANT | NO OPINION | TOTAL |
|-----------------------------|---------------|--------------|-------------|-------|
| Legal Compliance | 90.91% 20 | 4.55% 1 | 4.55% 1 | 22 |
| Fairness and Equity | 100.00% 22 | 0.00% 0 | 0.00% 0 | 22 |
| Revenue Stability for MWDOC | 81.82% 18 | 13.64% 3 | 4.55% 1 | 22 |
| Administrative Ease | 63.64% 14 | 18.18% 4 | 18.18% 4 | 22 |
| Customer Understanding | 95.45% 21 | 4.55% 1 | 0.00% 0 | 22 |

Q8 Please rate your agreement with the following statement: A rate structure, in proportion to the number of meters (without accounting for meter size) is fair and equitable.

Answered: 22 Skipped: 3



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|-----------|
| Strongly agree | 4.55% | 1 |
| Agree | 59.09% | 13 |
| Neither agree nor disagree | 13.64% | 3 |
| Disagree | 9.09% | 2 |
| Strongly disagree | 13.64% | 3 |
| TOTAL | | 22 |

MWDOC Rate Study - Member Agency Questionnaire

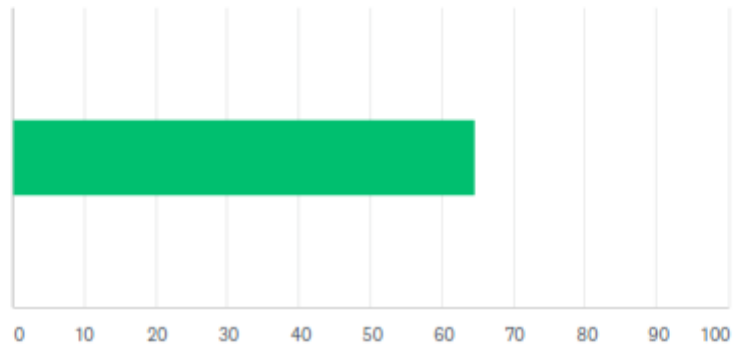
Q9 Tell us more about why you feel this way.

Answered: 11 Skipped: 14

| # | RESPONSES | DATE |
|----|---|--------------------|
| 1 | Cost structures vary by meter size in terms of capacity, sizing of system assets, system depreciation, and operations and maintenance. | 1/20/2021 11:25 AM |
| 2 | Size of meter bears on the operations/ replacement cost. | 1/19/2021 5:43 PM |
| 3 | Water Consumption should be included as a charge | 1/19/2021 1:30 PM |
| 4 | I would like to see the possibility of using volumetric meters analyzed in more detail. That said, we realize that MWDOC's costs are fixed and that volumetric rates would be less stable and could result in higher per acre-foot costs during droughts. | 1/19/2021 11:52 AM |
| 5 | There is not a direct relationship between number of meters and cost of service. A single large meter maybe more impactful than many small meters. | 1/15/2021 4:06 PM |
| 6 | half your costs could be equally distributed to members and half can vary by meters | 1/14/2021 3:42 PM |
| 7 | I believe that the water meter size should be an important component of the water meter charges. A disproportion of large meters will skew the meter charges to the detriment of the smaller, but more numerous meters. | 1/14/2021 10:50 AM |
| 8 | As long as the rate is for readiness to serve then it is equitable. | 1/13/2021 12:37 PM |
| 9 | Number of meters account for differing service area size. | 1/11/2021 4:38 PM |
| 10 | Meter size seems less relevant than quantity (number) in terms of equity/fairness from a member agency perspective | 1/11/2021 12:57 PM |
| 11 | Groundwater agencies pay a disproportionately more than South County agencies because they also have to pay the groundwater charge. These rates may also be illegal due to the ruling in a case brought against Central Basin. | 1/11/2021 12:29 PM |

Q10 ...fixed charge, in which each agency pays in proportion to their total number of meters accounting for meter size.

Answered: 20 Skipped: 5



| ANSWER CHOICES | AVERAGE NUMBER | TOTAL NUMBER | RESPONSES |
|-----------------------|----------------|--------------|-----------|
| | 65 | 1,294 | 20 |
| Total Respondents: 20 | | | |

| ANSWER CHOICE RANGE | RESPONSES | |
|---------------------|-----------|----|
| Much better | 35.00% | 7 |
| Somewhat better | 10.00% | 2 |
| About the same | 45.00% | 9 |
| Somewhat worse | 5.00% | 1 |
| Much worse | 5.00% | 1 |
| TOTAL | | 20 |

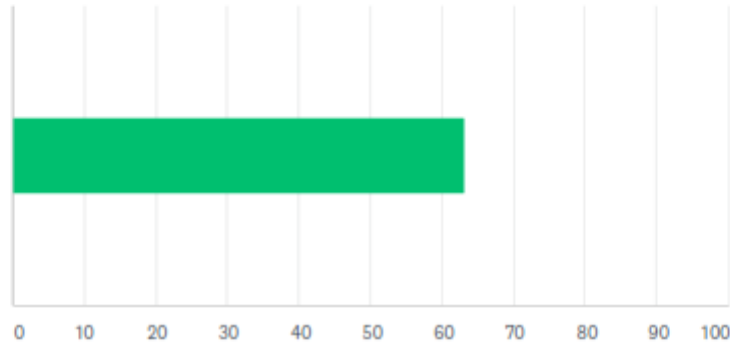
MWDOC Rate Study - Member Agency Questionnaire

| # | | DATE |
|----|-----|--------------------|
| 1 | 49 | 1/21/2021 7:45 AM |
| 2 | 100 | 1/20/2021 11:28 AM |
| 3 | 100 | 1/19/2021 5:45 PM |
| 4 | 50 | 1/19/2021 1:30 PM |
| 5 | 71 | 1/19/2021 11:52 AM |
| 6 | 49 | 1/18/2021 11:45 AM |
| 7 | 23 | 1/18/2021 9:35 AM |
| 8 | 100 | 1/15/2021 4:10 PM |
| 9 | 95 | 1/15/2021 9:02 AM |
| 10 | 0 | 1/15/2021 8:31 AM |
| 11 | 51 | 1/14/2021 3:32 PM |
| 12 | 88 | 1/14/2021 10:51 AM |
| 13 | 54 | 1/13/2021 12:38 PM |
| 14 | 49 | 1/12/2021 6:56 PM |
| 15 | 98 | 1/11/2021 4:41 PM |
| 16 | 77 | 1/11/2021 1:39 PM |
| 17 | 41 | 1/11/2021 1:05 PM |
| 18 | 99 | 1/11/2021 12:31 PM |
| 19 | 50 | 1/11/2021 9:26 AM |
| 20 | 50 | 1/11/2021 9:01 AM |

MWDOC Rate Study - Member Agency Questionnaire

Q11 ...volumetric rate, in which each agency pays in proportion to the volume of water they purchase.

Answered: 14 Skipped: 11



| ANSWER CHOICES | AVERAGE NUMBER | TOTAL NUMBER | RESPONSES |
|-----------------------|----------------|--------------|-----------|
| | 63 | 884 | 14 |
| Total Respondents: 14 | | | |

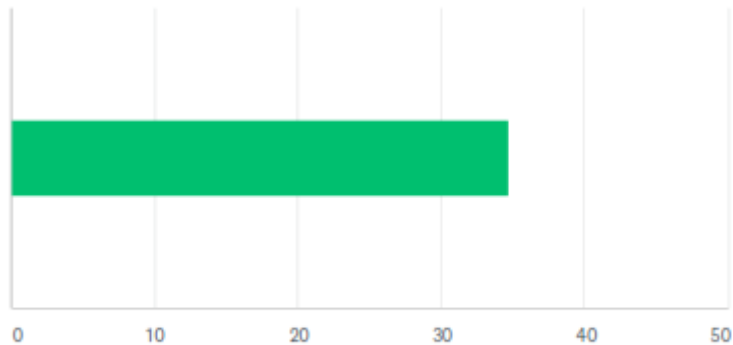
| # | | DATE |
|----|-----|--------------------|
| 1 | 99 | 1/20/2021 11:28 AM |
| 2 | 53 | 1/19/2021 5:45 PM |
| 3 | 100 | 1/19/2021 1:30 PM |
| 4 | 9 | 1/18/2021 11:45 AM |
| 5 | 98 | 1/15/2021 4:10 PM |
| 6 | 49 | 1/15/2021 8:31 AM |
| 7 | 50 | 1/14/2021 10:51 AM |
| 8 | 100 | 1/13/2021 12:38 PM |
| 9 | 50 | 1/11/2021 1:39 PM |
| 10 | 33 | 1/11/2021 1:05 PM |
| 11 | 49 | 1/11/2021 12:31 PM |
| 12 | 23 | 1/11/2021 10:52 AM |
| 13 | 100 | 1/11/2021 9:26 AM |
| 14 | 71 | 1/11/2021 9:01 AM |

| ANSWER CHOICE RANGE | RESPONSES |
|---------------------|-----------|
| Much better | 35.71% 5 |
| Somewhat better | 7.14% 1 |
| About the same | 35.71% 5 |
| Somewhat worse | 14.29% 2 |
| Much worse | 7.14% 1 |
| TOTAL | 14 |

MWDOC Rate Study - Member Agency Questionnaire

Q12 ...population-based charge, in which each agency pays in proportion to their population served.

Answered: 14 Skipped: 11



| ANSWER CHOICES | AVERAGE NUMBER | TOTAL NUMBER | RESPONSES |
|-----------------------|----------------|--------------|-----------|
| | 35 | 486 | 14 |
| Total Respondents: 14 | | | |

| # | | DATE |
|----|----|--------------------|
| 1 | 23 | 1/21/2021 7:45 AM |
| 2 | 0 | 1/19/2021 5:45 PM |
| 3 | 50 | 1/19/2021 11:52 AM |
| 4 | 83 | 1/18/2021 11:45 AM |
| 5 | 0 | 1/18/2021 9:35 AM |
| 6 | 50 | 1/15/2021 4:10 PM |
| 7 | 51 | 1/15/2021 9:02 AM |
| 8 | 0 | 1/15/2021 8:31 AM |
| 9 | 49 | 1/14/2021 10:51 AM |
| 10 | 10 | 1/13/2021 12:38 PM |
| 11 | 50 | 1/11/2021 4:41 PM |
| 12 | 50 | 1/11/2021 1:39 PM |
| 13 | 20 | 1/11/2021 1:05 PM |
| 14 | 50 | 1/11/2021 9:26 AM |

| ANSWER CHOICE | RANGE | RESPONSES |
|-----------------|-------|-----------|
| Much better | | 7.14% 1 |
| Somewhat better | | 0.00% 0 |
| About the same | | 50.00% 7 |
| Somewhat worse | | 7.14% 1 |
| Much worse | | 35.71% 5 |
| TOTAL | | 14 |

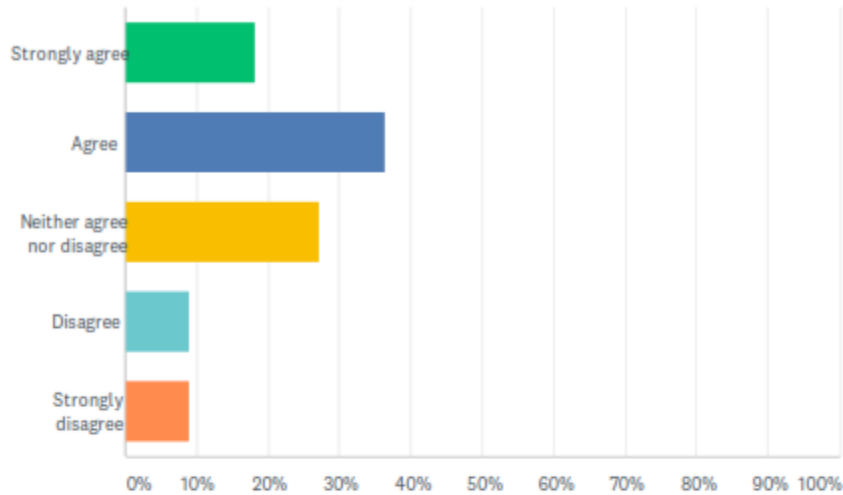
Q13 Is there another retail member agency rate structure you feel is equitable?

Answered: 7 Skipped: 18

| # | RESPONSES | DATE |
|---|---|--------------------|
| 1 | Rate structures that incorporate fixed charges based on meter size and inclining block volumetric rates (assuming the marginal cost of additional units of supply increases). | 1/20/2021 11:28 AM |
| 2 | SODIUM | 1/19/2021 1:30 PM |
| 3 | We need to analyze the equity between agencies with higher density (i.e. more meters but less water use) vs. agencies with less density (i.e. less meters but more water use per capita.) | 1/18/2021 11:45 AM |
| 4 | Equal distribution of 50% of the cost | 1/14/2021 3:43 PM |
| 5 | NA | 1/14/2021 10:51 AM |
| 6 | Not that we would presently consider. | 1/11/2021 4:41 PM |
| 7 | Not that I can think of | 1/11/2021 1:05 PM |

Q14 Please rate your agreement with the following statement: A rate structure with a groundwater replenishment charge is fair and equitable.

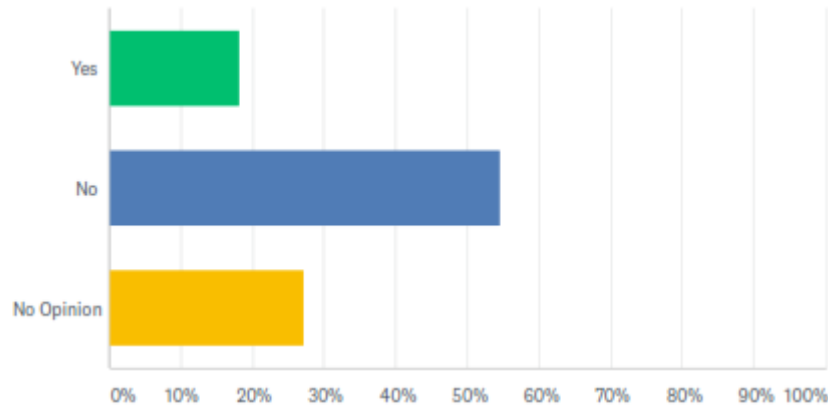
Answered: 22 Skipped: 3



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|----|
| Strongly agree | 18.18% | 4 |
| Agree | 36.36% | 8 |
| Neither agree nor disagree | 27.27% | 6 |
| Disagree | 9.09% | 2 |
| Strongly disagree | 9.09% | 2 |
| TOTAL | | 22 |

Q15 Please rate your agreement with the following statement: A rate structure without a groundwater replenishment charge and reallocate these costs to all other member agencies is fair and equitable.

Answered: 22 Skipped: 3



| ANSWER CHOICES | RESPONSES | |
|----------------|-----------|----|
| Yes | 18.18% | 4 |
| No | 54.55% | 12 |
| No Opinion | 27.27% | 6 |
| TOTAL | | 22 |

MWDOC Rate Study - Member Agency Questionnaire

Q16 Is there another rate structure regarding groundwater replenishment you feel is equitable?

Answered: 12 Skipped: 13

| # | RESPONSES | DATE |
|----|--|--------------------|
| 1 | The cost impacts of replenishment water on the system are difficult to quantify since they are interruptible. As such, it should not get the full charges of other non-interruptible service. | 1/19/2021 5:47 PM |
| 2 | SODIUM | 1/19/2021 1:31 PM |
| 3 | As a member agency for both OCWD and MWDOC, we do not want to be double charged. How does this impact south county agencies that do not pump from the basin? analyze both options. We want the lowest rate possible for our customers. | 1/18/2021 11:58 AM |
| 4 | Groundwater charges need to be distributed through OCWD in some manner so as to include the three non-MWDOC cities. | 1/15/2021 4:12 PM |
| 5 | It should be two customer tiers: A- Retail Agencies: Will pay based on numbers of meters B- OCWD: Will pay based on actual time and cost | 1/15/2021 9:06 AM |
| 6 | Apply the 1/26th proportion to OCWD's charges and add another 3/29ths to account for the benefit that the three met member OC cities realize from GW recharge of imported water. | 1/15/2021 8:39 AM |
| 7 | estimated contract cost, with true-up at year's end | 1/14/2021 3:44 PM |
| 8 | I would support moving away from volumetric charge for groundwater replenishment and instead explore ideas to develop charges in line with actual services provided. | 1/14/2021 3:37 PM |
| 9 | NA | 1/14/2021 10:51 AM |
| 10 | Not that we are presently considering. | 1/11/2021 4:44 PM |
| 11 | Not that I can think of | 1/11/2021 1:06 PM |
| 12 | The charge should just be a fractional cost (1/28th) of MWDOC's budget, excluding WEROC. | 1/11/2021 12:39 PM |

Q17 Your input matters and will be an integral part of this study. As part of the 2021 Rate Study process, we intend to utilize a combination of survey instruments and facilitated member agency meetings to offer you ample opportunity to provide input. Are there additional ways to gather input from the member agencies that you would like MWDOC to consider?

Answered: 11 Skipped: 14

| # | RESPONSES | DATE |
|----|---|--------------------|
| 1 | This survey method seems to be an efficient and effective means to gather input. | 1/20/2021 11:32 AM |
| 2 | no | 1/19/2021 5:50 PM |
| 3 | Listen | 1/19/2021 1:32 PM |
| 4 | Raftelis should do a comprehensive financial analysis to compare and present different methods that is equitable and shows cost to each member agencies for each option. There is no quick one answer for these questions with member agencies that are utilizing MWDOC and OCWD for difference services. | 1/18/2021 12:01 PM |
| 5 | Request and accept letters from the member agencies providing input on the rate study process, concepts for consideration and support for the various options. | 1/18/2021 9:44 AM |
| 6 | Keep the process open and transparent | 1/15/2021 9:06 AM |
| 7 | Rob and Mike should sit down and develop a consensus proposal for presentation to the group | 1/14/2021 3:47 PM |
| 8 | Surveys and member agency input should cover the bases. | 1/14/2021 10:52 AM |
| 9 | This is a good method. | 1/13/2021 12:39 PM |
| 10 | No, but we would be open to other/additional opportunities to provide input and be involved in the rate structure development. | 1/11/2021 4:45 PM |
| 11 | No | 1/11/2021 1:06 PM |



MWDOC Rate Study

Administration and Finance Committee

April 19, 2021

4



Agenda

1. Schedule (Almost Done!)
2. What We Heard at the last MA Meeting
3. Charges
4. Summary
5. Next Steps

5

MWDOC FYE 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 |

³

March 18th MA Meeting



⁴

What We Heard at the March 18th MA Meeting

- No change in supportive sentiment since Feb 18th MA meeting
- The few comments were in continued support of the proposed rate structure:
 - › Step 1: Groundwater class is allocated 1/26th of all cost centers excluding Cost Center 25 (WEROC)
 - › Step 2: Remaining costs are allocated in proportion to the number of meters in each agency
- Informed MAs that the A&F committee seemed prepare to make a recommendation at the April 14th meeting
- From the Feb 18th MA meeting:
 - › 16 agencies voiced strong support/acceptance for allocating 1/26th of all cost centers excluding Cost Center 25 (WEROC) 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

5

FYE 2021 MWDOC Rate Study - Charges



6

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

7

GW Class Pays 1/26th (Proposed Methodology)

| 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% |

8

* Draft and subject to change

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

⁹ * Draft and subject to change

Comparing Two Approaches for the GW Class (FY 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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Summary

- Rate study team provided ample opportunity for MA feedback through:
 - › Online survey
 - › 4 MA meetings
- There is MA support for, and internal cost center analysis backs, a groundwater customer charge which allocates 1/26th of all cost centers excluding WEROC, to this class (known as Step 1)
- Support for a fixed charge, in which the remaining MWDOC expenses, after Step 1, are allocated in proportion to the number of agency meters (known as Step 2)
- The only change between the proposed method and the current method is to the way the groundwater customer class is charged

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Recommendation

- **Raftelis Rate Study Report recommends:**
 - › Retail Service Meter Charge remains unchanged; annual fixed charge based on each retail agency's certified meters
 - › Groundwater Customer Charge be modified to allocate 1/26th of all MWDOC Core cost centers, excluding WEROC; annual fixed charge.

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Thank you!

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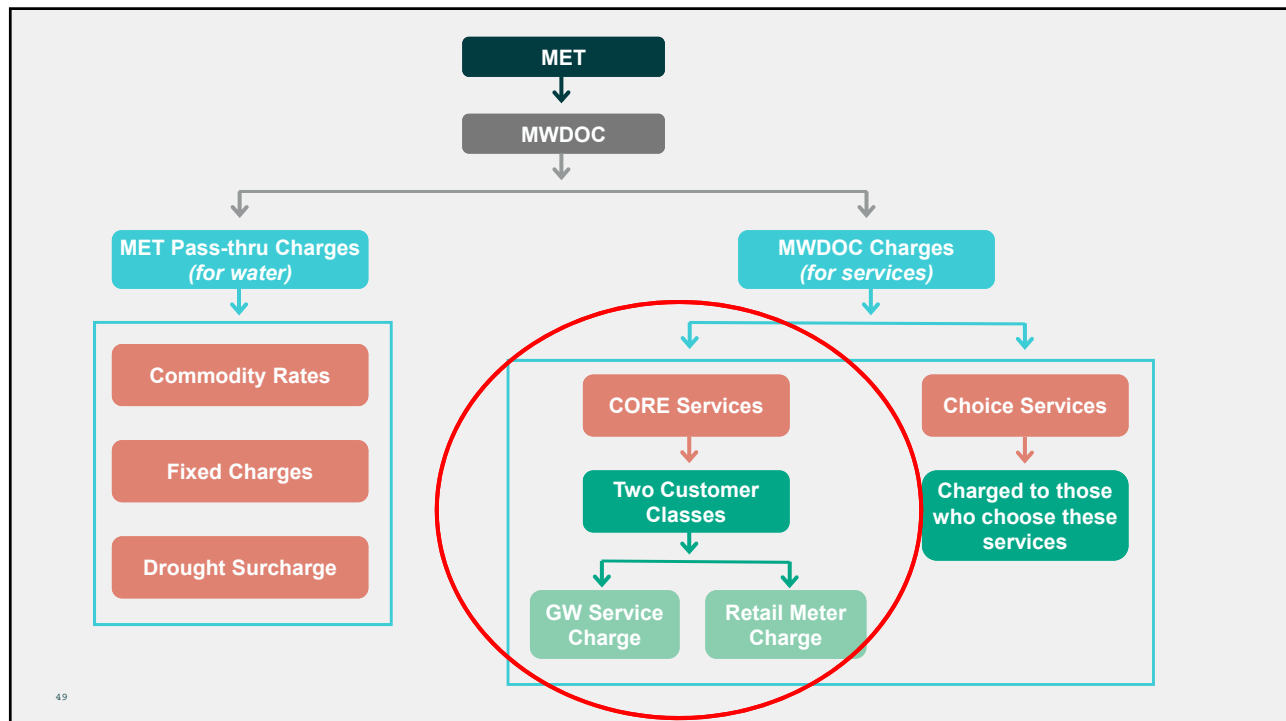
Back Up Slides



MWDOC Assessment: Charging GW Class 1/26th of All Cost Centers (excl. WEROC) 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 by 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 excluding Cost Center 25 (WEROC)

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MWDOC Core Charges using FY 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 | | |

¹Cost centers are distributed equally to all member agencies
²Using 10-year average water use from FYE 2011 to FY 2020
³All other cost centers are equally distributed excluding WEROC

| 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 | 1 / 26 th GW Allocation | 4/29 th | Current GW Allocation |
| Member Agency 1 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| through | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Member Agency 25 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |



ACTION ITEM
April 19, 2021

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: ADOPTION OF THIRD DRAFT OF THE FY 2021-22 BUDGET

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee, MWDOC Board of Directors, Member Agencies, and the public review, discuss and provide input and comments on the third draft of MWDOC's budget for FY 2021-22. This committee meeting is the last formal opportunity for public comments and discussion before the budget goes to the Board of Directors on April 21, 2021 for final approval. Staff recommends approval of the third draft budget as final.

Please note – The Board is considering a change to the current rate structure, which was approved in 2016. A proposed modification from the 2021 rate study will be before the Board of Directors at the April 21, 2021 Board meeting. The retail service charge and the groundwater customer charge are presented under the approved current (2015) and the proposed modified (2021) rate structures. The rate structure does not change the budget amount but it does impact the allocation of the revenue requirements among the member agencies.

COMMITTEE RECOMMENDATION

Committee will review this item on April 19, 2021 and make a recommendation to the Board.

CHANGES FROM THE PRIOR DRAFT TO CURRENT DOCUMENT

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

- The P&O Committee approved moving forward with the WEROC South Emergency Operations Center (EOC) project and the capital cost refinement

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

and schedule. If approved by the MWDOC Board of Directors, the first year will be funded out of Reserves and the remaining years will be funded by a grant, financing, reserves, or a combination thereof.

There were minor changes associated with personnel, salaries, and promotions.

SUMMARY REPORT

Pertinent aspects of the third draft budget include:

1. The total revenue amount for the Core operating budget is \$8,929,123; an increase of \$35,007 (0.39%) over the current year's budget. This includes a \$238,000 (52%) reduction in budgeted interest revenue.
2. The proposed third draft budget includes a planned reserves draw of \$51,223 and essentially fully funds the reserves to the target levels.
3. Under the current 2016 rate structure, the third draft budget includes a proposed, year-to-year (YTY) increase of \$0.45 (3.7%) to the retail service charge bringing the retail rate to \$12.65 per retail meter. The groundwater customer charge to OCWD decreases by \$21,430 (3.6%) to \$573,893.
4. Under the proposed 2021 rate structure, the reallocation of revenue requirements changes the groundwater customer charge to a reduction of \$259,939 (43.7%) (YTY) for a total of \$335,385. The modified rate structure increases the proposed retail service charge by \$0.80 (6.6%) (YTY) bringing the retail rate to \$13.00 per retail meter.
5. The third draft has a budget total of \$184,765,856 (revenue) including Core & Choice, water sales, outside funding, and WEROC. This is a decrease of almost 22% almost exclusively attributable to the two-year decrease in water sales.
6. The consolidated (Core + Choice) general fund budget is \$10,548,317 (revenue) with an increase of \$23,206 (0.2%).
7. The unfunded CALPERS liability annual payment of \$207,000 is proposed. This will be the fourth year of the ten-year funding program.
8. 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.
9. 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 (0.10 FTE) and a reduction in Part-time employees and Interns (0.58 FTE).
10. 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 reclassified for other expense categories.
11. An additional project was added in the second draft budget 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.

12. The Building Improvement expense 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.
13. 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.
14. There is a decrease in staff development/technical training/leadership training (\$12,500) associated with COVID-19 impacts on the program.
15. 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.
16. 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.
17. 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
18. Total outside funding (WUE & Local Resource Project (LRP) sources) is budgeted to be approximately \$6,754,840.
19. 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 third draft budget should be considered preliminary.
20. Capital funding of the WEROC South Emergency Operations Center was approved in P&O Committee with the first year being funded out of Reserves.

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.

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 comparable proposed Retail Meter Rate under the current 2016 rate structure in the proposed budget

is an increase of \$0.45/meter or 3.7% over last year and 2.0% over the rate for FY 2019-20. The proposed Groundwater Customer Charge (2016 rate structure) is a further reduction of \$21,430 or 3.6% from last year.

The year-to-year (YTY) changes in the total Core expenses between FY 2020-21 and FY 2021-22 produce a decrease of \$11,183 (0.12%).

- 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 YTY increase of \$96,296. However, this represents only a 1.8% 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 (\$19,110).
- The Membership/Sponsorship expenses only include items previously approved by the Board of Directors.
- Significant YTY Core expense decreases include Professional Fees (\$130,343), Miscellaneous Expense (\$26,619), and Training Expense (\$12,500).

Choice YTY 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 \$11,801 (0.7%).

DETAILED REPORT

This committee and board item presents information and discusses the proposed 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 third draft budget presents specific annual rates based on both the current (2016) rate structure and a modified rate structure (2021) being considered by the board.

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 to be funded from Reserve Funds FY 2021-22

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, the first draft budget was presented at the February 10th A&F Committee meeting, and the second draft budget at the March 10th A&F Committee meeting. This is the third draft budget (April 19th A&F meeting) and 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 is 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. Variance estimates for the FY 2020-21 Core budget include:

1. The total variance for the FY 2020-21 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 notable 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 2020 election invoice from Orange County and the total cost for the four competed 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 additional 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 reclassified 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 planned project phases 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 MWDOC 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 have a surplus and 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 a projected unfunded total reserve balance of \$49,076 (i.e., Total Target of \$6,322,570 (-) Total Projected Reserve Balance of \$6,273,494).

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.

The third draft budget has a draw on reserves of \$51,223, which is supplemented by the \$100,000 Election Reserve Fund reclass and resulting in a surplus of \$48,777 59,635, indicating a shortfall of \$299 of being fully funded.

| | # 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 |

4. Compensation Pool Guidelines

MWDOC's compensation system includes both salary ranges for job classifications 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 Benchmark Compensation and Benefits Study that reviews our job classifications and compensation with similar agencies and job functions. This Benchmark Survey was recently completed and the findings are presented at the April 19, 2021 A&F Committee meeting. In general, MWDOC has found limited salary range corrections to be necessary and potential budget impacts are minor. This year's study recommended three salary range adjustments and one Class Title change. The three-year study cycle and the CPI adjustment process continue to perform well and have been implemented 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 (completed in FY 2018-19).

MWDOC also conducts an annual survey of water utilities as a comparison of proposed salary increases. Of the 25 agencies surveyed, 21 agencies have responded. The results of the survey are summarized in the following table. Of the 21 respondents, two do not have a COLA component and ten have not yet set their COLA percent. The remaining nine water agencies averaged a COLA of 2.05%. Five of the water agencies have not yet set their maximum merit percent. The other 16 agencies averaged a merit percent of 4.98%. The overall combined salary increase for the incomplete data set was 6.14%, an increase over last year's average of 5.82%.

Comparative Salary Increase Table

| Agency | 2021/22 | 2021/22 | Total |
|-------------------------------------|--------------|--------------|--------------|
| | COLA % | Merit Max% | |
| Calleguas MWD | 2.00% | 3.00% | 5.00% |
| Eastern MWD | 2.10% | 5.00% | 7.10% |
| El Toro Water District | 1.70% | 3.00% | 4.70% |
| City of Fountain Valley | TBD | 5.00% | 5.00% |
| Inland Empire Utilities Agency | TBD | 5.00% | 5.00% |
| Irvine Ranch Water District | May CPI -TBD | 7.50% | 7.50% |
| Laguna Beach County Water Dist. | TBD | TBD | |
| Las Virgenes MWD | 2.00% | 5.00% | 7.00% |
| Mesa Water | 2.50% | 5.00% | 7.50% |
| Moulton Niguel Water District | 2.00% | 5.00% | 7.00% |
| Orange County Sanitation District | NC | 5.00% | 5.00% |
| Orange County Water District | TBD | 6.00% | 6.00% |
| San Diego County Water Authority | TBD | 7.50% | 7.50% |
| Santa Margarita Water District | TBD | TBD | |
| South Coast Water District | TBD | 2.75% | 2.75% |
| Three Valleys Municipal Water Dist. | 1.68% | 5.00% | 6.68% |
| City of Tustin | TBD | TBD | |
| Walnut Valley Water District | 2.50% | 5.00% | 7.50% |
| Western Municipal Water District | TBD | TBD | |
| Yorba Linda Water District | 2.00% | 5.00% | 7.00% |
| West Basin MWD | NC | TBD | |
| Average | 2.05% | 4.98% | 6.14% |

TBD = Waiting to make determination on amount

NC = No Cola

Given that MWDOC's compensation pool covers both inflation and merit and that it has kept salaries competitive and within ranges over several years, a review of 5-year and 10-year compensation increases and CPI data was conducted to quantify the past practice. The CPI range was a positive 3.80% (2018) to negative 0.78% (2009). Overall, the compensation pool can be described as consisting of an inflation component of the CPI plus a merit component of 85% of the CPI. The total 1.85xCPI function appears to be a reasonable calculation for the mid-inflation range (CPI 2.4% to 4.7%) but breaks down at the more extreme ranges of CPI. For example, 0% CPI would calculate as a 0% compensation pool increase and would obviously not reward merit as intended. At the other end of the range, other problems arise. For example, in 1980 the CPI was 13.5% and this would calculate 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 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 third draft budget.

The compensation pool rate of 3.64% used in the budget is significantly below both the 6.14% combined salary increase and the 4.98% average merit maximum increase from the water agency survey. A 1.0% increase in the compensation pool budget rate represents slightly more than a \$0.05 increases the retail meter rate.

The Director per diem adjustment is considered at the April A& Committee meeting and any changes are approved at the April board meeting. The per diem increase is statutorily limited to 5.0% but the board has adopted smaller increases in recent years limited by the employee increase if less than 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 and second draft budgets were discussed at the February and March A&F and Managers meetings. Member Agency input and comment is requested, encouraged and received during each meeting. Copies of the comment letters and MWDOC's responses are included at the end of the budget.

Two comment letters were received prior to the second draft budget from the Orange County Water District (OCWD) and were 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 reviewed the proposed staff registration and travel budget (Exhibit E). There was 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 concluded that these conferences will likely occur as scheduled. Minor expense reductions for the second draft budget resulted from the staff review. The other two items were referred to the A&F Committee and Board of Directors for review and discussion.

One comment letter was received on the second draft budget from the Santa Margarita Water District (SMWD) (March 19, 2021) which included four comments on the draft budget and one comment on the rate study.

- Regarding the proposed Orange County Water Use Efficiency Potential & Opportunity Study, SMWD commented that MWDOC staff should further engage with member agency representatives to confirm purpose and scope and potential involvement by Metropolitan's technical staff. Additional discussion was held during the Member Agency Managers meeting and with Metropolitan.
- SMWD supports the use of MWDOC reserves to fund the South Emergency Operations Center Project. MWDOC has discussed the project further in the April Planning & Operations Committee and the recommendations from that committee are incorporated into the budget.
- SMWD requested that MWDOC remove the development of a video series on the Bay Delta from the budget and work to develop a regional approach to the videos to help defray costs.
- SMWD supports a review of MWDOC's Reserve Policy.
- Regarding the rate study, SMWD supports the proposed modification to the 1/26th fixed rate method.

Two additional comment letters were received from OCWD concerning the South EOC project. The comment letters and MWDOC's responses were forwarded to the MWDOC Board and are included as attachments.

The first OCWD comment letter concerning the South EOC project (April 5, 2021) makes three recommendations:

- MWDOC's Planning and Operations Committee select Options #3 and not proceed with the project.
- If the committee elects to move forward, then continue the decision pending an independent financial review and needs analysis for the project size.
- If the MWDOC Board of Directors decides to approve the project, that it be funded entirely through MWDOC reserves.

MWDOC's response letter (April 12, 2021) summarizes the P&O Committee actions and discusses several issues and statements. The P&O Committee elected to proceed with the South EOC Project under Option #1, including the funding of the first year's expenses from reserves and the continued evaluation of financing options for subsequent years. MWDOC's response letter also indicates that MWDOC is not spending over \$1 million on Conference Room 101 but for the seismic retrofit and remodeling project for the entire Administrative Building. In addition, Conference Room 101 has not been proposed as the primary EOC but as a Secondary (backup) EOC site. Finally, Orange County's EOC cannot be used as a backup to MWDOC's Room 101 as it cannot accommodate the space requirements.

The second OCWD comment letter concerning the South EOC project (April 12, 2021) raised three sets of questions regarding specific information that had been provided to OCWD staff. MWDOC's response letter of April 13, 2021 provides additional information regarding the preliminary cost estimate to address three main points in the letter:

1. The OCWD letter indicates that the soft cost estimate used (i.e., 35% by El Toro Water District's [ETWD] consultant Brady and Associates [Brady]) should have an additional contingency amount added.
 - Guidance for preliminary estimates for building construction projects, indicate that soft costs as a percentage of total construction costs of 30% is generally considered adequate, unless there are circumstances that point toward the need for a higher percentage. The proposed EOC does not exhibit signs that permits or design of the MWDOC portion of the project will be anything other than ordinary. To add an additional contingency on top of what is already a higher soft cost estimate may be construed as estimate 'padding'.
2. The OCWD letter also indicates the estimate for a prefabricated steel building seems reasonable, but that items appear to be missing (i.e., concrete slab, interior walls and drop ceilings, and an emergency generator).
 - MWDOC's understanding of the Brady estimate is that the interior build-out (partition walls, drop ceiling, and flooring) is included in the building cost estimate.
 - Additionally, in 2020 MWDOC/WEROC thru the Urban Area Security Initiative Grant, obtained a relatively new 240 KVA emergency generator in a transfer agreement with another Orange County agency. The necessary electrical work for the generator transfer switch was added to the Brady estimate in the electrical service connection line item of the revised estimate previously forwarded to OCWD.
 - The issue of MWDOC/WEROC's cost for a concrete slab and site work is something that would be captured in a design level project estimate at the conclusion of further negotiations. An allowance for site preparation (which we take to include costs for concrete slab foundation work) is included in the estimate but is a point of further clarification in further project discussions.
3. Finally, the OCWD letter indicates it is not apparent how the project 'expanded' from an existing 2,400 square foot (sf) building to 3,800 sf.
 - The existing 2,400 sf building is inadequately sized for emergency operation's needs. Previous analysis by Claris Strategy of the existing EOC operations used the existing footprint as the maximum available footprint given the site conditions and attempted to reconfigure the building using those space constraints. The new building, which does not have the site constraints, is based upon an EOC design developed for the City of Long Beach which determined 3,700 square feet to be a better size for emergency operational needs. In MWDOC's review of Brady's preliminary design, a 10-ft x 10-ft restroom/locker/storage room was added which brought the footprint to 3,800 sf. estimate.

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 –

- FY 2021-22 Design and Engineering costs, funded out of reserves
- Analyze other funding opportunities
- Develop multi-FY budget allocations

Implementation of the WEROC Assessment Report

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

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 is 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 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 (2016)

Based on the Proposed Budget and the current rate structure:

For FY 2021-22 the proposed Retail Meter Service Charge is \$12.65 per meter.

For FY 2021-22 the proposed Groundwater Customer Charge is \$573,893.

Proposed Modified Rate Structure (2021)

Based on the Proposed Budget and the proposed modified rate structure:

For FY 2021-22 the proposed Retail Meter Service Charge is \$13.00 per meter.

For FY 2021-22 the proposed Groundwater Customer Charge is \$335,385.

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 to be funded from Reserve Funds in FY 2021-22

South Emergency Operations Center Summary

Summary:

The WEROC Program Assessment has identified different options for improving the South EOC: renovation or new construction. Committee approved new construction with MWDOC's reserves paying for the first year of costs and staff will pursue grants or financing options for the last two years.

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 will be removing the existing infrastructure allowing room for new construction.

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.

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)

WEROC is continuing to seek additional funding such as grants and other source funding

Attachments:

Attached hereto are MWDOC's budget schedule, budget comment letters and MWDOC responses, and the detailed budget for this coming fiscal year.

MWDOC BUDGET SCHEDULE

| |
|--|
| November 2020 |
| <ul style="list-style-type: none"> Notification to Member Agencies of start of budget process and solicitation of input |
| December 2020 |
| <ul style="list-style-type: none"> MWDOC staff begins preparation of budget hours and costs on program and line-item basis Review of four month actuals and fiscal year-end projections Review budget adjustments for current fiscal year Preparation of internal, draft conceptual budget (review changes for upcoming fiscal year) |
| January 2021 |
| <ul style="list-style-type: none"> Initial review of budget issues with A&F Committee for feedback (1-13-21) Initial discussion of budget issues with Member Agencies for feedback Request for Member Agencies' <u>preliminary</u> indication of participation in Choice |
| February 2021 |
| <ul style="list-style-type: none"> Publish and post the FIRST DRAFT Budget in the packet for the A&F Committee (2-5-21) Review Full Draft Budget with A&F Committee (2-10-21) Formally request comments from all Member Agencies <u>DRAFT</u> information completed on prior year Choice WUE program benefits to Member Agencies to serve as basis for charging agencies for the upcoming year for Choice WUE activities Member Agencies' INITIAL CONFIRMATION of participation in Choice Services by February 22. The Updated Agreement by the end of March and after the Elected Officials Meeting Discuss FIRST DRAFT Budget at Member Agency Managers' Meeting (2-18-21) Meet with Member Agencies as requested or scheduled |

MWDOC BUDGET SCHEDULE

| |
|--|
| March 2021 |
| <ul style="list-style-type: none"> Revised information completed on prior year Choice WUE benefits to Member Agencies to serve as basis of charging agencies for the upcoming year for WUE activities |
| <ul style="list-style-type: none"> Discuss SECOND DRAFT Budget in A&F Committee (3-10-21) |
| <ul style="list-style-type: none"> Review SECOND DRAFT Budget at Member Agency Managers' Meeting (3-18-21) |
| <ul style="list-style-type: none"> Update Choice Participation |
| <ul style="list-style-type: none"> Member Agencies' submit Formal Comments about the Budget (3-26-21) |
| April 2021 |
| <ul style="list-style-type: none"> Conduct meeting with Elected Officials from Member Agencies to discuss budget and other topics (4-1-21) |
| <ul style="list-style-type: none"> THIRD DRAFT Budget and Rates presented to A&F Committee (4-19-21) |
| <ul style="list-style-type: none"> Member Agencies' Formal Comments presented to A&F Committee (4-19-21) |
| <ul style="list-style-type: none"> Board approval of FY2021-22 FINAL Budget and Rates (4-21-21) |
| June 2021 |
| <ul style="list-style-type: none"> Member Agencies confirm final Choice Participation (6-11-21) |
| August 2021 |
| <ul style="list-style-type: none"> Reconciliation of FY 2020-21 WUE & Choice Programs |
| September 2021 |
| <ul style="list-style-type: none"> REVISED FINAL Choice Budget presented to A&F Committee (9-8-21) |
| <ul style="list-style-type: none"> Board approval of FY2021-22 REVISED FINAL Choice Budget (9-15-21) |

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ORANGE COUNTY WATER DISTRICT

ORANGE COUNTY'S GROUNDWATER AUTHORITY

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First Vice President
CATHY GREEN

Second Vice President
STEPHEN R. SHELDON

General Manager
MICHAEL R. MARKUS, P.E., D.WRE

December 29, 2020

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

SUBJECT: Water Resources Policy Issues with the Metropolitan Water District

Dear Mr. Hunter:

The Orange County Water District (OCWD) previously transmitted a letter to the Municipal Water District of Orange County (MWDOC) in January 2019 making your agency aware of groundwater policy issues that are of importance to OCWD and the 19 Groundwater Producers in our service area. OCWD requested that these issues be considered and addressed with the Metropolitan Water District of Southern California (MWD) during FY2019-20.

With this letter OCWD is again requesting appropriate consideration be given to those same issues during the coming fiscal year (FY2021-22). These policy issues are listed below and have a major impact on the management of the OCWD groundwater basin and groundwater basin's throughout Southern California. We envision a collaborative process between OCWD, MWDOC, the Cities of Anaheim, Fullerton and Santa Ana, and MWD in dealing with each of these issues, as they can be complicated.

1. **Establish a permanent regional In-lieu program that encourages the storage of additional water during periods when MWD is at risk of losing excess imported water supplies.** The in-lieu program that was developed for FY2017-18 under the cyclic program agreement is a great example of how excess imported water supplies can be easily brought into Southern California's groundwater basins. Imported water that MWD was at risk of losing was recharged into local groundwater basins. In April 2019 MWD approved a permanent cyclic in-lieu program, referred to as a cost-offset credit. Unfortunately, this in-lieu program is only available if the excess water is being placed within an MWD cyclic account. OCWD suggests MWDOC continue to encourage the MWD staff and Board to consider the establishment of a broader In-lieu program that could be exercised during times of abundance, that is not restricted to only cyclic programs, so operational flexibility is always available to MWD in the future to ensure that excess imported water supplies

are never lost to the region. OCWD is appreciative of your efforts to date on this issue.

2. **Modify the Water Supply Allocation Plan rules to include Groundwater Basin Agencies in a more consistent manner.** The Water Supply Allocation Plan (WSAP) rules and requirements that currently exist were approved by MWD in December 2014. Under the WSAP rules, groundwater basin agencies can receive imported water during water shortages, however, the rules to do so are restrictive with respect to the management of local groundwater basins.

OCWD typically purchases untreated full service water to recharge the groundwater basin to meet annual consumptive demands. Purchasing this water allows the District to increase the annual natural yield of the groundwater basin. OCWD believes that the purchase of untreated full service water to meet consumptive demands is practically identical to other MWD member agencies that purchase untreated full service water, which is then treated at a conventional treatment plant, to meet their own consumptive demands; the only difference is that OCWD is using the groundwater basin to treat the water.

In operating a groundwater basin there may be years when the basin is being refilled and there will be years when the basin is being overdrafted. But over the long-term, any MWD imported water that is purchased by OCWD will eventually be used to meet consumptive water demands. The use of a long-term average by MWD in determining how much imported water is typically purchased by a groundwater basin manager such as OCWD for use in allocating water under the WSAP will account for fluctuations in annual purchases.

OCWD is requesting the WSAP rules that pertain to groundwater agencies be consistent with other MWD member agencies who take full service treated or untreated MWD supplies to meet consumptive water demands.

3. **Determine the terms necessary to phase-out the MWD Conjunctive Use Program (CUP) storage agreement.** Now that the OCWD, MWDOC and MWD have developed and executed a Cyclic Agreement, the value and utility of the existing CUP program has diminished. The Cyclic Agreement is much easier to operate and allows MWD to pre-deliver excess water supplies to the OCWD groundwater basin at MWD's convenience. Operating two separate storage agreements with MWD can be confusing.

The CUP program agreement phases out in 2028. As part of the program MWD initially provided \$23 million to the District to support the construction of new water facilities. Fifteen million dollars of this funding was obtained from a Proposition 13 grant. OCWD would like to work with MWDOC and MWD to determine what the appropriate terms would be to phase out the CUP program sooner.

4. **Obtain MWD's approval to pump potable water supplies into MWD pipeline facilities**

An extensive imported water pipeline network has been constructed in Orange County to distribute MWD supplies to various agencies. As has been demonstrated over the past few years, flows in these facilities have declined. Substantial unused capacity exists in these pipelines which have been partially funded by Orange County rate payers.

OCWD and MWDOC have conceptually developed projects over the years that could have taken advantage of this unused capacity to transport groundwater and/or ocean desalination water to different retail water agencies in the region. Unfortunately, we have been unable to develop final terms and conditions from MWD for these potential projects to use these facilities.

Some progress on this issue has been made in that MWD recently approved a program whereby agencies can use their pipelines during emergency events when MWD water was unavailable under certain conditions. OCWD would like to work with MWDOC and MWD in developing appropriate terms and conditions to expand the use of MWD pipelines for normal operations where unused capacity exists.

OCWD would also like to note that this list of issues was reviewed with the OCWD Groundwater Producers who concurred with the importance of this effort. Thank you for consideration of these important requests.

Sincerely,



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

Cc: MWDOC Board of Directors
MWDOC MWD Director: Linda Ackerman
OCWD Board of Directors
OCWD Groundwater Producers



April 5, 2021

Mr. Michael R. Markus
General Manager
Orange County Water District
18700 Ward Street
Fountain Valley, CA 92708

RE: OCWD Comment Letter on Metropolitan Water District of Southern California
(MET or MWD) Policy Priority Issues

Dear Mr. Markus:

Thank you for your comment letter of December 29, 2020. While these points have been discussed publicly in multiple meetings, I offer this additional, formal response. The MWDOC Board of Directors and the MWDOC MET Directors received copies of your letter upon receipt.

As your letter states, these issues were first identified for MWDOC in an OCWD January 2019 letter and that "OCWD is again requesting appropriate consideration be given to those same issues during the coming fiscal year (FY 2021-22)." As you are aware substantial progress or completion has been already achieved on most of the items. Thank you for your written expression of appreciation of MWDOC's efforts to date. More recently, the letter and issues have been discussed by the MWDOC and OCWD Directors and Staff at the January 27, 2021 Joint Planning Committee meeting. That meeting included a presentation by Mr. John Kennedy of your staff on your letter and comments. We appreciate John's comments reflecting the progress to date or substantial completion of tasks.

While your comments are not specifically budget related, they also were summarized in MWDOC's first draft budget (February 10, 2021) and subsequent drafts. The following text is from MWDOC's first draft budget discussed at the January 10th A&F Committee meeting.

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 Agencies Managers Meeting.

Only one comment letter has been received from a MWDOC Member Agency and it deals with policy issue priorities to be addressed at MET by MWDOC and not specific aspects of the budget per se. The OCWD letter repeats four policy issues from previous years, as listed below with comments on current status:

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General Manager

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City of Huntington Beach
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Santa Margarita Water District
City of Seal Beach
Serrano Water District
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Yorba Linda Water District

- 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.
- 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.

I look forward to working with you on these and other joint issues over the next year. Thank you again for your comments. I am available at your convenience to answer questions or provide additional information.

Sincerely,



Robert J. Hunter
General Manager
Municipal Water District of Orange County

cc: MWDOC Board of Directors

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General Manager
MICHAEL R. MARKUS, P.E., D.WRE

February 24, 2021

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

SUBJECT: Fiscal Year 2021-22 Budget Preparation

Dear Mr. Hunter:

The Municipal Water District of Orange County (MWDOC) is in the process of preparing its FY2021-22 budget and has presented the first draft budget to its Administration and Finance (A&F) Committee and Member Agencies this past month. Orange County Water District (OCWD) would like to provide three initial comments for your Board's consideration:

1. Many agencies have policies in place that are eliminating travel or allowing only essential travel through the end of this calendar year due to the ongoing COVID-19 pandemic. In your A&F Committee report dated February 10, 2021, you state that "... it was assumed that COVID-19 would dramatically reduce activity in the first half of the fiscal year ..." for conference and travel expenses and yet in Exhibit E & F of that report there are many conferences budgeted for attendance in the first half of the next fiscal year. Our suggestion would be to eliminate this travel from the budget, which would result in a reduction in the budget of approximately \$40,000.
2. Over each of the past two years, the MWDOC Board has removed its membership in the Association of Metropolitan Water Agencies (AMWA) from the budget but then reinstated it later in the year. As we have requested in the past, we would again ask for consideration to remove the AMWA membership from the budget due to the lack of value it brings to MWDOC's member agencies. This would result in a reduction in membership of \$21,876 and travel of \$8,250 or a total reduction in the budget of \$30,126.
3. OCWD is also requesting MWDOC to review the appropriateness of its cash reserve amounts which appear to be too high. MWDOC has several categories of reserves and based upon the previous twelve monthly financial reports provided to the A&F Committee, the lowest cumulative total for all reserve

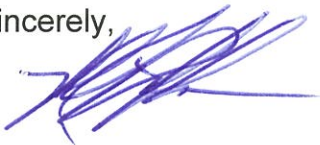
categories never fell below \$15 million and was as high as \$21.8 million. It seems reasonable to OCWD that the total amount of cash reserves can be reduced significantly for the following reasons:

- a. MWDOC's operating budget is approximately \$10 million.
- b. MWDOC is not operating and maintaining any significant infrastructure.
- c. MWDOC member agencies pay their retail meter and groundwater charge at the beginning of the fiscal year providing significant revenue certainty.
- d. A large amount of money does annually pass through MWDOC via your member agency imported water purchases. However, these financial transactions pose little risk to MWDOC.

We ask that these comments be forwarded to you Board and included in future meeting discussions regarding the budget.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MR Markus', with a stylized flourish at the end.

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

Cc OCWD Board of Directors
OCWD Groundwater Producers



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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

April 5, 2021

Mr. Michael R. Markus
General Manager
Orange County Water District
18700 Ward Street
Fountain Valley, CA 92708

RE: OCWD Comment Letter on MWDOC Draft FY 2021-22 Budget

Dear Mr. Markus:

Thank you for your comment letter of February 24, 2021. Your specific request was that “these comments be forwarded to your Board and included in future meeting discussions regarding the budget.” As previously indicated, your letter was forwarded to the Board upon receipt and was summarized in the second draft budget and the budget presentation at the March 10, 2021 Administration & Finance (A&F) Committee meeting. The second draft budget package was also included in the MWDOC Member Agency Managers meeting held on March 18, 2021. Your points were also part of the presentation at that meeting.

The following text is from the second draft budget discussed at the March 10th A&F Committee meeting.

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.

...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.

Let me provide some additional information regarding each of OCWD's comments.

Further reduce travel & conferences in the end of calendar year 2021

This comment was specifically discussed at the March 10, 2021 A&F meeting along with the MWDOC analysis. The MWDOC Directors elected not to implement any reductions beyond the staff recommendation. Further support of the assessment that in-person conferences are likely to occur beginning in October 2021 is evidenced by the decision to move the Water Summit to an October date so that it can be an in-person event.

Consider removal of the AMWA membership and travel expense

This comment was also discussed at the March 10th meeting and the Directors decided not to remove the membership and travel expenses.

Review and reduce Cash Reserve amounts

The MWDOC Reserve Policy is set by the Board of Directors. The current policy was established based on a financial consultant's review of the previous policy from the Settlement Agreement. That study was conducted because MWDOC found that the reserve limits had to be repeatedly exceeded based on actual conditions. The Board implemented the study's recommendations. OCWD's comments on the Reserve Policy have been forwarded to the Board for their consideration. The Directors have had limited discussion of the issue and have not implemented any policy changes.

Thank you again for your comments. I am available at your convenience to answer questions or provide additional information.

Sincerely,



Robert J. Hunter
General Manager
Municipal Water District of Orange County

cc: MWDOC Board of Directors

DIRECTORS

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ORANGE COUNTY WATER DISTRICT
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General Manager
MICHAEL R. MARKUS, P.E., D.WRE

April 5, 2021

Mr. Sat Tamaribuchi
Board President
Municipal Water District of Orange County (MWDOC)
18700 Ward Street
Fountain Valley, CA 92708

Dear Sat,

The Orange County Water District (OCWD) respectfully submits the following comments pertaining to the proposed South Emergency Operations Center (SEOC) project before the P&O Committee. OCWD requests that the Committee not move forward to build a SEOC. MWDOC is already spending over one million dollars to seismically retrofit and remodel MWDOC 101 to serve as WEROC's principle EOC. MWDOC also has the County's EOC as a secondary backup EOC. WEROC can perform its services under this proposed scenario which is the fiscally prudent approach.

The staff report states the construction costs are: \$400,000 for site work and soft costs; \$750,000 for vertical construction; and \$590,782 for FFE for a total of \$1,745,000; which we believe is low. The actual cost per square foot is potentially three times that much or \$700.00 per foot. Constructing a 3,200 sq. ft. building at \$700.00 per foot is \$2,240,000, raising the project's construction cost to \$3,230,782. This estimate is based upon the seismic standards, steel frame construction, prevailing wage, relatively small and inefficient size of the building and 2022-2023 increased construction costs.

OCWD recommends the following:

1. The Planning and Operations Committee select Option #3.
2. If it is the Committee's pleasure to move forward, then we request the Committee to continue the item pending an independent financial analysis for the site cost, soft costs, vertical construction cost, FFE; and needs analysis for 3,200 sq. ft.
3. If your Board decides to move forward with the project, we would ask that it be funded entirely through MWDOC's reserves.

Our comments are respectfully submitted. Thank you.

Sincerely,

Steve Sheldon
Board President

Cc: OCWD Groundwater Producers



April 12, 2021

Mr. Steve Sheldon
Board President
Orange County Water District (OCWD)
18700 Ward Street
Fountain Valley, CA 92708

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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

Dear Steve,

We appreciate receiving your comments and recommendations regarding the proposed South Emergency Operations Center (SEOC) project in your letter dated April 5, 2021.

Our Planning and Operations Committee considered your letter at its meeting on April 5, 2021 and the Committee recommended the Board of Directors support Option 1 (proceed with the new South EOC construction project and authorize the General Manager to (1) enter into an agreement with El Toro Water District, (2) Use cash reserves to cover the first year costs for FY 2021-22 (estimated \$404,219), (3) MWD OC to continue seeking grant funding, and (4) Utilize FY 2021-22, to finalize and implement funding options for full project budget with additional Board approval through either a combination of debt and grant financing to mitigate rate impacts with potential options of the Infrastructure State Revolving Fund (ISRF) Program thru IBank, or a Bank loan with a Bank, or full project funding with MWD OC reserves with a proscribed period of reserve repayment to mitigate rate impacts), and to work with ETWD to refine the cost estimates associated with the project, and research alternative options (if available) in the event the project costs prove too high.

We are spending over \$1 million for the seismic retrofit project of the MWD OC Administrative Building. We are not spending over \$1 million on Conference Room 101. This work is being done to achieve four goals:

- (1) Life Safety - protection of people in the facility during and immediately after a seismic event
- (2) Ability of the facility to continue to function after a seismic event
- (3) Improve office space efficiency
- (4) Provide a backup WEROC EOC to the primary South EOC

WEROC cannot use the County's EOC as a secondary backup. The County's EOC facility cannot accommodate the space needed for WEROC. Prior to coming to MWD OC, our WEROC Director of

Director Steve Sheldon
April 12, 2021
Page Two

Emergency Management spent 15 years at the County as the Assistant Emergency Manager and has firsthand knowledge that the County EOC has limited space and is unable to support WEROC's needs.

If the OCWD Board of Directors is interested, our Director of Emergency Management is more than happy to provide a presentation on the WEROC EOC Operations and the County EOC Operations.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sat Tamaribuchi", is written over a light blue rectangular background.

Sat Tamaribuchi
Board President

cc: MWDOC Board of Directors
Robert Hunter, MWDOC GM

DIRECTORS

DENIS R. BILODEAU, P.E.
JORDAN BRANDMAN
CATHY GREEN
NELIDA MENDOZA
DINA L. NGUYEN, ESQ.
KELLY ROWE, C.E.G., C.H.
STEPHEN R. SHELDON
TRI TA
BRUCE WHITAKER.
ROGER C. YOH, P.E.



ORANGE COUNTY WATER DISTRICT

ORANGE COUNTY'S GROUNDWATER AUTHORITY

OFFICERS

President
STEPHEN R. SHELDON

First Vice President
CATHY GREEN

Second Vice President
TRI TA

General Manager
MICHAEL R. MARKUS, P.E., D.WRE

April 12, 2021

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

SUBJECT: South County Emergency Operations Center (EOC) Cost Estimate

Dear Mr. Hunter:

I appreciate you sending me the excel spreadsheet cost estimate that was prepared for the South County EOC and after reviewing it have the following comments:

1. There was confusion in the spreadsheet starting with column B lines 16, 17, 19, 21, 23 and 24. Regarding the assumptions (in red), we agree with lines 16, 17 and 19, but not 21, 23 and 24.
 - a. The percentage in line 21 (Soft costs) should be multiplied by line 20 (Total project construction cost) for a result of \$477,148.
 - b. Line 22 (Total Project Cost) then becomes \$1,840,429.
 - c. The percentage in line 23 (Low Range of Expected Project Cost) should be multiplied by line 22 (Total project cost) for a result of \$1,472,343.
 - d. The percentage in line 24 (High Range of Expected Project Cost) should be multiplied by line 22 (Total Project Cost) for a result of \$2,392,558.
2. The estimate for the prefabricated steel building seems reasonable for the structure itself, but there did not appear to be any costs included in the estimate for a concrete slab (unless El Toro is paying 100% for that item), interior wall systems, drop ceilings, floor coverings or an emergency generator.
3. It also was not apparent how the project expanded from an existing 2,400 square foot (sf) building to 3,800 sf.

Robert J. Hunter
April 12, 2021
Page 2 of 2

Given the significant spread in the estimated cost of the project at this time, it might make more sense slowing down on the project until the cost of the proposed project is better defined.

Please forward this letter to your Board of Directors.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MR Markus', with a long horizontal flourish extending to the right.

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

cc: OCWD Board of Directors
OCWD Groundwater Producers

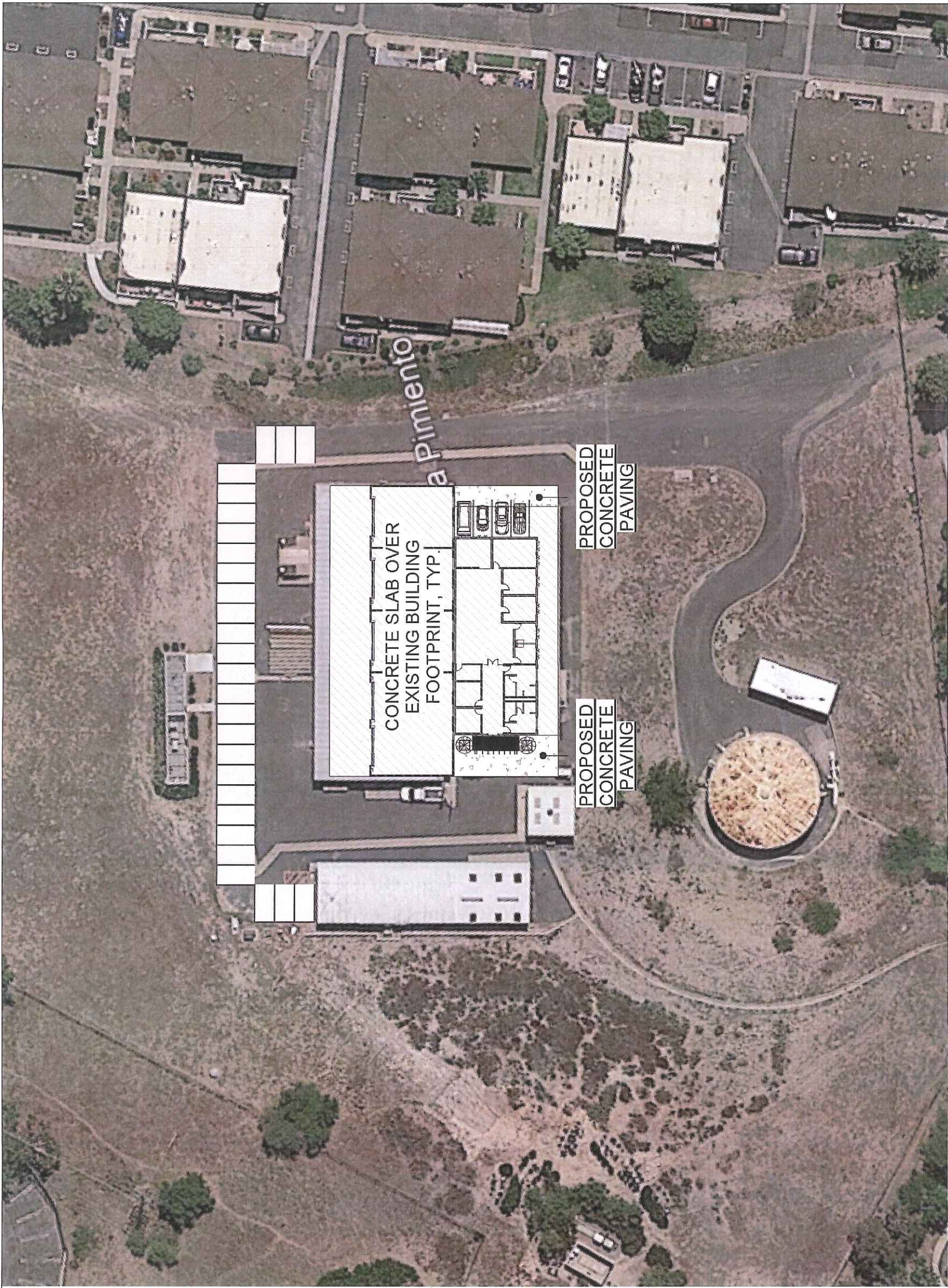


FIGURE
A-1

DATE
JAN. 2020

EL TORO WATER DISTRICT
FILTER PLANT

BRADY

2655 Camino del Rio North
Suite 100, San Diego, CA 92108
P: (858) 496-0500

SITE PLAN

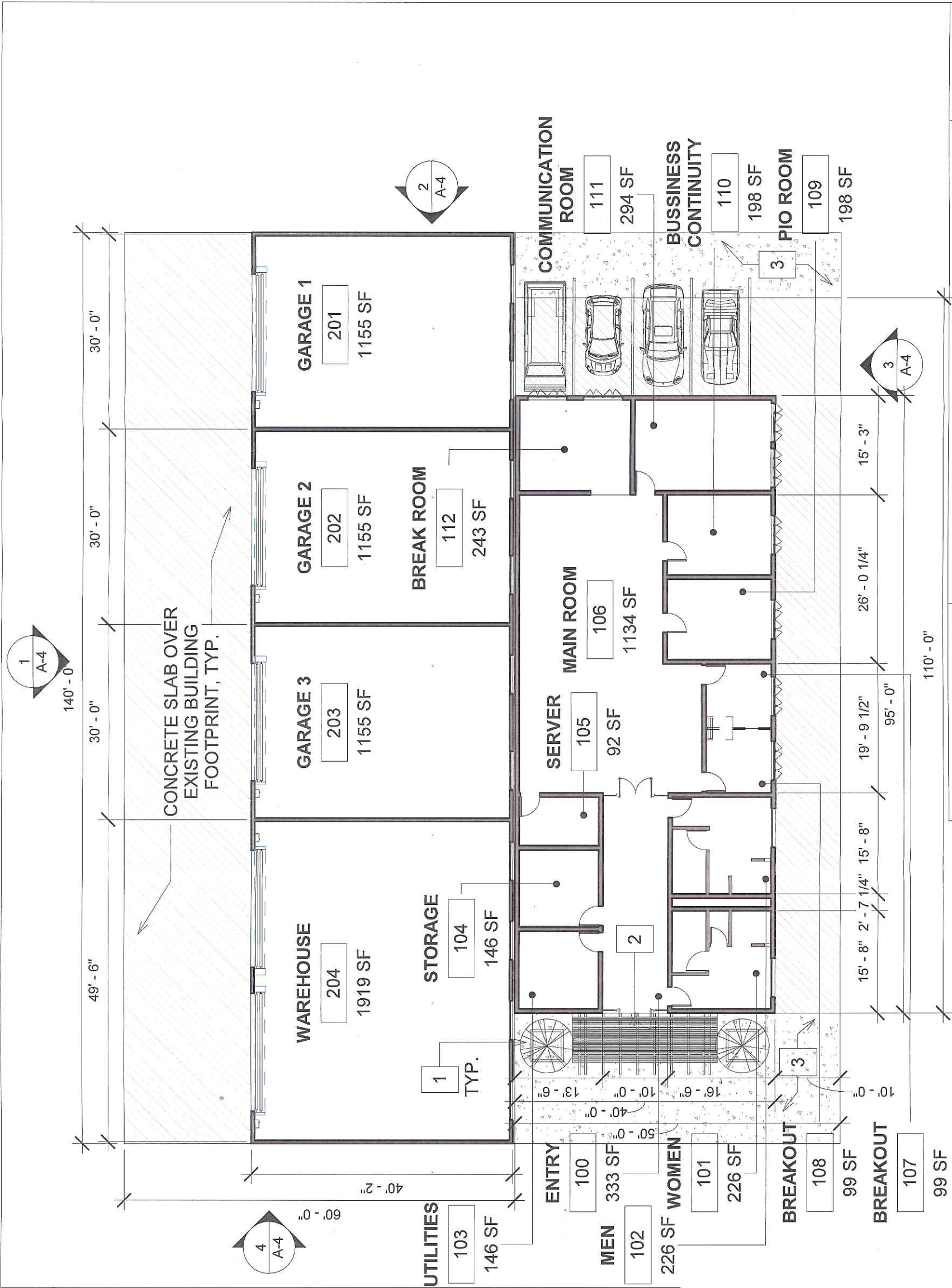
SCALE: 1" = 100'-0"

Platt/Whitelaw
Architects, Inc.
4034 30th Street
San Diego, CA
92104



| ROOM SCHEDULE | | |
|---------------|----------------------|---------|
| Number | Name | Area |
| 100 | ENTRY | 333 SF |
| 101 | WOMEN | 226 SF |
| 102 | MEN | 226 SF |
| 103 | UTILITIES | 146 SF |
| 104 | STORAGE | 146 SF |
| 105 | SERVER | 92 SF |
| 106 | MAIN ROOM | 1134 SF |
| 107 | BREAKOUT | 99 SF |
| 108 | BREAKOUT | 99 SF |
| 109 | PIO ROOM | 198 SF |
| 110 | BUSSINESS CONTINUITY | 198 SF |
| 111 | COMMUNICATION ROOM | 294 SF |
| 112 | BREAK ROOM | 243 SF |
| 201 | GARAGE 1 | 1155 SF |
| 202 | GARAGE 2 | 1155 SF |
| 203 | GARAGE 3 | 1155 SF |
| 204 | WAREHOUSE | 1919 SF |

| | |
|---|--------------------------|
| 1 | RAISED PLANTER WITH TREE |
| 2 | OVERHEAD TRELLIS |
| 3 | PROPOSED CONCRETE PAVING |





Platt/Whitelaw
Architects, Inc.
4034 30th Street
San Diego, CA
92104

FLOOR PLAN

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








BRADY

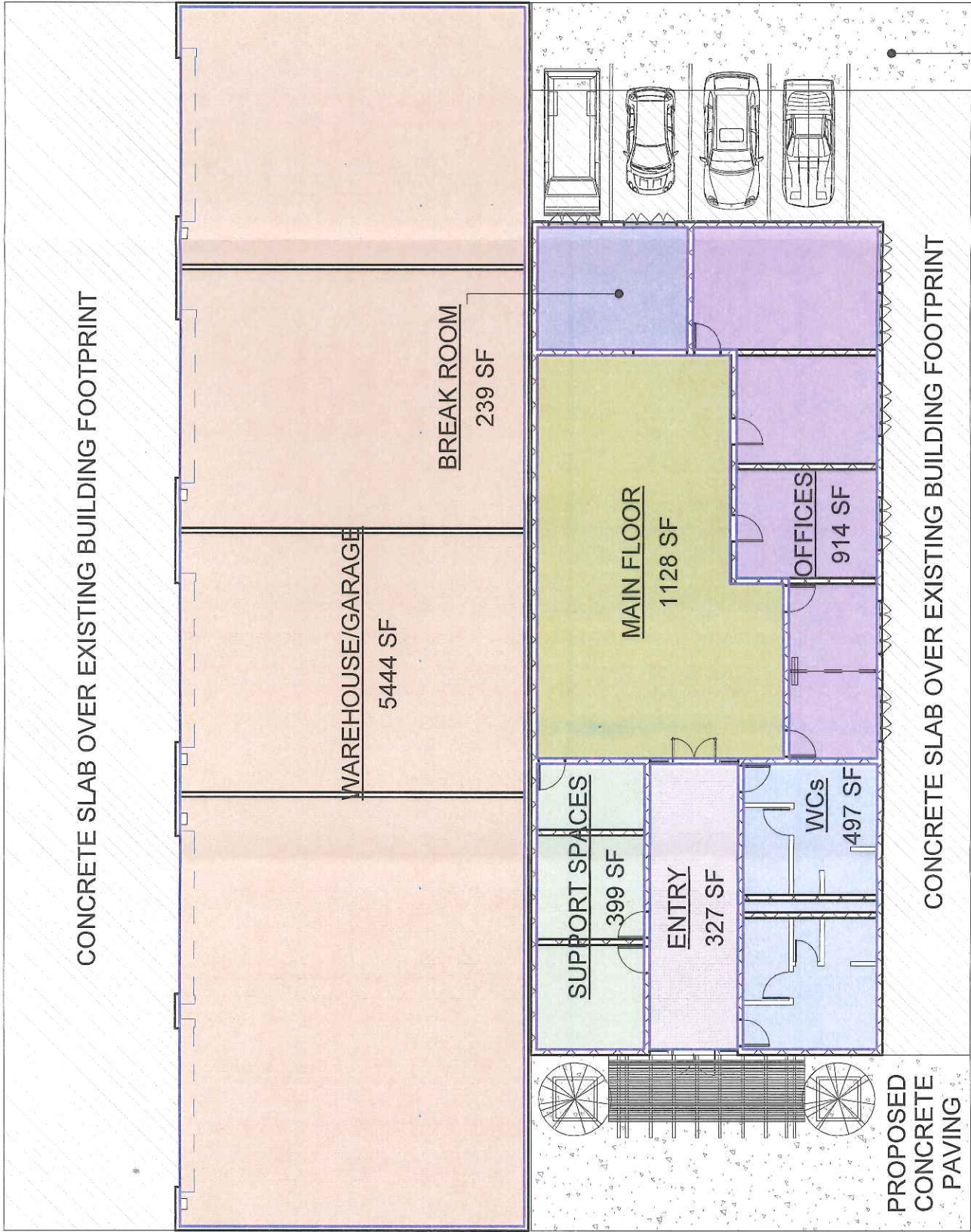

2655 Camino del Rio North
Suite 100, San Diego, CA 92108
P: (858) 496-0500

EL TORO WATER DISTRICT
FILTER PLANT

FIGURE
A-2

DATE
JAN. 2020

| AREA LEGEND | |
|---|------------------|
|  | BREAK ROOM |
|  | ENTRY |
|  | MAIN FLOOR |
|  | OFFICES |
|  | SUPPORT SPACES |
|  | WAREHOUSE/GARAGE |
|  | WCs |

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4034 30th Street
San Diego, CA
92104

AREA PLAN

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



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EL TORO WATER DISTRICT
FILTER PLANT

FIGURE
A-3

DATE
JAN. 2020



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San Diego, CA
92104

ELEVATIONS

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

BRADY

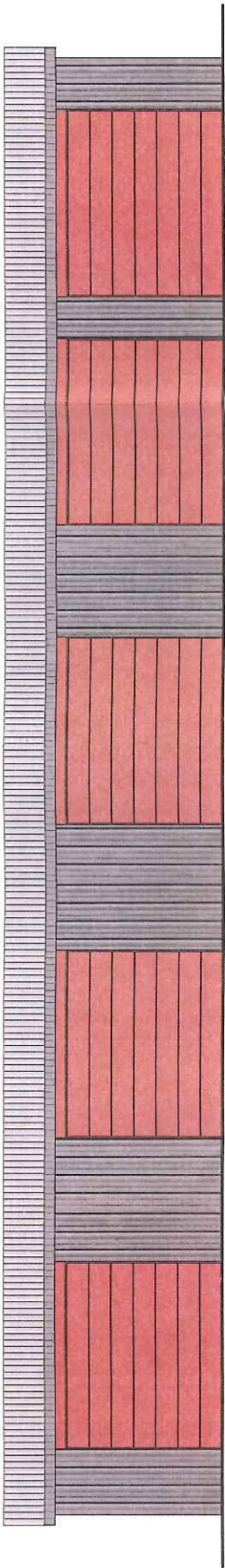
2655 Camino del Rio North
Suite 100, San Diego, CA 92108
P: (858) 496-0500

EL TORO WATER DISTRICT
FILTER PLANT

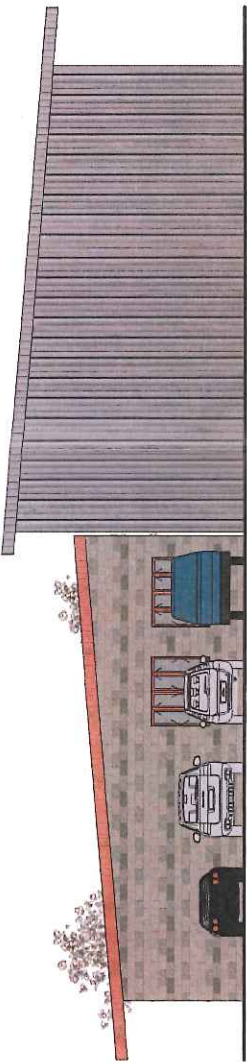
FIGURE
A-4

DATE

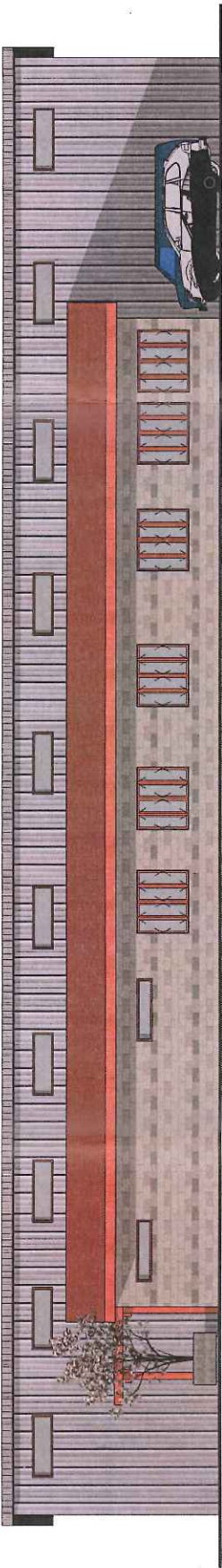
14. JAN 2020



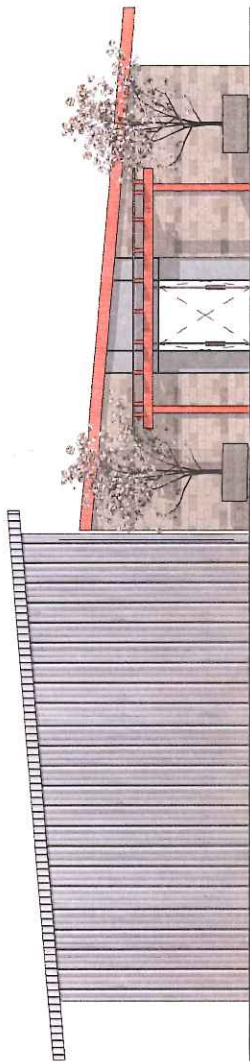
NORTH ELEVATION | 1



EAST ELEVATION | 2



SOUTH ELEVATION | 3



WEST ELEVATION | 4

| Option D- ETWD Warehouse/Storage Building Only and MWDOC Cost Reimbursement for the WEROC Building | | | | |
|--|--|--------------|------------|------------------------|
| Item | Description | El Toro Cost | MWDOC Cost | |
| 1 | Demolish and removal of the filter plant steel building | \$325,000 | | |
| 2 | Fill all below ground structures fill, new concrete slab | \$340,000 | | |
| 3 | Utility disconnects, cut and capping/new utilities | \$75,000 | \$15,000 | |
| 4 | Hazardous materials abatement | \$50,000 | | |
| 5 | Removal of concrete valve vault/pipeline disconnects | \$125,000 | | |
| 6 | Construct WEROC building, prefabricated metal (Shook) | \$225,000 | \$225,000 | |
| 7 | Construct ETWD prefabricated storage building (Shook) | \$325,000 | | |
| 8 | Relocation of AQMD office and equipment | \$0 | | |
| 9 | Site grading (allowance) | \$75,000 | \$22,500 | |
| 10 | Rehabilitate HOA entry (allowance) | \$100,000 | \$30,000 | |
| 11 | Fence improvements (allowance) | \$25,000 | | |
| 12 | Landscape and irrigation improvements (allowance) | \$25,000 | | |
| 13 | AC paving repairs (allowance) | \$50,000 | | |
| 14 | Demolish and removal of the existing clearwell, including lead paint abatement | \$155,000 | | |
| | FF&E | | \$200,000 | AV, Telecom, furniture |

| | | | | | |
|----|---|-------------|--|-------------|------------------------------------|
| | Fire Suppression | | | | reg sys \$8 ft |
| | Plumbing - Both Bathrooms | | | \$40,000 | 54900 |
| | HVAC | | | \$55,000 | |
| | | | | \$100,000 | |
| | Electrical Service Connection, Transformer, Manual Transfer Switch, trenching run | | | \$185,000 | |
| 15 | Subtotal | \$1,895,000 | | \$872,500 | |
| 16 | General Conditions (10% of line 14)) 15? | \$184,500 | | \$87,250 | |
| 17 | Contractor Overhead and Profit (15% of line 14) 15? | \$276.75 | | \$130,875 | |
| 18 | Total | \$2,306,250 | | \$1,090,625 | \$1,215,625 |
| 19 | Project contingency (10% of line 17) 18? CHANGED to 25% | \$230,625 | | \$272,656 | |
| 20 | Total project construction cost | \$2,536,875 | | \$1,363,281 | |
| 21 | Soft Costs (35% of line 17) 18? | \$887,906 | | \$381,719 | Design & Eng., Permits, Plan Check |
| 22 | Total Project Cost | \$3,424,781 | | \$1,745,000 | |
| 23 | Low Range of Expected Project Cost (-120% of line 19) 20? | \$2,739,825 | | \$1,396,000 | |
| 24 | High Range of Expected Project Cost (+130% of line 19) 20? | \$4,452,216 | | \$1,919,500 | Middle line est 1,824,000 |

FY 21-22 \$404,219 Soft Costs, Site grading

FY 22-23 Construction \$670,391

FY 23-24 Construction \$670,391

\$1,745,000



April 13, 2021

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Fountain Valley, CA 92728-0895

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Sat Tamaribuchi
President

Megan Yoo Schneider, P.E.
Vice President

Larry D. Dick
Director

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

Al Nederhood
Director

Karl W. Seckel, P.E.
Director

Jeffery M. Thomas
Director

Robert J. Hunter
General Manager

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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

Mr. Mike Markus
General Manager
Orange County Water District
18700 Ward St.
Fountain Valley, CA 92708

RE: South Orange County Emergency Operations Center (EOC) Cost Estimate

Dear Mr. Markus:

MWDOC is in receipt of OCWD's letter dated April 12, 2021, providing comments on the preliminary cost estimate for a replacement WEROC EOC building on El Toro Water District property. Thank you for your comments.

We offer some additional information regarding the preliminary cost estimate to address three main points in the letter:

1. The letter indicates that the soft cost estimate used (i.e., 35% by El Toro Water District's [ETWD] consultant Brady and Associates [Brady]) should have an additional contingency amount added.
 - Guidance for preliminary estimates for building construction projects, indicate that soft costs as a percentage of total construction costs of 30% is generally considered adequate, unless there are circumstances that point toward the need for a higher percentage. The proposed EOC does not exhibit signs that permits or design of the MWDOC portion of the project will be anything other than ordinary. To add additional contingency to an already high soft cost estimate may be construed as estimate 'padding'.
2. The letter also indicates the estimate for a prefabricated steel building seems reasonable, but that items appear to be missing (i.e., concrete slab, interior walls and drop ceilings, and an emergency generator).
 - Our understanding of the Brady estimate is that the interior build-out (partition walls, drop ceiling, and flooring) is included in the building cost estimate.
 - Additionally, in 2020 MWDOC/WEROC thru the Urban Area Security Initiative Grant, obtained a relatively new 240 KVA emergency generator in a transfer agreement with another Orange County agency. The necessary electrical work for the generator transfer switch was added to the Brady estimate in the electrical service connection line item of the revised estimate previously forwarded to OCWD.
 - The issue of MWDOC/WEROC's cost for a concrete slab and site work is something that would be captured in a design level project estimate at the conclusion of further negotiations. An allowance for site preparation (which we take to include costs for concrete slab foundation work) is included in the estimate but is a point of further clarification in future project discussions.

3. Finally, the letter indicates it is not apparent how the project 'expanded' from an existing 2,400 square foot (sf) building to 3,800 sf.
- The existing 2,400 sf building is inadequately sized for emergency operation's needs. The existing building is sited immediately in between a steep hill to the west, a main water transmission line running parallel to the building to the east, an abutting garage actively used by ETWD to the south, and the electrical service for all of the buildings in the area immediately to the north. Previous analysis by Claris Strategy of the existing EOC operations used the existing footprint as the maximum available footprint given the site conditions and attempted to reconfigure the building using those space constraints. The new building, which does not have those constraints, is based upon another Orange County EOC design which determined 3,700 square feet to be a better size for emergency operational needs. In MWDOC's review of the preliminary design, a 10-ft x 10-ft restroom/locker/storage room was added which brought the footprint to 3,800 sf.

Thank you for your comments. Your letter has been forwarded to the MWDOC Board and is included in the Third Draft Budget. I am available if you have any questions or require additional information.

Sincerely,



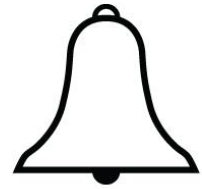
Robert J. Hunter
General Manager

cc: MWDOC Board of Directors
Vicki Osborn, Director of Emergency Management
Charles Busslinger, Director of Engineering

BOARD OF DIRECTORS

CHARLES T. GIBSON
SAUNDRA F. JACOBS
JUSTIN McCUSKER
BETTY H. OLSON, PH.D
FRANK URY

DANIEL R. FERONS
GENERAL MANAGER



Santa Margarita Water District

Mr. Sat Tamaribuchi, President
Municipal Water District of Orange County
PO Box 20895
Fountain Valley, CA 92728

Subject: Comments on Second Draft of Municipal Water District of Orange County Fiscal Year 2021-2022 Budget

Dear President Tamaribuchi:

The District appreciates the opportunity to review the draft annual budget and extends a sincere thanks to the Board and you for the open and transparent process. Overall, we want to compliment the MWDOC Board, you and your staff for your efforts this year to maintain a tight budget during these challenging and stressful times for our communities and joint constituents.

As noted above, we generally support the second draft of the budget. During the presentations at your Board and committee meetings, we discussed a couple of primary issues and want to provide our comments on those below:

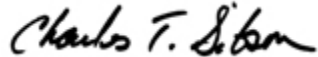
- Regarding the budgeted Orange County Water Use Efficiency Potential & Opportunity Study, before hiring consultants or incurring any expense, further engage with member agencies' representatives to confirm the study's purpose and scope. Also, Metropolitan's technical and financial support for this study should be confirmed prior to adoption of MWDOC's budget.
- The budget discussion at the MWDOC Administration and Finance Committee included the South Orange County Emergency Operation Center and potential addition of the capital costs for this project. We support the use of reserves to fund the project as discussed in MWDOC committee.
- The Public Affairs budget includes development of a video series on the importance of the Bay Delta. The need and purpose of this item is not clear. The District requests MWDOC remove the item from the budget and work to develop a regional approach similar to the recently produced video series on recycled water by the Southern California Water Coalition. The collaborative approach made the series valuable across Southern California and may help defray expenses.
- The recent committee discussion also included a look at the MWDOC Reserve Policy, the District supports that effort considering the relatively low risk for financial hardship at MWDOC.

In addition, MWDOC is developing a cost allocation with the study by Raftelis, the District wants to confirm its support for the continued use of a retail agency cost allocation by meter and support for the proposed 1/26th allocation of all cost centers to the groundwater class of customer, Orange County Water District.

Thank you in advance for consideration of comments and suggestions, please feel free to reach out to Dan Ferons at danf@smwd.com or me at charlesg@smwd.com with any questions or comments.

Very Truly Yours,

SANTA MARGARITA WATER DISTRICT

A handwritten signature in black ink, appearing to read "Charles T. Gibson".

Charles T. Gibson
President

CC: MWDOC Board of Directors
SMWD Board of Directors
Mr. Robert Hunter, General Manager



April 2, 2021

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Director

Robert J. Hunter
General Manager

MEMBER AGENCIES

City of Brea
City of Buena Park
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City of Huntington Beach
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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

Mr. Charles T. Gibson, President
Santa Margarita Water District
26111 Antonio Parkway
Santa Margarita, CA 92688

RE: SMWD Comment Letter – MWDOC Second Draft Budget FY 2021-22

Dear President Gibson:

Thank you for your comment letter of March 19, 2021 and your statements at last night's Elected Officials Forum. I appreciate your complimentary observations regarding an open and transparent budget process and the efforts of the MWDOC Board and Staff to maintain a tight budget. We have previously discussed the issues in your letter at your Board meeting on the morning of March 19th but I will formally respond to your letter to MWDOC President Tamaribuchi. Please be aware that your letter was distributed to the entire MWDOC Board upon receipt.

The following text is from the third draft of the MWDOC budget which will be discussed at the April 19, 2021 Administration & Finance (A&F) Committee meeting. Please note that this meeting date has been changed from April 14. This text will be updated to incorporate any other comment letters MWDOC receives prior to the meeting posting date and to reflect the discussions of the April 5, 2021 Planning & Operations (P&O) Committee meeting regarding the South Emergency Operations Center (EOC).

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 and second draft budgets were discussed at the February and March A&F and Managers meetings. Member Agency input and comment is requested, encouraged and received during each meeting. One comment letter was received on the second draft budget from the Santa Margarita Water District (SMWD) (March 19, 2021) which included four comments on the draft budget and one comment on the rate study.

- Regarding the proposed Orange County Water Use Efficiency Potential & Opportunity Study, SMWD commented that MWDOC staff should further engage with member agency representatives to confirm purpose and scope and potential involvement by Metropolitan's technical staff. Additional discussion was held during the Member Agency Managers meeting and with Metropolitan.
- SMWD supports the use of MWDOC reserves to fund the South Emergency Operations Center Project. MWDOC has discussed the project further in the April Planning & Operations Committee and the recommendations from that committee are incorporated into the budget.
- SMWD requested that MWDOC remove the development of a video series on the Bay Delta from the budget and work to develop a regional approach to the videos to help defray costs.
- SMWD supports a review of MWDOC's Reserve Policy.
- Regarding the rate study, SMWD supports the proposed modification to the 1/26th fixed rate method.

Let me provide some additional information regarding each of SMWD's comments.

Orange County Water Use Efficiency Potential & Opportunity Study

A detailed discussion was held with the MWDOC Member Agency Managers at the March 18, 2021 meeting. There was consensus on the study purpose, need, and scope. The project was further discussed at last night's Elected Officials Forum. Coordination is being conducted not only with Metropolitan but also with other MET Member Agencies and regional organizations. The intention is to build on existing research. One goal of the study is to have a solid technical basis to the discussions with state regulators and legislators regarding the conservation framework and standards. MWDOC has found this data driven approach to be effective in guiding proposed regulation.

South Emergency Operations Center Project

Thank you for the support of this project. As requested by the MWDOC Board this item has been agendized for Monday's P&O meeting. The timeline is being driven by El Toro Water District's site redevelopment project. There are two late breaking developments. IRWD has proposed a change in the primary and secondary EOC designations and has offered an IRWD public community room as a secondary location. This offer is currently being evaluated. The second item relates to the possibility of a new federal grant process and program for emergency response projects. The recommended option for the Committee and Board decisions is to fund the first year of the project through reserve funds and use that year to evaluate and pursue funding alternatives.

Bay Delta Video Series

MWDOC Staff has an ongoing relationship with the Southern California Water Coalition and has participated in and shared funding on communication projects. These specific videos are focused on the sustainable water supply for Orange County and one of multiple target audiences is the city cable access system in OC. The five 2.5-3 minute videos are one of the services embedded in our social media contract. Damon Micalizzi and Jim Leach have discussed the video project and concur on its benefits.

Reserve Policy

The Reserve Policy is set by the Board of Directors. The current policy was established based on a financial consultant's review of the previous policy from the Settlement Agreement. That study was conducted because MWDOC found that the reserve limits had to be repeatedly exceeded based on actual conditions. The Board implemented the study's recommendations. SMWD's comments on the Reserve Policy have been forwarded to the Board.

2021 Rate Study

Thank you for your support of the Groundwater 1/26th share rate methodology. Two goals of the ongoing rate study were to develop rates that are legal and that were considered equitable by consensus. The study has progressed smoothly with a remarkable degree of consensus. The result is an offsetting financial shift from the groundwater to the retail meter customer class. The decision on the rate study and the resulting rates is scheduled for recommendation at the April 19th A&F meeting and Board approval at the April 21st Board of Directors meeting.

Thank you again for your comments. I am available at your convenience to answer questions or provide additional information.

Sincerely,



Robert J. Hunter
General Manager
Municipal Water District of Orange County

cc: MWDOC Board of Directors
SMWD Board of Directors
Dan Ferons, General Manager



Annual Budget for Fiscal Year 2021-22

Third Draft

MWDOC's mission is:

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

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

| | FY 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) | \$ 3,630,813 | \$ 59,779 | \$ 21,122 |
| Employee Benefits | 1,182,786 | 1,180,004 | (2,782) | 1,194,060 | 14,056 | 11,274 |
| 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 | (304,761) | (8,494) | (3,835) |
| 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 | - | 260,346 | 19,110 | 19,110 |
| 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) | \$ 8,538,373 | \$ 555,440 | \$ 273,727 |
| 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) | \$ 8,980,346 | \$ 270,530 | \$ (11,183) |

| | | | | | | |
|------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|------------------|
| REVENUES: | | | | | | |
| Retail Meter Charge | \$ 7,837,792 | \$ 7,837,792 | \$ (0) | \$ 8,132,230 | \$ 294,438 | \$ 294,437 |
| Ground Water Customer Charge | 595,323 | 595,323 | - | 573,893 | (21,430) | (21,430) |
| 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) | \$ 8,929,123 | \$ 280,007 | \$ 35,007 |

| | | | | | | |
|--|--------------------|--------------------|------------------|--------------------|-----------------|------------------|
| EFFECT ON RESERVES: | | | | | | |
| TOTAL CONTRIBUTION (DRAW) FROM RESERVES | \$ (97,413) | \$ (60,700) | \$ 36,713 | \$ (51,223) | \$ 9,478 | \$ 46,190 |

- (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) | 162,670 | 13,034 | 10,071 |
| Director Compensation | - | - | - | - | - | - |
| Director Benefits | - | - | - | - | - | - |
| MWD Representation | - | - | - | - | - | - |
| Overhead Reimbursement | 300,926 | 296,267 | (4,659) | 304,761 | 8,494 | 3,835 |
| 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) | \$ 1,619,194 | \$ 270,449 | 20.05% |
| TOTAL EXPENSES | \$ 1,630,995 | \$ 1,348,745 | \$ (282,250) | \$ 1,619,194 | \$ 270,449 | \$ (11,801) |

| | | | | | | |
|-----------------------|---------------------|---------------------|---------------------|---------------------|-------------------|--------------------|
| REVENUES: | | | | | | |
| Choice Revenue | \$ 1,630,995 | \$ 1,348,745 | \$ (282,250) | \$ 1,619,194 | \$ 270,449 | \$ (11,801) |
| TOTAL REVENUES | \$ 1,630,995 | \$ 1,348,745 | \$ (282,250) | \$ 1,619,194 | \$ 270,449 | \$ (11,801) |

- (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) | \$ 4,178,542 | \$ 72,922 | \$ 26,468 | (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) | 1,356,730 | 27,090 | 21,345 | (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 | - | 260,346 | 19,110 | 19,110 |
| 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) | \$ 10,157,567 | \$ 825,889 | \$ 261,926 |
| 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) | \$ 10,599,540 | \$ 540,979 | \$ (22,984) |

(3)

(4)

(3)

(4)

| | | | | | | |
|------------------------------|----------------------|---------------------|---------------------|----------------------|-------------------|------------------|
| REVENUES: | | | | | | |
| Retail Meter Charge | \$ 7,837,792 | \$ 7,837,792 | \$ (0) | \$ 8,132,230 | \$ 294,438 | \$ 294,437 |
| Ground Water Customer Charge | 595,323 | 595,323 | - | 573,893 | (21,430) | (21,430) |
| 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) | 1,619,194 | 270,449 | (11,801) |
| TOTAL REVENUES | \$ 10,525,111 | \$ 9,997,860 | \$ (527,250) | \$ 10,548,317 | \$ 550,457 | \$ 23,206 |

| | | | | | | |
|--|--------------------|--------------------|------------------|--------------------|-----------------|------------------|
| EFFECT ON RESERVES: | | | | | | |
| TOTAL CONTRIBUTION (DRAW) FROM RESERVES | \$ (97,413) | \$ (60,700) | \$ 36,713 | \$ (51,223) | \$ 9,478 | \$ 46,190 |

(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 | \$ 1,235,796 |
| 12 | Administrative - General | 3.75 | 3.97 | 695,341 | 656,142 | 789,058 |
| 13 | Personnel / Staff Development | 1.56 | 1.69 | 427,047 | 396,491 | 393,261 |
| 19 | Overhead | 4.43 | 4.15 | 1,068,235 | 1,011,959 | 1,355,957 |
| 21 | Reliability Planning and Engineering | 3.62 | 2.57 | 941,736 | 1,081,194 | 679,793 |
| 23 | Metropolitan Issues and Water Policy | 3.76 | 3.98 | 777,165 | 789,692 | 959,009 |
| 31 | Governmental Affairs | 0.97 | 0.85 | 514,960 | 457,556 | 495,760 |
| 35 | Water Use Efficiency (Core) | 1.04 | 0.95 | 461,443 | 464,143 | 465,589 |
| 32 | Public Affairs | 4.45 | 4.77 | 910,703 | 822,677 | 1,007,906 |
| 41 | Finance | 3.55 | 3.37 | 673,518 | 656,629 | 583,812 |
| 45 | Information Technology | 1.01 | 0.99 | 380,031 | 367,291 | 312,086 |
| 25 | MWDOC's Contribution to WEROC | 3.20 | 3.11 | 241,236 | 241,236 | 260,346 |
| CORE TOTAL | | 33.01 | 31.98 | \$ 8,264,646 | \$ 7,982,933 | \$ 8,538,373 |
| 62 | Water Use Efficiency Program | 4.85 | 4.90 | 900,920 | 850,428 | 914,889 |
| 63 | School Programs | 0.06 | 0.05 | 406,606 | 210,974 | 412,988 |
| 70 | Water Loss Control | 1.83 | 1.39 | 323,469 | 287,343 | 291,317 |
| CHOICE TOTAL | | 6.74 | 6.34 | \$ 1,630,995 | \$ 1,348,745 | \$ 1,619,194 |
| CORE & CHOICE TOTAL | | 39.75 | 38.32 | \$ 9,895,641 | \$ 9,331,678 | \$ 10,157,567 |
| Includes: | Full-time employees | 33.00 | 32.25 | (2) | | |
| | Part-time employees | 1.15 | 1.52 | | | |
| | 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, 3 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 | \$ 8,166 | \$ 8,234 | \$ 8,782 | \$ 9,402 |
| OPEB Reserve | 297 | 297 | 297 | 297 | 297 | 297 | 297 |
| Adjusted Reserve Balance | 7,008 | 7,674 | 7,678 | 7,869 | 7,937 | 8,485 | 9,105 |
| Revenues | | | | | | | |
| Water Rate Revenues: | | | | | | | |
| Retail Meter Agency Charge | 7,838 | 8,132 | 8,336 | 8,489 | 8,581 | 8,688 | 8,746 |
| Ground Water Customer Charge | 595 | 574 | 581 | 588 | 595 | 602 | 609 |
| Subtotal | 8,433 | 8,706 | 8,917 | 9,077 | 9,176 | 9,290 | 9,355 |
| Other Revenues: | | | | | | | |
| Choice Revenues | 1,349 | 1,619 | 1,639 | 1,658 | 1,678 | 1,698 | 1,719 |
| Interest Earnings | 213 | 220 | 232 | 283 | 342 | 424 | 525 |
| Misc./Reimbursements | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Subtotal | 1,565 | 1,842 | 1,874 | 1,945 | 2,024 | 2,125 | 2,247 |
| Total Revenues | 9,998 | 10,548 | 10,791 | 11,021 | 11,200 | 11,415 | 11,602 |
| Expenses | | | | | | | |
| Core Expenses | 7,904 | 8,271 | 8,370 | 8,471 | 8,572 | 8,675 | 8,779 |
| Choice Expenses | 1,349 | 1,619 | 1,639 | 1,658 | 1,678 | 1,698 | 1,719 |
| Capital Acquisitions (not including building) | 79 | 267 | 20 | 20 | 20 | 20 | 20 |
| Total Expenses w/o Building & Election | 9,332 | 10,158 | 10,029 | 10,149 | 10,271 | 10,394 | 10,518 |
| Revenue Over Expenses w/o Building & Election | 666 | 391 | 762 | 872 | 929 | 1,021 | 1,084 |
| ELECTION Reserve Beginning Balance | 1,333 | 462 | 462 | 190 | 571 | 81 | 462 |
| Annual Election Reserve Contribution | - | - | 381 | 381 | 381 | 381 | 381 |
| Annual Election Expense | 871 | - | 653 | - | 871 | - | 653 |
| Election Reserve Ending Balance | 462 | 462 | 190 | 571 | 81 | 462 | 190 |
| BUILDING Reserve Beginning Balance | 437 | - | - | - | 413 | 403 | 413 |
| Annual Building Reserve Contribution | - | 387 | 190 | 423 | - | 20 | 10 |
| Annual Building Expense | 727 | 442 | 200 | 10 | 10 | 10 | 10 |
| BUILDING Reserve Ending Balance | - | - | - | 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 | \$ 7,216 | \$ 7,679 | \$ 6,953 | \$ 8,001 | \$ 8,230 | \$ 9,195 |
| 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 | \$ 12.65 | \$ 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 | \$ 0.45 | \$ 0.25 | \$ 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 | 8,166 | 8,234 | 8,782 | 9,402 |
| Average Revenue from Agencies | 4,458 | 4,538 | 4,588 | 4,645 | 4,677 |
| 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 | 19,372 | 19,668 | 19,810 | 20,440 | 21,118 |
| Interest rate | 1.20% | 1.44% | 1.73% | 2.07% | 2.49% |
| Interest Revenue Projections: | | | | | |
| Interest income - General | 232 | 283 | 342 | 424 | 525 |
| Total Interest Revenue Projections | 232 | 283 | 342 | 424 | 525 |

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 | 3,630,813 |
| 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 | 1,194,060 |
| 6109 | CALPERS Unfunded Liability Contribution | 207,000 | 207,000 | 207,000 |
| 6111 | Overhead Reimbursement | (300,926) | (296,267) | (304,761) |
| 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 |
| 7450 | 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 | 8,283,830 |
| | MWDOC's Contribution to WEROC Oper | 241,236 | 241,236 | 260,346 |
| | 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>8,980,346</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 | 1,619,194 |
| 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 | 1,619,194 |

| | | 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 | 162,670 |
| | Overhead Reimbursement | 300,926 | 296,267 | 304,761 |
| 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 | - | - | - |
| 7450 | Computers and Equipment | 2,000 | 1,908 | - |
| 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 | 1,619,194 |

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 | 4,178,542 |
| | 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 | 1,356,730 |
| 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 |
| 7450 | Computers and Equipment | 33,550 | 33,458 | 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 | 9,903,024 |
| | MWDOC's Contribution to WEROC Oper | 241,236 | 241,236 | 260,346 |
| | 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 | 10,599,540 |

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 | 254,524 |
| 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 | 81,036 |
| 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 | | | |
| 7450 | 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 | 1,235,796 |

| | | |
|---|----------------------------------|-------------------|
| 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 | 346,964 |
| 6090 | Directors Compensation - MWDOC | | | |
| 6095 | Directors Compensation - MWD | | | |
| 6105 | Benefits - Admin | 124,835 | 137,394 | 140,159 |
| 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 | | | |
| 7450 | 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 | 789,058 |

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 | 240,032 |
| 6090 | Directors Compensation - MWDOC | | | |
| 6095 | Directors Compensation - MWD | | | |
| 6105 | Benefits - Admin | 65,863 | 69,405 | 73,818 |
| 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 | | | |
| 7450 | 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 | 393,261 |

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 | 540,477 | |
| 6090 | Directors Compensation - MWDOC | | | | |
| 6095 | Directors Compensation - MWD | | | | |
| 6105 | Benefits - Admin | 173,883 | 175,693 | 171,726 | |
| 6109 | CALPERS Unfunded Liability Contribution | 207,000 | 207,000 | 207,000 | |
| 6111 | Overhead Reimbursement from Choice | (300,926) | (296,267) | (304,761) | |
| 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 | | | | |
| 7450 | 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 | 1,361,760 | |
| | 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>1,797,930</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 | 114,046 |
| 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 | | | |
| 7450 | 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 | 679,793 |

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 | 583,428 |
| 6090 | Directors Compensation - MWDOC | | | |
| 6095 | Directors Compensation - MWD | | | |
| 6105 | Benefits - Admin | 172,005 | 175,923 | 195,580 |
| 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 | | | |
| 7450 | 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 | 959,009 |

• 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 | 47,551 |
| 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 | | | |
| 7450 | 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 | 495,760 |

| | |
|--------------------------------|-------------------|
| 1 • BB&K | \$ 96,000 |
| • NRR | \$ 96,000 |
| • Lewis Consulting | \$ 42,000 |
| • Ackerman | \$ 36,000 |
| • Grant Research & Acquisition | \$ 39,000 |
| | <u>\$ 309,000</u> |

| | |
|------------|-----------------|
| 2 • WACO | \$ 2,500 |
| • Outreach | \$ 2,000 |
| | <u>\$ 4,500</u> |

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 | 488,085 | |
| 6090 | Directors Compensation - MWDOC | | | | |
| 6095 | Directors Compensation - MWD | | | | |
| 6105 | Benefits - Admin | 129,198 | 139,471 | 147,272 | |
| 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 | | | | |
| 7450 | 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 | 1,007,906 | |

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 | 47,444 |
| 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 | | | |
| 7450 | 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 | 465,589 |

| | |
|--------------------------------------|------------------|
| 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 | 129,740 |
| 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 | | | |
| 7450 | 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 | 583,812 |

| | |
|--------------------|------------------|
| 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 | 45,687 | |
| 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 | 312,086 | |

**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 | 914,889 |
| 4705 | Prior Year Carry over | 97,556 | 97,556 | |
| | Choice billing over/under | | (50,492) | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | Total Revenue | 900,920 | 850,428 | 914,889 |

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 | 128,773 |
| | Overhead Reimbursement | 231,743 | 234,133 | 240,184 |
| 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 | | | |
| 7450 | 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 | 914,889 |

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 | 412,988 |
| 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 | 412,988 |

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 | 1,823 |
| | Overhead Reimbursement | 3,578 | 3,315 | 3,101 |
| 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 | 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 | 412,988 |

| | |
|----------------------|-------------------|
| 1 • High Schools | \$ 66,142 |
| • Elementary Schools | \$ 290,807 |
| • Middle Schools | 45,709 |
| | <u>\$ 402,658</u> |

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 | 291,317 |
| 4705 | Prior Year Carry over | | | |
| | Choice billing over/under | | (36,126) | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | Total Revenue | 323,469 | 287,343 | 291,317 |

| | | 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 | 32,075 |
| | Overhead Reimbursement | 65,605 | 58,819 | 61,476 |
| 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 | 2,000 | 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 | 291,317 |

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 | 260,346 |
| 4210 | WEROC Contracts | 241,236 | 241,236 | 260,364 |
| | | | | |
| 4205 | | | | |
| 4230 | Reimbursements | | | |
| 4240 | | | | |
| 4410 | | | | |
| 4805 | | | | |
| | TOTAL WEROC Revenue | 482,472 | 482,472 | 520,710 |

| | |
|---------------------------|-------------------|
| 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 | 125,727 |
| 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 |
| 7450 | Computers and Equipment | | | |
| 7510 | Site Maintenance | 900 | 600 | 700 |
| 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 | 520,691 |

2 • See Exhibit E

3 • See Exhibit D

AMP Proceeds Agreement Administration
61

| | | 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 | 883 |
| 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 | | | |
| 7450 | 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 | 10,121 |

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 Cnsv 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 | \$ 80 | | ✓ |
| | Washington DC, April/May 2022 | \$ 800 | \$ 500 | ✓ |
| | | \$ 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 |
|------------------|------------------|

* 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 (4,881,259) | | | | \$ 229,079,152 (4,881,259) | | \$ 229,079,152 (4,881,259) |
| Local Resource Program Incentives | 7,837,792 | | | | | 7,837,792 | | 7,837,792 |
| Retail Meter Charge | 595,323 | | | | | 595,323 | | 595,323 |
| Ground Water Customer Charge | - | | | | | - | | - |
| Water Increment Charge | 458,000 | 22,000 | | | | 480,000 | | 480,000 |
| Interest Revenue | - | | | | | - | | - |
| MWDOC's Contribution | - | | 1,579,934 | 241,236 | - | 241,236 | (241,236) | - |
| Outside Fundings | - | | | 241,236 | | 1,821,170 | | 1,821,170 |
| Carryover Funds | 1,630,995 | | | - | | - | | - |
| Choice Revenue | 3,000 | | | | | 1,630,995 | | 1,630,995 |
| Miscellaneous Income | | | | | | 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 | | | | - | 1,542,385 | | 1,542,385 |
| Engineering Expense | 340,000 | | | 105,792 | - | 340,000 | | 340,000 |
| Professional Fees | 1,581,338 | | | - | | 3,161,272 | | 3,161,272 |
| Contribution to Election Reserve | - | | 1,579,934 | | | - | | - |
| Legal Expense - General | 210,500 | | | - | - | 210,500 | | 210,500 |
| Maintenance Expense | 146,420 | | | 3,900 | | 150,320 | | 150,320 |
| Insurance Expense | 110,000 | | | - | | 110,000 | | 110,000 |
| Membership / Sponsorship | 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 |
| Rents & Leases | 1,750 | | | - | | 1,750 | | 1,750 |
| Outside Printing, Subscription & Books | 84,700 | | | 1,000 | | 85,700 | | 85,700 |
| Office Supplies | 49,000 | | | 1,800 | | 50,800 | | 50,800 |
| Computer Maintenance | 8,000 | | | 5,060 | | 13,060 | | 13,060 |
| Software Support & Expense | 104,640 | | | 9,491 | | 114,131 | | 114,131 |
| Computers and Equipment | 33,550 | | | - | | 33,550 | | 33,550 |
| Telecommunications Expense | 30,850 | | | 10,000 | | 40,850 | | 40,850 |
| Temporary Help Expense | 5,000 | | | | | 5,000 | | 5,000 |
| Training Expense | 64,500 | | | 8,226 | | 72,726 | | 72,726 |
| Tuition Reimbursement | 5,000 | | | | | 5,000 | | 5,000 |
| Travel & Accommodations - Staff | 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 | 726,883 | | | - | | 726,883 | | 726,883 |
| Contribution to Operating Reserves | | | | - | | - | | - |
| 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 | 8,132,230 | | | | | 8,132,230 | | 8,132,230 |
| Ground Water Customer Charge | 573,893 | | | | | 573,893 | | 573,893 |
| Water Increment Charge | - | | | | | - | | - |
| Interest Revenue | 220,000 | 10,500 | | | | 230,500 | | 230,500 |
| MWDOC's Contribution | - | | 2,618,752 | 260,346 | 11,622 | 260,346 | (260,346) | - |
| Outside Fundings | - | | | 260,364 | | 2,890,738 | | 2,890,738 |
| Carryover Funds | 1,619,194 | | | - | | 1,619,194 | | 1,619,194 |
| Choice Revenue | 3,000 | | | | | 3,000 | | 3,000 |
| Miscellaneous Income | | | | | | | | |
| Total Revenues | 10,548,317 | 171,326,801 | 2,618,752 | 520,710 | 11,622 | 185,026,202 | (260,346) | 184,765,856 |
| Expenses: | | | | | | | | |
| Water Purchases | | 171,316,301 | | | | 171,316,301 | | 171,316,301 |
| Salaries & Wages | 4,178,542 | | | 350,504 | 3,238 | 4,532,284 | | 4,532,284 |
| less S & W Reimb. DSC or Recov from Grants | (18,665) | | | (11,750) | | (30,415) | | (30,415) |
| Employee Benefits | 1,563,730 | | | 125,727 | 883 | 1,690,340 | | 1,690,340 |
| Engineering Expense | 380,000 | | | | | 380,000 | | 380,000 |
| Professional Fees | 1,460,617 | | 2,618,752 | - | | 4,079,369 | | 4,079,369 |
| Contribution to Election Reserve | - | | | | | - | | - |
| 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 | 260,346 | | | | | 260,346 | (260,346) | - |
| 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 | 10,599,540 | 171,316,301 | 2,618,752 | 520,691 | 10,121 | 185,065,405 | (260,346) | 184,805,059 |
| EFFECT ON RESERVES / FUND BALANCE | \$ (51,223) | \$ 10,500 | (2) | \$ 19 | \$ 1,501 | \$ (39,203) | \$ - | \$ (39,203) |

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



ACTION ITEM

April 21, 2021

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff Contact: Harvey De La Torre

SUBJECT: **Proposed MWDOC Water Rate Resolution for Fiscal Year 2021-22**

STAFF RECOMMENDATION

It is recommended that the Board of Directors:

1. **Increase** the MWDOC Retail Meter Charge from \$12.20 to \$13.00 per meter, and **decrease** the Groundwater Customer Charge from \$595,323 to \$335,385 effective July 1, 2021; and
2. Adopt the Water Rate Resolution setting forth rates and charges to be effective July 1, 2021 and January 1, 2022 as identified in the Water Rate Resolution for Fiscal Year 2021-22.

COMMITTEE RECOMMENDATION

The Committee will review this item on April 19, 2021 and make a recommendation to the Board.

REPORT

MWDOC adopts a water rate resolution annually to reflect water rates and charges required to collect revenue to support MWDOC's annual budget and to recover the costs of providing imported water. Attachment A is the proposed MWDOC Water Rate Resolution for Fiscal Year 2021-22 with redline changes.

| | | | |
|---|---------------------|---------------|-----------------|
| Budgeted (Y/N): NA | Budgeted amount: NA | Core <u>X</u> | Choice <u>_</u> |
| Action item amount: NA | | | |
| Fiscal Impact (explain if unbudgeted): Not applicable | | | |

MWDOC staff and District Counsel (BBK) made a number of revisions and edits to the resolution to improve its clarity as well as update certain sections. Among these changes include the findings and recommendations from MWDOC's 2021 Core Service Allocation Rate Study. Of note is Section 5 of the Rate Resolution, which is modified to reflect the new proposed methodology for collecting the Groundwater Customer Charge. This change in calculating the Groundwater Charge based on OCWD's proportionate share (1/26) of all of MWDOC's cost centers of MWDOC's general fund core budget; excluding WEROC, is the basis for the decrease in the Groundwater Charge this year.

Below is a summary of the proposed Rates and Charges for FY2021-22:

| Proposed Rates & Charges | Proposed Rates July 1, 2020 | Proposed Rates January 1, 2021 |
|------------------------------------|--------------------------------|-----------------------------------|
| MWDOC Retail Meter Charge | \$13.00/meter | \$13.00/meter |
| MWDOC Groundwater Customer Charge* | \$ 335,385 | \$ 335,385 |
| System Access Rate | \$373 | \$389 |
| System Power Rate | \$161 | \$167 |
| Water Stewardship Rate** | - | - |
| MWDOC Melded Supply Rate | \$243 | \$243 |
| Treatment Surcharge | \$327 | \$344 |
| Treated Full Service Rate | \$1,104/AF | \$1,143/AF |
| Untreated Full Service Rate | \$777/AF | \$799/AF |

[*] This is a fixed annual charge to OCWD

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

BOARD OPTIONS

Option #1

- **Increase** the MWDOC Retail Meter Charge from \$12.20 to \$13.00 per meter, and **decrease** the Groundwater Customer Charge from \$595,323 to \$335,385 effective July 1, 2021; and
- Adopt the Water Rate Resolution setting forth rates and charges to be effective July 1, 2021 and January 1, 2022 as identified in the Water Rate Resolution for Fiscal Year 2021-22, in the form of Attachment B.

Fiscal Impact: Adopting the proposed rates and rate resolution will generated the projected revenue needed to meet the District's expenses for FY2021-22.

Business Analysis: Adopting the proposed rates and rate resolution will meet the budgetary schedule outlined by the Board and aid member agencies' adoption of their budget for this fiscal year.

Option #2

- Not adopt the proposed Water Rates and Water Rate Resolution at this time, and present revisions to the Board in either May or June of 2021

Fiscal Impact: The fiscal impacts of any revisions to the rates or rate resolution will need to be evaluated.

Business Analysis: By not adopting the proposed rates and rate resolution will delay the budgetary process outlined by the Board, and may cause delays in the member agency's adoption of their budget this fiscal year.

Staff Recommendation

Option #1

Attachment A – Proposed MWDOC Water Rate Resolution for Fiscal Year 2021-22 (Redline)

Attachment B – Proposed MWDOC Water Rate Resolution for Fiscal Year 2021-22 (clean version with Exhibits)

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

WHEREAS, pursuant to Water Code sections 71610, 71614 and 71616, the Municipal Water District of Orange County ~~("MWDOC")~~ is authorized to establish water rates and charges for water which will result in revenues sufficient to meet the operating expenses of the District to provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions and enlargements, and cover principal and interest payments and costs associated with bonded debt; and,

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

WHEREAS, pursuant to Section 1117 of the MWDOC Administrative Code, the MWDOC Board of Directors adopted Ordinance No. 55 establishing classes of water service, and terms and conditions of such service, and intends to adopt this Resolution fixing the rates and charges for said classes of water service (including Choice services in Section 6); and,

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

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

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

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

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

WHEREAS, MWDOC engaged Raftelis Financial Consultants, Inc. to prepare a cost of service allocation and rate study (Rate Study) for MWDOC's rates and charges in 2016 and 2021; and,

WHEREAS, the 2021 Core Service Allocation Rate Study ~~was completed in 2016 and~~ affirmed MWDOC's Retail Meter Charge, and ~~added a~~modified the new Groundwater Customer Charge effective with the fiscal year 2021-22 ~~2016-17~~ rates and charges; and,

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

WHEREAS, the MWDOC Board has approved the "Choice" services, the associated

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

WHEREAS, there is a need to charge for costs associated with the transfer or wheeling of water into the MWDOC service area by any member agency as is provided for in this Resolution.

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

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SECTION 1. RATES FOR CLASSES OF WATER SERVICE.

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

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

| Rate Component | July 1 through December 31, 202 19 | Beginning January 1, 202 21 |
|---|--|---|
| Untreated Full Service | \$777 55 .00 | \$799 77 .00 |
| Treated Full Service | \$1,104 078 .00 | \$1,143 43 .00 |
| Unbundled Rate By Component: | | |
| System Access Rate | \$373 46 .00 | \$389 73 .00 |
| System Power Rate | \$161 36 .00 | \$167 64 .00 |
| Water Stewardship Rate* | -\$65.00 | - |
| MWDOC Melded Supply Rate | \$243 08 .00 | \$243 43 .00 |
| Subtotal Untreated Full Service: | \$77755.00 | \$79977.00 |
| Treatment Surcharge | \$32 73 .00 | \$344 27 .00 |
| Total Treated Full Service: | \$1,104078.00 | \$1,143404.00 |

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

(b) MWDOC Drought Allocation Surcharge

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

(c) MWDOC Melded Supply Rate

The MWDOC Melded Supply Rate is established by Board action to recover Metropolitan's Tier 1 supply rate plus any additional water costs, fees, charges, and rates that benefit the District's service area, such as funding the MWDOC

Tier 2 Contingency Fund. At this time, the MWDOC Melded Supply Rate is equal to ~~MET's~~ Metropolitan's Tier 1 Supply Rate.

SECTION 2. MWDOC READINESS-TO-SERVE CHARGE.

(a) Amount Due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for fiscal year 202~~10~~-2~~24~~ Metropolitan estimates that the amount of Metropolitan's Readiness-to-Serve ~~("RTS")~~ Charge applicable to MWDOC, which exceeds the standby charges collected in MWDOC's service area ~~("Net RTS")~~ is \$11,~~789,511,354,584~~. The Net RTS Charge will be allocated among the MWDOC member agencies, as provided herein and invoiced as a fixed charge to each MWDOC member agency. Metropolitan will bill MWDOC for the Net RTS Charge on a monthly installment basis. The MWDOC Net RTS Charge will be invoiced to each MWDOC member agencies on a monthly basis.

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

The MWDOC method of apportioning the Net ~~Metropolitan~~ RTS Charge to the MWDOC member agencies uses the most recently completed four-year rolling average of fiscal year full service purchases of water ending one year prior to the year of the charge being imposed (i.e., for fiscal year 202~~10~~-2~~24~~ charges, the four-year average shall be based on fiscal years 201~~65~~-1~~76~~ through 201~~98~~-20~~19~~). The Net ~~Metropolitan~~ RTS Charge to MWDOC shall be apportioned to the MWDOC member agencies based on the four-year average of full service sales, which would include all cyclic, wheeled and transferred water.

(c) Fiscal Year 202~~10~~-2~~24~~ MWDOC RTS Charge

For fiscal year 202~~10~~-2~~24~~, MWDOC will charge the MWDOC member agencies total Net RTS Charges of \$11,~~789,511,354,584~~. The amount of the Net RTS Charge to be apportioned to each of the MWDOC member agencies is set forth in **Exhibit A**, attached

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hereto and by this reference incorporated herein made an operative part hereof.

(d) Adjustment of RTS Charge

Metropolitan determines its Net RTS Charge to each member agency based on the estimated revenue derived from the Metropolitan Standby Charge within each member agency (less delinquencies and administrative costs). The projected Net Standby Charge revenue for MWDOC in fiscal year 202~~19~~-2~~2~~⁴ is set forth in **Exhibit A**. Once the actual Net Standby Charge revenue is known, Metropolitan may adjust the amount of the Net RTS Charge for the prior year through an additional charge or credit. Any adjustment necessary to reconcile the estimated Net RTS Charge with the actual Net RTS Charge will be charged or credited to each MWDOC member agency in the next regularly scheduled water billing following the preparation of the reconciliation report by Metropolitan.

SECTION 3. MWDOC CAPACITY CHARGE

(a) Amount due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for calendar year 202~~2~~⁴, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be \$~~5,396,060~~^{4,732,640}. The Metropolitan Capacity Charge will be allocated among the MWDOC member agencies as provided herein and invoiced as a fixed charge to each member agency. Metropolitan will bill MWDOC for the Capacity Charge on a monthly installment basis. The MWDOC Capacity Charge will be invoiced to the MWDOC member agencies on a monthly basis.

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

The MWDOC method of apportioning the Capacity Charge to the MWDOC member agencies uses each member agency's highest peak day flow for delivery of full service water, which includes wheeled and transferred water, during the period of May 1 through September 30 of each year for the three-year period ending one year prior to the year of the charge being

imposed (i.e., for calendar year 202~~24~~ charges, the highest peak day flow shall be based on May 1 through September 30, 201~~87~~, 201~~98~~ and 20~~2049~~). The peak day flow for each MWDOC member agency is used to apportion the Capacity Charge based upon the ratio of each agency's highest peak day flow to the sum of all member agencies' highest peak day flows. The amount of the 202~~24~~ Capacity Charge apportioned to each member agency is set forth in **Exhibit B**, attached hereto and by this reference incorporated herein and made an operative part hereof.

SECTION 4. MWDOC'S RETAIL METER CHARGE.

The annual charge to be imposed by MWDOC on each member agency except for Orange County Water District (OCWD) for each retail water meter served by such a MWDOC member agency which is in service as of January 1 of each year ~~("MWDOC's Retail Meter Charge")~~ shall be ~~\$42,2013.00~~. MWDOC's Retail Meter Charge shall be collected in accordance with Section 10 of this Resolution. Annually, or at such time as determined to be necessary, MWDOC will request supporting documentation from each member agency to verify the number of retail meters within their service area, and such documentation shall be signed by a representative of the member agency. MWDOC is also authorized to conduct random on-site visits with the member agencies to verify the data on the number of retail meters.

SECTION 5. MWDOC GROUNDWATER CUSTOMER CHARGE

The annual charge to be imposed on ~~Orange County Water District (OCWD)~~ for Core services provided by MWDOC for fiscal year 202~~10-24~~ shall be ~~\$335,385,595,323~~. MWDOC's Groundwater Customer Charge to be imposed on OCWD shall be collected in accordance with Section 10 of this Resolution.

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The Groundwater Customer Charge is calculated based on OCWD's ~~portion~~ proportionate share of ~~MWDOC's Cost Centers #21 (Planning and Resource Development) and #23 (MET Issues and Special Projects), plus one-twenty-sixth of all the remaining of~~ MWDOC's cost centers of MWDOC's fiscal year 202~~19-22~~10-24 general fund core budget, ~~but not including~~excluding the WEROC cost ~~item~~center. OCWD's proportionate share is calculated as one twenty-sixth of all cost centers except for WEROC. OCWD's portion of Cost Centers #21 and #23 is based on OCWD's most recent 10-year historical full service water purchases as a percentage of the sum of the MWDOC member agencies' 10-year historical water purchases.

SECTION 6. CHOICE SERVICES TO THE MWDOC MEMBER AGENCIES 202~~19-22~~10-24

The Choice services to the member agencies shall be provided and charged for as follows for Fiscal Year 202~~19-22~~10-24. Each Choice service is voluntary and provided at the option of the member agency, and the costs for such Choice services are not "imposed" for purposes of article XIII C, section 1(e) of the California constitution:

- (a) Water Use Efficiency Program – The cost of MWDOC's Water Use Efficiency Program shall be allocated to those agencies electing to participate in the program. The costs shall be apportioned to the participants in proportion to the benefits received from Metropolitan and/or any other outside sources of funding in calendar year 20~~2019~~2019. There may be other costs allocated over and above these costs for participation in certain water use efficiency program efforts in various parts of Orange County that are separate from this basic program. Anything beyond the basic program will be implemented separately by agreement or memorandum of understanding with each participating agency. The costs to be charged shall reflect any carry-over or deficit funds from the

preceding fiscal year.

- (b) The MWDOC Elementary School Program provides comprehensive water education for Orange County elementary school students in Grades K-6. Through this program, each participating agency may set a target number of students to reach in their service area. In grades K-2, the MWDOC Elementary School Program charges participating agencies per school assembly, at a cost based on the size of the school assembly. In grades 3-6, the MWDOC Elementary School Program charges each participating agency at a cost per student based on the actual number of students to which the program is provided.
- (c) The MWDOC Middle School Program provides comprehensive water education for Orange County middle school students in Grades 7-8. Through this program, each participating agency may set a target number of students to reach in their service area. The MWDOC Middle School Program charges each participating agency at a cost per student based on the actual number of students to which the program is provided.
- (d) The MWDOC High School Program provides comprehensive water education for Orange County high school students in Grades 9-12. Through this program, each participating agency may set a target number of high schools to reach in their service area. The MWDOC High School Program charges each participating agency at a cost per high school to which the program is provided.
- (e) Blank
- (f) The Water Loss Control Program provides professional services with Water Systems Optimization, Inc. for water loss control technical assistance to retail agencies in Orange County, as well as technical services with McCall's Meters,

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

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

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

WATER

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

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

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

SECTION 8. MWDOC WATER SUPPLY ALLOCATION PLAN (WSAP)

In the event that a regional water shortage is declared, the MWDOC Board can implement, adjust, or adopt an updated Water Supply Allocation Plan (~~“Plan”~~). This Plan, as adopted in 2009, updated in 2014 and 2016, and as amended from time to time, established procedures allowing MWDOC to assess an allocation surcharge to its member agencies in the event MWDOC is assessed an allocation surcharge under Metropolitan’s own “Water Supply Allocation Plan.” Under MWDOC’s Plan, surcharges may be assessed according to a particular member agency’s prorated share of its over usage relative to the MWDOC surcharge amount assessed by Metropolitan. However, the rates set forth in this Resolution do not include or otherwise account for potential surcharges that may be assessed by MWDOC under its Water Supply Allocation Plan, and nothing contained herein is intended to preclude MWDOC from charging such surcharges as authorized in the Water Supply Allocation Plan.

SECTION 9. EFFECTIVE DATE.

The rates set forth in this Resolution shall become effective as of July 1, 202~~19~~¹⁰ or thereafter as specified and shall remain in effect until changed by subsequent Resolution of the Board of Directors.

SECTION 10. BILLING AND PAYMENT.

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

- (a) MWDOC's cost of acquisition of the water shall be billed in the month following delivery of the water;
- (b) MWDOC's Retail Meter Charge shall be billed once annually on or after July 1st of each year, for each retail water service meter within each member agency's service area;
- (c) the MWDOC Readiness-to-Serve Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit A**, the MWDOC Capacity Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit B**; and
- (d) the MWDOC Choice services shall be billed once annually on or after July 1st of each year or as otherwise during the fiscal year in accordance with **Exhibit C** and/or as may be adjusted during the fiscal year in discussions with and as agreed to by the Choice Program participants.
- (e) The fixed annual Groundwater Customer Charge to OCWD, as set forth in MWDOC's Water Rate Ordinance No. 5~~54~~⁵⁵ and referred to in Section 5 hereof, shall be billed to OCWD annually at the beginning of the fiscal

year on July 1.

All such billings shall be due on receipt by the member agency and shall be delinquent if payment is not received by MWDOC by the 15th day of the month following the mailing of the billing or within 30 days of mailing of such billing, whichever date is later.

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SECTION 11. EXEMPTION FROM CEQA.

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

SECTION 12. REASONABLE COST.

The Board of Directors finds that the water rates established herein are in accordance with the adopted fiscal year 202~~19~~-2~~24~~ budget, and that said rates do not exceed the reasonable cost of providing water service and other services and regulatory functions for which they are charged.

SECTION 13. SUPERSEDES PRIOR RESOLUTIONS.

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

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SECTION 14. RATES SUBJECT TO ORDINANCE.

The rates for water service established herein are subject to Ordinance No. 5~~5~~4 as it may be amended from time to time.

SECTION 15. **IMPLEMENTATION.**

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

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

Said Resolution No. was adopted on April ~~May 20~~, 20210 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MARIBETH GOLDSBY, District Secretary

Municipal Water District of Orange County

EXHIBIT A

Readiness-to-serve Charge for MWDOC Client Agencies for FY 2021-22

| | | | |
|--|--|-------------|--------------|
| Metropolitan Readiness-to-Serve (RTS) Charge to MWDOC for FY 2021/22 = \$ | | 18,986,767 | DRAFT |
| Expected Standby Revenue Less Metropolitan Administrative Charge Plus Delinquencies & Uncollectables FY 2021/22 = \$ | | (7,197,255) | |
| Net MWD RTS Charge = \$ | | 11,789,511 | |

| Agency | | | | | | AF Share | Net RTS | FY 2018-19 RTS Adjustment | Net RTS | Monthly Charge July - December | Monthly Charge January - June |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|-------------|-------------------------|------------------------------|-------------------------|-----------------------------------|----------------------------------|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 4-Yr Ave | (%) | | | | | |
| Brea | 1,160 | 1,889 | 878 | 0 | 982 | 0.51% | \$ 60,488.19 | \$ - | \$ 60,488.19 | \$ 4,751.06 | \$ 5,330.31 |
| Buena Park | 3,229 | 3,251 | 3,470 | 2,657 | 3,152 | 1.65% | \$ 194,190.24 | \$ - | \$ 194,190.24 | \$ 15,252.70 | \$ 17,112.34 |
| East Orange County Water District | 1,372 | 1,131 | 1,575 | 1,157 | 1,309 | 0.68% | \$ 80,642.27 | \$ - | \$ 80,642.27 | \$ 6,334.06 | \$ 7,106.32 |
| El Toro Water District | 6,639 | 7,783 | 6,789 | 6,913 | 7,031 | 3.67% | \$ 433,229.04 | \$ - | \$ 433,229.04 | \$ 34,028.04 | \$ 38,176.80 |
| Fountain Valley | 2,112 | 2,112 | 1,885 | 0 | 1,527 | 0.80% | \$ 94,110.30 | \$ - | \$ 94,110.30 | \$ 7,391.91 | \$ 8,293.14 |
| Garden Grove | 6,135 | 6,286 | 5,434 | 10,952 | 7,202 | 3.76% | \$ 443,746.87 | \$ - | \$ 443,746.87 | \$ 34,854.17 | \$ 39,103.65 |
| Golden State Water Company | 5,664 | 5,823 | 5,421 | 4,743 | 5,413 | 2.83% | \$ 333,515.86 | \$ - | \$ 333,515.86 | \$ 26,196.06 | \$ 29,389.92 |
| Huntington Beach | 6,084 | 6,914 | 5,276 | 4,264 | 5,634 | 2.94% | \$ 347,183.10 | \$ - | \$ 347,183.10 | \$ 27,269.55 | \$ 30,594.30 |
| Irvine Ranch Water District | 18,595 | 15,345 | 13,921 | 13,018 | 15,220 | 7.95% | \$ 937,808.27 | \$ - | \$ 937,808.27 | \$ 73,660.30 | \$ 82,641.09 |
| La Habra | 76 | 114 | 75 | 101 | 92 | 0.05% | \$ 5,645.73 | \$ - | \$ 5,645.73 | \$ 443.44 | \$ 497.51 |
| La Palma | 651 | 1 | 426 | 0 | 270 | 0.14% | \$ 16,610.10 | \$ - | \$ 16,610.10 | \$ 1,304.64 | \$ 1,463.71 |
| Laguna Beach County Water District | 1,663 | 1,636 | 1,462 | 1,614 | 1,594 | 0.83% | \$ 98,197.17 | \$ - | \$ 98,197.17 | \$ 7,712.91 | \$ 8,653.28 |
| Mesa Water District | 0 | 0 | 0 | 0 | - | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - |
| Moulton Niguel Water District | 22,866 | 25,630 | 23,443 | 22,185 | 23,531 | 12.30% | \$ 1,449,925.96 | \$ - | \$ 1,449,925.96 | \$ 113,884.66 | \$ 127,769.67 |
| Newport Beach | 3,317 | 3,679 | 3,229 | 4,255 | 3,620 | 1.89% | \$ 223,064.36 | \$ - | \$ 223,064.36 | \$ 17,520.63 | \$ 19,656.77 |
| Orange | 5,786 | 5,139 | 5,187 | 4,946 | 5,264 | 2.75% | \$ 324,377.17 | \$ - | \$ 324,377.17 | \$ 25,478.26 | \$ 28,584.61 |
| Orange County Water District | 42,879 | 121,717 | 56,198 | 9,592 | 57,596 | 30.10% | \$ 3,548,945.15 | \$ - | \$ 3,548,945.15 | \$ 278,752.46 | \$ 312,738.35 |
| San Clemente | 6,543 | 7,016 | 6,521 | 6,680 | 6,690 | 3.50% | \$ 412,204.29 | \$ - | \$ 412,204.29 | \$ 32,376.65 | \$ 36,324.07 |
| San Juan Capistrano | 5,556 | 5,080 | 5,108 | 4,790 | 5,134 | 2.68% | \$ 316,316.40 | \$ - | \$ 316,316.40 | \$ 24,845.12 | \$ 27,874.28 |
| Santa Margarita Water District | 21,847 | 23,432 | 20,179 | 22,275 | 21,933 | 11.46% | \$ 1,351,474.86 | \$ - | \$ 1,351,474.86 | \$ 106,151.81 | \$ 119,094.01 |
| Seal Beach | 1,000 | 847 | 928 | 1,132 | 977 | 0.51% | \$ 60,182.24 | \$ - | \$ 60,182.24 | \$ 4,727.02 | \$ 5,303.35 |
| Serrano Water District | 2,199 | 1,300 | 1,072 | 0 | 1,143 | 0.60% | \$ 70,402.93 | \$ - | \$ 70,402.93 | \$ 5,529.81 | \$ 6,204.01 |
| South Coast Water District | 4,907 | 4,865 | 5,039 | 4,481 | 4,823 | 2.52% | \$ 297,181.15 | \$ - | \$ 297,181.15 | \$ 23,342.14 | \$ 26,188.05 |
| Trabuco Canyon Water District | 2,000 | 2,941 | 2,177 | 2,034 | 2,288 | 1.20% | \$ 140,990.72 | \$ - | \$ 140,990.72 | \$ 11,074.14 | \$ 12,424.32 |
| Westminster | 2,602 | 2,780 | 2,454 | 2,450 | 2,572 | 1.34% | \$ 158,450.31 | \$ - | \$ 158,450.31 | \$ 12,445.50 | \$ 13,962.88 |
| Yorba Linda Water District | 5,370 | 6,117 | 4,787 | 9,084 | 6,340 | 3.31% | \$ 390,628.33 | \$ - | \$ 390,628.33 | \$ 30,681.96 | \$ 34,422.76 |
| Sum of MWDOC Agencies | 172,400 | 180,249 | 262,827 | 139,323 | 191,333 | 100% | \$ 11,789,511.00 | \$ - | \$ 11,789,511.00 | \$ 926,009.00 | \$ 1,038,909.50 |

EXHIBIT B
DRAFT Capacity Charge for MWDOC Member Agencies for CY 2022

DRAFT 4/6/21

| | 2018 | 2019 | 2020 | Peak |
|---------------------------|----------|----------|-----------|---------------|
| MWDOC's Peak to MWD (cfs) | 442.3 | 263.2 | 272.2 | 442.3 |
| Date | 8/7/2018 | 8/5/2019 | 6/10/2020 | 8/7/18 |

Metropolitan Capacity Charge to MWDOC for CY 2021 **\$ 5,396,060** *

| Agency | Capacity Charge Eligible Flows (CFS) | | | | CFS Share (%) | Annual Capacity Charge | Monthly Capacity Charge |
|---------------------------------------|--------------------------------------|-------------|-------------|--------------|---------------|------------------------|-------------------------|
| | 2018 | 2019 | 2020 | 3-Yr Peak | | | |
| City of Brea | 12.9 | 0.0 | 0.0 | 12.9 | 2.17% | \$ 117,050 | \$ 9,754 |
| City of Buena Park | 4.7 | 11.8 | 5.5 | 11.8 | 1.99% | \$ 107,359 | 8,947 |
| East Orange County Water District | 10.8 | 14.9 | 12.5 | 14.9 | 2.50% | \$ 135,002 | 11,250 |
| El Toro Water District | 18.3 | 18.3 | 16.2 | 18.3 | 3.08% | \$ 166,217 | 13,851 |
| City of Fountain Valley | 2.8 | 0.0 | 0.0 | 2.8 | 0.47% | \$ 25,459 | 2,122 |
| City of Garden Grove | 17.0 | 22.0 | 26.0 | 26.0 | 4.38% | \$ 236,147 | 19,679 |
| Golden State Water Company | 12.9 | 9.2 | 11.9 | 12.9 | 2.16% | \$ 116,808 | 9,734 |
| City of Huntington Beach | 24.7 | 26.3 | 16.7 | 26.3 | 4.42% | \$ 238,548 | 19,879 |
| Irvine Ranch Water District | 51.7 | 41.1 | 42.0 | 51.7 | 8.68% | \$ 468,614 | 39,051 |
| City of La Habra | 7.8 | 8.6 | 3.4 | 8.6 | 1.45% | \$ 78,268 | 6,522 |
| City of La Palma | 0.0 | 0.0 | 0.0 | 0.0 | 0.00% | \$ - | - |
| Laguna Beach County Water District | 4.9 | 2.5 | 7.0 | 7.0 | 1.17% | \$ 63,093 | 5,258 |
| Mesa Water District | 0.0 | 0.0 | 0.0 | 0.0 | 0.00% | \$ - | - |
| Moulton Niguel Water District | 49.5 | 48.5 | 49.4 | 49.5 | 8.33% | \$ 449,421 | 37,452 |
| City of Newport Beach | 10.8 | 7.9 | 5.6 | 10.8 | 1.82% | \$ 98,058 | 8,171 |
| Orange County Water District | 146.4 | 0.0 | 0.0 | 146.4 | 24.61% | \$ 1,327,939 | 110,662 |
| City of Orange | 20.4 | 14.5 | 20.9 | 20.9 | 3.51% | \$ 189,207 | 15,767 |
| City of San Clemente | 21.5 | 17.5 | 13.6 | 21.5 | 3.61% | \$ 194,933 | 16,244 |
| City of San Juan Capistrano | 15.1 | 14.7 | 14.8 | 15.1 | 2.54% | \$ 136,970 | 11,414 |
| Santa Margarita Water District | 54.0 | 66.9 | 59.9 | 66.9 | 11.25% | \$ 607,281 | 50,607 |
| City of Seal Beach | 5.3 | 6.0 | 6.8 | 6.8 | 1.14% | \$ 61,292 | 5,108 |
| Serrano Water District | 3.0 | 0.0 | 0.0 | 3.0 | 0.50% | \$ 27,213 | 2,268 |
| South Coast Water District | 7.9 | 7.3 | 13.1 | 13.1 | 2.19% | \$ 118,427 | 9,869 |
| Trabuco Canyon Water District | 6.3 | 5.0 | 5.8 | 6.3 | 1.06% | \$ 57,397 | 4,783 |
| City of Westminster | 4.8 | 4.4 | 2.1 | 4.8 | 0.80% | \$ 43,328 | 3,611 |
| Yorba Linda Water District | 15.9 | 33.6 | 36.6 | 36.6 | 6.15% | \$ 332,031 | 27,669 |
| Total | | | | 594.9 | 100% | \$ 5,396,060 | \$ 449,672 |
| MWDOC Capacity Charge Per CFS: | | | | | | \$ 9,071 | |

* Based on MWDOC's aggregate peak flow of 442.3 cfs on 8/7/2018 charge at MET's 2022 rate of \$12,200 per cfs

Exhibit C
MWDOC Member Agency Choice Services Program Summary
Cost Allocations by Agencies for FY 2021-22

DRAFT
As of 4/1/2021

| Retail Agency | Water Use Efficiency [1] | School Education (K-2)[2] | School Education (3-6)[2] | School Education (Middle School)[2] | School Education (High School)[2] | Water Loss Control Program [3] | Total Choice Allocation |
|----------------------------|--------------------------|---|---|---|---|---|-------------------------|
| Brea | \$ 10,409 | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | \$ 10,409 |
| Buena Park | \$ 6,354 | | | | | | \$ 6,354 |
| East Orange County WD | \$ 1,156 | | | | | | \$ 1,156 |
| El Toro WD | \$ 56,139 | | | | | | \$ 56,139 |
| Fountain Valley | \$ 13,371 | | | | | | \$ 13,371 |
| Garden Grove | \$ 8,166 | | | | | | \$ 8,166 |
| Golden State Water Company | \$ 5,855 | | | | | | \$ 5,855 |
| Huntington Beach | \$ 55,762 | | | | | | \$ 55,762 |
| Irvine Ranch WD | \$ 142,915 | | | | | | \$ 142,915 |
| La Habra | \$ 12,034 | | | | | | \$ 12,034 |
| La Palma | \$ 390 | | | | | | \$ 390 |
| Laguna Beach County WD | \$ 2,980 | | | | | | \$ 2,980 |
| Mesa Water | \$ 50,432 | | | | | | \$ 50,432 |
| Moulton Niguel WD | \$ 162,496 | | | | | | \$ 162,496 |
| Newport Beach | \$ 22,398 | | | | | | \$ 22,398 |
| Orange | \$ 37,780 | | | | | | \$ 37,780 |
| Orange County WD | \$ - | | | | | | \$ - |
| San Clemente | \$ 27,523 | | | | | | \$ 27,523 |
| San Juan Capistrano | \$ 4,496 | | | | | | \$ 4,496 |
| Santa Margarita WD | \$ 84,865 | | | | | | \$ 84,865 |
| Seal Beach | \$ 4,466 | | | | | | \$ 4,466 |
| Serrano WD | \$ 1,148 | | | | | | \$ 1,148 |
| South Coast WD | \$ 101,507 | | | | | | \$ 101,507 |
| Trabuco Canyon WD | \$ 35,651 | | | | | | \$ 35,651 |
| Tustin | \$ 23,761 | | | | | | \$ 23,761 |
| Westminster | \$ 17,470 | | | | | | \$ 17,470 |
| Yorba Linda WD | \$ 25,499 | | | | | | \$ 25,499 |
| Anaheim | \$ 64 | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | \$ 64 |
| Fullerton | \$ - | | | | | | \$ - |
| Santa Ana | \$ 43 | | | | | | \$ 43 |
| Orange County Total | \$ 915,132 | | | | | | \$ 915,132 |

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

[1] Preliminary Cost Allocation for the Choice Water Use Efficiency Program for FY 2021-22

[2] FY 2021-22 costs dependent upon selection of vendor and each agency's level of participation.

[3] For FY 2021-22 the Water Loss Control Program includes Technical Assistance (Year VI) and the Water Loss Control Shared Services (Year III). Agency costs will vary based on the selection of technical assistance and shared services. The final cost by agency are not expected to be determined until Fall 2021.

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

WHEREAS, pursuant to Water Code sections 71610, 71614 and 71616, the Municipal Water District of Orange County (MWDOC) is authorized to establish water rates and charges for water which will result in revenues sufficient to meet the operating expenses of the District to provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions and enlargements, and cover principal and interest payments and costs associated with bonded debt; and,

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

WHEREAS, pursuant to Section 1117 of the MWDOC Administrative Code, the MWDOC Board of Directors adopted Ordinance No. 55 establishing classes of water service, and terms and conditions of such service, and intends to adopt this Resolution fixing the rates and charges for said classes of water service (including Choice services in Section 6); and,

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

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

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

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

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

WHEREAS, MWDOC engaged Raftelis Financial Consultants, Inc. to prepare a cost of service allocation and rate study (Rate Study) for MWDOC's rates and charges in 2016 and 2021; and,

WHEREAS, the 2021 Core Service Allocation Study affirmed MWDOC's Retail Meter Charge, and modified the Groundwater Customer Charge effective with the fiscal year 2021-22 rates and charges; and,

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

WHEREAS, the MWDOC Board has approved the "Choice" services, the associated

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

WHEREAS, there is a need to charge for costs associated with the transfer or wheeling of water into the MWDOC service area by any member agency as is provided for in this Resolution.

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

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

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

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

| Rate Component | July 1 through December 31, 2021 | Beginning January 1, 2022 |
|---|-------------------------------------|------------------------------|
| Untreated Full Service | \$777.00 | \$799.00 |
| Treated Full Service | \$1,104.00 | \$1,143.00 |
| Unbundled Rate By Component: | | |
| System Access Rate | \$373.00 | \$389.00 |
| System Power Rate | \$161.00 | \$167.00 |
| Water Stewardship Rate* | - | - |
| MWDOC Melded Supply Rate | \$243.00 | \$243.00 |
| Subtotal Untreated Full Service: | \$777.00 | \$799.00 |
| Treatment Surcharge | \$327.00 | \$344.00 |
| Total Treated Full Service: | \$1,104.00 | \$1,143.00 |

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

(b) MWDOC Drought Allocation Surcharge

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

(c) MWDOC Melded Supply Rate

The MWDOC Melded Supply Rate is established by Board action to recover Metropolitan's Tier 1 supply rate plus any additional water costs, fees, charges, and rates that benefit the District's service area, such as funding the MWDOC

Tier 2 Contingency Fund. At this time, the MWDOC Merged Supply Rate is equal to Metropolitan's Tier 1 Supply Rate.

SECTION 2. MWDOC READINESS-TO-SERVE CHARGE.

(a) Amount Due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for fiscal year 2021-22 Metropolitan estimates that the amount of Metropolitan's Readiness-to-Serve (RTS) Charge applicable to MWDOC, which exceeds the standby charges collected in MWDOC's service area (Net RTS) is \$11,789,511. The Net RTS Charge will be allocated among the MWDOC member agencies, as provided herein and invoiced as a fixed charge to each MWDOC member agency. Metropolitan will bill MWDOC for the Net RTS Charge on a monthly installment basis. The MWDOC Net RTS Charge will be invoiced to each MWDOC member agencies on a monthly basis.

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

The MWDOC method of apportioning the Net RTS Charge to the MWDOC member agencies uses the most recently completed four-year rolling average of fiscal year full service purchases of water ending one year prior to the year of the charge being imposed (i.e., for fiscal year 2021-22 charges, the four-year average shall be based on fiscal years 2016-17 through 2019-20). The Net RTS Charge to MWDOC shall be apportioned to the MWDOC member agencies based on the four-year average of full service sales, which would include all cyclic, wheeled and transferred water.

(c) Fiscal Year 2021-22 MWDOC RTS Charge

For fiscal year 2021-22, MWDOC will charge the MWDOC member agencies total Net RTS Charges of \$11,789,511. The amount of the Net RTS Charge to be apportioned to each of the MWDOC member agencies is set forth in **Exhibit A**, attached hereto and by this

reference incorporated herein made an operative part hereof.

(d) Adjustment of RTS Charge

Metropolitan determines its Net RTS Charge to each member agency based on the estimated revenue derived from the Metropolitan Standby Charge within each member agency (less delinquencies and administrative costs). The projected Net Standby Charge revenue for MWDOC in fiscal year 2021-22 is set forth in **Exhibit A**. Once the actual Net Standby Charge revenue is known, Metropolitan may adjust the amount of the Net RTS Charge for the prior year through an additional charge or credit. Any adjustment necessary to reconcile the estimated Net RTS Charge with the actual Net RTS Charge will be charged or credited to each MWDOC member agency in the next regularly scheduled water billing following the preparation of the reconciliation report by Metropolitan.

SECTION 3. **MWDOC CAPACITY CHARGE**

(a) Amount due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for calendar year 2022, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be \$5,396,060. The Metropolitan Capacity Charge will be allocated among the MWDOC member agencies as provided herein and invoiced as a fixed charge to each member agency. Metropolitan will bill MWDOC for the Capacity Charge on a monthly installment basis. The MWDOC Capacity Charge will be invoiced to the MWDOC member agencies on a monthly basis.

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

The MWDOC method of apportioning the Capacity Charge to the MWDOC member agencies uses each member agency's highest peak day flow for delivery of full service water, which includes wheeled and transferred water, during the period of May 1 through September 30 of each year for the three-year period ending one year prior to the year of the charge being

imposed (i.e., for calendar year 2022 charges, the highest peak day flow shall be based on May 1 through September 30, 2018, 2019 and 2020). The peak day flow for each MWDOC member agency is used to apportion the Capacity Charge based upon the ratio of each agency's highest peak day flow to the sum of all member agencies' highest peak day flows. The amount of the 2022 Capacity Charge apportioned to each member agency is set forth in **Exhibit B**, attached hereto and by this reference incorporated herein and made an operative part hereof.

SECTION 4. MWDOC'S RETAIL METER CHARGE.

The annual charge to be imposed by MWDOC on each member agency except for Orange County Water District (OCWD) for each retail water meter served by such MWDOC member agency which is in service as of January 1 of each year (MWDOC's Retail Meter Charge) shall be **\$13.00**. MWDOC's Retail Meter Charge shall be collected in accordance with Section 10 of this Resolution. Annually, or at such time as determined to be necessary, MWDOC will request supporting documentation from each member agency to verify the number of retail meters within their service area, and such documentation shall be signed by a representative of the member agency. MWDOC is also authorized to conduct random on-site visits with the member agencies to verify the data on the number of retail meters.

SECTION 5. MWDOC GROUNDWATER CUSTOMER CHARGE

The annual charge to be imposed on OCWD for Core services provided by MWDOC for fiscal year 2021-22 shall be **\$335,385**. MWDOC's Groundwater Customer Charge to be imposed on OCWD shall be collected in accordance with Section 10 of this Resolution.

The Groundwater Customer Charge is calculated based on OCWD's proportionate share of all of MWDOC's cost centers of MWDOC's fiscal year 2021-22 general fund core

budget; excluding the WEROC cost center. OCWD's proportionate share is calculated as one twenty-sixth of all cost centers except for WEROC.

SECTION 6. CHOICE SERVICES TO THE MWDOC MEMBER AGENCIES 2021-22

The Choice services to the member agencies shall be provided and charged for as follows for Fiscal Year 2021-22. Each Choice service is voluntary and provided at the option of the member agency, and the costs for such Choice services are not "imposed" for purposes of article XIII C, section 1(e) of the California constitution:

- (a) Water Use Efficiency Program – The cost of MWDOC's Water Use Efficiency Program shall be allocated to those agencies electing to participate in the program. The costs shall be apportioned to the participants in proportion to the benefits received from Metropolitan and/or any other outside sources of funding in calendar year 2020. There may be other costs allocated over and above these costs for participation in certain water use efficiency program efforts in various parts of Orange County that are separate from this basic program. Anything beyond the basic program will be implemented separately by agreement or memorandum of understanding with each participating agency. The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year.
- (b) The MWDOC Elementary School Program provides comprehensive water education for Orange County elementary school students in Grades K-6. Through this program, each participating agency may set a target number of students to reach in their service area. In grades K-2, the MWDOC Elementary School Program charges participating agencies per school assembly, at a cost based on the size of the school assembly. In grades 3-6, the MWDOC

Elementary School Program charges each participating agency at a cost per student based on the actual number of students to which the program is provided.

- (c) The MWDOC Middle School Program provides comprehensive water education for Orange County middle school students in Grades 7-8. Through this program, each participating agency may set a target number of students to reach in their service area. The MWDOC Middle School Program charges each participating agency at a cost per student based on the actual number of students to which the program is provided.
- (d) The MWDOC High School Program provides comprehensive water education for Orange County high school students in Grades 9-12. Through this program, each participating agency may set a target number of high schools to reach in their service area. The MWDOC High School Program charges each participating agency at a cost per high school to which the program is provided.
- (e) Blank
- (f) The Water Loss Control Program provides professional services with Water Systems Optimization, Inc. for water loss control technical assistance to retail agencies in Orange County, as well as technical services with McCall's Meters, Inc. and with Westerly Meter Service Company to provide meter accuracy testing services. The costs for the program varies per agency according to the level of professional and technical service selected by each participating agency. The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year.

The details on these Choice options and charges to each agency are included in Section 10 and are set forth in **Exhibit C**, attached hereto and by this reference

incorporated herein and made an operative part hereof .

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

WATER

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

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

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

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

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

- (c) Other charges established by written agreement between MWDOC and a member agency that reflect additional costs of wheeling water.

SECTION 8. MWDOC WATER SUPPLY ALLOCATION PLAN (WSAP)

In the event that a regional water shortage is declared, the MWDOC Board can implement, adjust, or adopt an updated Water Supply Allocation Plan (Plan). This Plan, as adopted in 2009, updated in 2014 and 2016, and as amended from time to time, established procedures allowing MWDOC to assess an allocation surcharge to its member agencies in the event MWDOC is assessed an allocation surcharge under Metropolitan's own "Water Supply Allocation Plan." Under MWDOC's Plan, surcharges may be assessed according to a particular member agency's prorated share of its over usage relative to the MWDOC surcharge amount assessed by Metropolitan. However, the rates set forth in this Resolution do not include or otherwise account for potential surcharges that may be assessed by MWDOC under its Water Supply Allocation Plan, and nothing contained herein is intended to preclude MWDOC from charging such surcharges as authorized in the Water Supply Allocation Plan.

SECTION 9. EFFECTIVE DATE.

The rates set forth in this Resolution shall become effective as of July 1, 2021 or thereafter as specified and shall remain in effect until changed by subsequent Resolution of the Board of Directors.

SECTION 10. BILLING AND PAYMENT.

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

- (a) MWDOC's cost of acquisition of the water shall be billed in the month following delivery of the water;
- (b) MWDOC's Retail Meter Charge shall be billed once annually on or after July 1st of each year, for each retail water service meter within each member agency's service area;
- (c) the MWDOC Readiness-to-Serve Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit A**, the MWDOC Capacity Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit B**; and
- (d) the MWDOC Choice services shall be billed once annually on or after July 1st of each year or as otherwise during the fiscal year in accordance with **Exhibit C** and/or as may be adjusted during the fiscal year in discussions with and as agreed to by the Choice Program participants.
- (e) The fixed annual Groundwater Customer Charge to OCWD, as set forth in MWDOC's Water Rate Ordinance No. 55 and referred to in Section 5 hereof, shall be billed to OCWD annually at the beginning of the fiscal year on July 1.

All such billings shall be due on receipt by the member agency and shall be delinquent if payment is not received by MWDOC by the 15th day of the month following the mailing of the billing or within 30 days of mailing of such billing, whichever date is later.

SECTION 11. EXEMPTION FROM CEQA.

The Board of Directors finds that the adoption of the rates and charges as set forth in

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

SECTION 12. **REASONABLE COST.**

The Board of Directors finds that the water rates established herein are in accordance with the adopted fiscal year 2021-22 budget, and that said rates do not exceed the reasonable cost of providing water service and other services and regulatory functions for which they are charged.

SECTION 13. **SUPERSEDES PRIOR RESOLUTIONS.**

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

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

The rates for water service established herein are subject to Ordinance No. 55 as it may be amended from time to time.

SECTION 15. **IMPLEMENTATION.**

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

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

Said Resolution No. was adopted on April _____, 2021 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MARIBETH GOLDSBY, District Secretary

Municipal Water District of Orange County

EXHIBIT A

Readiness-to-serve Charge for MWDOC Client Agencies for FY 2021-22

| | | |
|---|----------------|-------|
| Metropolitan Readiness-to-Serve (RTS) Charge to MWDOC for FY 2021/22 = | \$ 18,986,767 | DRAFT |
| Expected Standby Revenue Less Metropolitan Administrative Charge Plus Delinquencies & Uncollectables FY 2021/22 = | \$ (7,197,255) | |
| Net MWD RTS Charge = | \$ 11,789,511 | |

| Agency | | | | | | AF Share | Net RTS | FY 2018-19 RTS Adjustment | Net RTS | Monthly Charge July - December | Monthly Charge January - June |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|-------------|-------------------------|------------------------------|-------------------------|-----------------------------------|----------------------------------|
| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 4-Yr Ave | (%) | | | | | |
| Brea | 1,160 | 1,889 | 878 | 0 | 982 | 0.51% | \$ 60,488.19 | \$ - | \$ 60,488.19 | \$ 4,751.06 | \$ 5,330.31 |
| Buena Park | 3,229 | 3,251 | 3,470 | 2,657 | 3,152 | 1.65% | \$ 194,190.24 | \$ - | \$ 194,190.24 | \$ 15,252.70 | \$ 17,112.34 |
| East Orange County Water District | 1,372 | 1,131 | 1,575 | 1,157 | 1,309 | 0.68% | \$ 80,642.27 | \$ - | \$ 80,642.27 | \$ 6,334.06 | \$ 7,106.32 |
| El Toro Water District | 6,639 | 7,783 | 6,789 | 6,913 | 7,031 | 3.67% | \$ 433,229.04 | \$ - | \$ 433,229.04 | \$ 34,028.04 | \$ 38,176.80 |
| Fountain Valley | 2,112 | 2,112 | 1,885 | 0 | 1,527 | 0.80% | \$ 94,110.30 | \$ - | \$ 94,110.30 | \$ 7,391.91 | \$ 8,293.14 |
| Garden Grove | 6,135 | 6,286 | 5,434 | 10,952 | 7,202 | 3.76% | \$ 443,746.87 | \$ - | \$ 443,746.87 | \$ 34,854.17 | \$ 39,103.65 |
| Golden State Water Company | 5,664 | 5,823 | 5,421 | 4,743 | 5,413 | 2.83% | \$ 333,515.86 | \$ - | \$ 333,515.86 | \$ 26,196.06 | \$ 29,389.92 |
| Huntington Beach | 6,084 | 6,914 | 5,276 | 4,264 | 5,634 | 2.94% | \$ 347,183.10 | \$ - | \$ 347,183.10 | \$ 27,269.55 | \$ 30,594.30 |
| Irvine Ranch Water District | 18,595 | 15,345 | 13,921 | 13,018 | 15,220 | 7.95% | \$ 937,808.27 | \$ - | \$ 937,808.27 | \$ 73,660.30 | \$ 82,641.09 |
| La Habra | 76 | 114 | 75 | 101 | 92 | 0.05% | \$ 5,645.73 | \$ - | \$ 5,645.73 | \$ 443.44 | \$ 497.51 |
| La Palma | 651 | 1 | 426 | 0 | 270 | 0.14% | \$ 16,610.10 | \$ - | \$ 16,610.10 | \$ 1,304.64 | \$ 1,463.71 |
| Laguna Beach County Water District | 1,663 | 1,636 | 1,462 | 1,614 | 1,594 | 0.83% | \$ 98,197.17 | \$ - | \$ 98,197.17 | \$ 7,712.91 | \$ 8,653.28 |
| Mesa Water District | 0 | 0 | 0 | 0 | - | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - |
| Moulton Niguel Water District | 22,866 | 25,630 | 23,443 | 22,185 | 23,531 | 12.30% | \$ 1,449,925.96 | \$ - | \$ 1,449,925.96 | \$ 113,884.66 | \$ 127,769.67 |
| Newport Beach | 3,317 | 3,679 | 3,229 | 4,255 | 3,620 | 1.89% | \$ 223,064.36 | \$ - | \$ 223,064.36 | \$ 17,520.63 | \$ 19,656.77 |
| Orange | 5,786 | 5,139 | 5,187 | 4,946 | 5,264 | 2.75% | \$ 324,377.17 | \$ - | \$ 324,377.17 | \$ 25,478.26 | \$ 28,584.61 |
| Orange County Water District | 42,879 | 121,717 | 56,198 | 9,592 | 57,596 | 30.10% | \$ 3,548,945.15 | \$ - | \$ 3,548,945.15 | \$ 278,752.46 | \$ 312,738.35 |
| San Clemente | 6,543 | 7,016 | 6,521 | 6,680 | 6,690 | 3.50% | \$ 412,204.29 | \$ - | \$ 412,204.29 | \$ 32,376.65 | \$ 36,324.07 |
| San Juan Capistrano | 5,556 | 5,080 | 5,108 | 4,790 | 5,134 | 2.68% | \$ 316,316.40 | \$ - | \$ 316,316.40 | \$ 24,845.12 | \$ 27,874.28 |
| Santa Margarita Water District | 21,847 | 23,432 | 20,179 | 22,275 | 21,933 | 11.46% | \$ 1,351,474.86 | \$ - | \$ 1,351,474.86 | \$ 106,151.81 | \$ 119,094.01 |
| Seal Beach | 1,000 | 847 | 928 | 1,132 | 977 | 0.51% | \$ 60,182.24 | \$ - | \$ 60,182.24 | \$ 4,727.02 | \$ 5,303.35 |
| Serrano Water District | 2,199 | 1,300 | 1,072 | 0 | 1,143 | 0.60% | \$ 70,402.93 | \$ - | \$ 70,402.93 | \$ 5,529.81 | \$ 6,204.01 |
| South Coast Water District | 4,907 | 4,865 | 5,039 | 4,481 | 4,823 | 2.52% | \$ 297,181.15 | \$ - | \$ 297,181.15 | \$ 23,342.14 | \$ 26,188.05 |
| Trabuco Canyon Water District | 2,000 | 2,941 | 2,177 | 2,034 | 2,288 | 1.20% | \$ 140,990.72 | \$ - | \$ 140,990.72 | \$ 11,074.14 | \$ 12,424.32 |
| Westminster | 2,602 | 2,780 | 2,454 | 2,450 | 2,572 | 1.34% | \$ 158,450.31 | \$ - | \$ 158,450.31 | \$ 12,445.50 | \$ 13,962.88 |
| Yorba Linda Water District | 5,370 | 6,117 | 4,787 | 9,084 | 6,340 | 3.31% | \$ 390,628.33 | \$ - | \$ 390,628.33 | \$ 30,681.96 | \$ 34,422.76 |
| Sum of MWDOC Agencies | 172,400 | 180,249 | 262,827 | 139,323 | 191,333 | 100% | \$ 11,789,511.00 | \$ - | \$ 11,789,511.00 | \$ 926,009.00 | \$ 1,038,909.50 |

EXHIBIT B
DRAFT Capacity Charge for MWDOC Member Agencies for CY 2022

DRAFT 4/6/21

| | | | | |
|----------------------------------|-------------|-------------|-------------|---------------|
| | 2018 | 2019 | 2020 | Peak |
| MWDOC's Peak to MWD (cfs) | 442.3 | 263.2 | 272.2 | 442.3 |
| Date | 8/7/2018 | 8/5/2019 | 6/10/2020 | 8/7/18 |

Metropolitan Capacity Charge to MWDOC for CY 2021 **\$ 5,396,060** *

| Agency | Capacity Charge Eligible Flows (CFS) | | | | CFS Share (%) | Annual Capacity Charge | Monthly Capacity Charge |
|---------------------------------------|--------------------------------------|------|------|--------------|---------------|------------------------|-------------------------|
| | 2018 | 2019 | 2020 | 3-Yr Peak | | | |
| City of Brea | 12.9 | 0.0 | 0.0 | 12.9 | 2.17% | \$ 117,050 | \$ 9,754 |
| City of Buena Park | 4.7 | 11.8 | 5.5 | 11.8 | 1.99% | \$ 107,359 | 8,947 |
| East Orange County Water District | 10.8 | 14.9 | 12.5 | 14.9 | 2.50% | \$ 135,002 | 11,250 |
| El Toro Water District | 18.3 | 18.3 | 16.2 | 18.3 | 3.08% | \$ 166,217 | 13,851 |
| City of Fountain Valley | 2.8 | 0.0 | 0.0 | 2.8 | 0.47% | \$ 25,459 | 2,122 |
| City of Garden Grove | 17.0 | 22.0 | 26.0 | 26.0 | 4.38% | \$ 236,147 | 19,679 |
| Golden State Water Company | 12.9 | 9.2 | 11.9 | 12.9 | 2.16% | \$ 116,808 | 9,734 |
| City of Huntington Beach | 24.7 | 26.3 | 16.7 | 26.3 | 4.42% | \$ 238,548 | 19,879 |
| Irvine Ranch Water District | 51.7 | 41.1 | 42.0 | 51.7 | 8.68% | \$ 468,614 | 39,051 |
| City of La Habra | 7.8 | 8.6 | 3.4 | 8.6 | 1.45% | \$ 78,268 | 6,522 |
| City of La Palma | 0.0 | 0.0 | 0.0 | 0.0 | 0.00% | \$ - | - |
| Laguna Beach County Water District | 4.9 | 2.5 | 7.0 | 7.0 | 1.17% | \$ 63,093 | 5,258 |
| Mesa Water District | 0.0 | 0.0 | 0.0 | 0.0 | 0.00% | \$ - | - |
| Moulton Niguel Water District | 49.5 | 48.5 | 49.4 | 49.5 | 8.33% | \$ 449,421 | 37,452 |
| City of Newport Beach | 10.8 | 7.9 | 5.6 | 10.8 | 1.82% | \$ 98,058 | 8,171 |
| Orange County Water District | 146.4 | 0.0 | 0.0 | 146.4 | 24.61% | \$ 1,327,939 | 110,662 |
| City of Orange | 20.4 | 14.5 | 20.9 | 20.9 | 3.51% | \$ 189,207 | 15,767 |
| City of San Clemente | 21.5 | 17.5 | 13.6 | 21.5 | 3.61% | \$ 194,933 | 16,244 |
| City of San Juan Capistrano | 15.1 | 14.7 | 14.8 | 15.1 | 2.54% | \$ 136,970 | 11,414 |
| Santa Margarita Water District | 54.0 | 66.9 | 59.9 | 66.9 | 11.25% | \$ 607,281 | 50,607 |
| City of Seal Beach | 5.3 | 6.0 | 6.8 | 6.8 | 1.14% | \$ 61,292 | 5,108 |
| Serrano Water District | 3.0 | 0.0 | 0.0 | 3.0 | 0.50% | \$ 27,213 | 2,268 |
| South Coast Water District | 7.9 | 7.3 | 13.1 | 13.1 | 2.19% | \$ 118,427 | 9,869 |
| Trabuco Canyon Water District | 6.3 | 5.0 | 5.8 | 6.3 | 1.06% | \$ 57,397 | 4,783 |
| City of Westminster | 4.8 | 4.4 | 2.1 | 4.8 | 0.80% | \$ 43,328 | 3,611 |
| Yorba Linda Water District | 15.9 | 33.6 | 36.6 | 36.6 | 6.15% | \$ 332,031 | 27,669 |
| Total | | | | 594.9 | 100% | \$ 5,396,060 | \$ 449,672 |
| MWDOC Capacity Charge Per CFS: | | | | | | \$ 9,071 | |

* Based on MWDOC's aggregate peak flow of 442.3 cfs on 8/7/2018 charge at MET's 2022 rate of \$12,200 per cfs

Exhibit C
MWDOC Member Agency Choice Services Program Summary
Cost Allocations by Agencies for FY 2021-22

DRAFT
As of 4/1/2021

| Retail Agency | Water Use Efficiency [1] | School Education (K-2)[2] | School Education (3-6)[2] | School Education (Middle School)[2] | School Education (High School)[2] | Water Loss Control Program [3] | Total Choice Allocation |
|----------------------------|--------------------------|---|---|---|---|---|-------------------------|
| Brea | \$ 10,409 | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | \$ 10,409 |
| Buena Park | \$ 6,354 | | | | | | \$ 6,354 |
| East Orange County WD | \$ 1,156 | | | | | | \$ 1,156 |
| El Toro WD | \$ 56,139 | | | | | | \$ 56,139 |
| Fountain Valley | \$ 13,371 | | | | | | \$ 13,371 |
| Garden Grove | \$ 8,166 | | | | | | \$ 8,166 |
| Golden State Water Company | \$ 5,855 | | | | | | \$ 5,855 |
| Huntington Beach | \$ 55,762 | | | | | | \$ 55,762 |
| Irvine Ranch WD | \$ 142,915 | | | | | | \$ 142,915 |
| La Habra | \$ 12,034 | | | | | | \$ 12,034 |
| La Palma | \$ 390 | | | | | | \$ 390 |
| Laguna Beach County WD | \$ 2,980 | | | | | | \$ 2,980 |
| Mesa Water | \$ 50,432 | | | | | | \$ 50,432 |
| Moulton Niguel WD | \$ 162,496 | | | | | | \$ 162,496 |
| Newport Beach | \$ 22,398 | | | | | | \$ 22,398 |
| Orange | \$ 37,780 | | | | | | \$ 37,780 |
| Orange County WD | \$ - | | | | | | \$ - |
| San Clemente | \$ 27,523 | | | | | | \$ 27,523 |
| San Juan Capistrano | \$ 4,496 | | | | | | \$ 4,496 |
| Santa Margarita WD | \$ 84,865 | | | | | | \$ 84,865 |
| Seal Beach | \$ 4,466 | | | | | | \$ 4,466 |
| Serrano WD | \$ 1,148 | | | | | | \$ 1,148 |
| South Coast WD | \$ 101,507 | | | | | | \$ 101,507 |
| Trabuco Canyon WD | \$ 35,651 | | | | | | \$ 35,651 |
| Tustin | \$ 23,761 | | | | | | \$ 23,761 |
| Westminster | \$ 17,470 | | | | | | \$ 17,470 |
| Yorba Linda WD | \$ 25,499 | | | | | | \$ 25,499 |
| Anaheim | \$ 64 | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | TBD: Pending Each Agency's Level of Service | \$ 64 |
| Fullerton | \$ - | | | | | | \$ - |
| Santa Ana | \$ 43 | | | | | | \$ 43 |
| Orange County Total | \$ 915,132 | | | | | | \$ 915,132 |

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

[1] Preliminary Cost Allocation for the Choice Water Use Efficiency Program for FY 2021-22

[2] FY 2021-22 costs dependent upon selection of vendor and each agency's level of participation.

[3] For FY 2021-22 the Water Loss Control Program includes Technical Assistance (Year VI) and the Water Loss Control Shared Services (Year III). Agency costs will vary based on the selection of technical assistance and shared services. The final cost by agency are not expected to be determined until Fall 2021.



ACTION ITEM

April 21, 2021

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

FROM: Robert Hunter, General Manager Staff Contact: Heather Baez

**SUBJECT: AB 1296 (KAMLAGER) AND SB 342 (GONZALEZ) – SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT: BOARD MEMBERSHIP**

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt Oppose Unless Amended positions on both AB 1296 (Kamlager) and SB 342 (Gonzalez).

COMMITTEE RECOMMENDATION

Committee will review this item on April 19, 2021 and make a recommendation to the Board.

BILL SUMMARY

As Assembly Bill 1296 (Kamlager) and Senate Bill 342 (Gonzalez) contain identical language, this write-up and recommendation will cover both. It is not yet known which of the bills will proceed. Either of these bills would add two additional seats to the South Coast Air Quality Management District (SCAQMD) Governing Board, to be filled by persons residing in and working directly with pollution-burdened and vulnerable communities as well as issues of environmental justice in the South Coast Air Basin.

BACKGROUND

The SCAQMD's Governing Board adopts policies and regulations that promote clean air within its four-county area, Los Angeles, Orange, Riverside and San Bernardino. Currently, the SCAQMD Board is comprised of 13 members:

- (1) member appointed by the Governor
- (1) member appointed by the Senate President Pro-Tem
- (1) member appointed by the Speaker of the Assembly
- (10) members appointed by regional government entities in the South Coast Air Basin.

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

All SCAQMD board members are required to have a demonstrated interest and proven ability in the field of air pollution control. The governor's appointee is the only member *required* to have a technical background related to air quality and no members are *required* to have a background in working with pollution-burdened communities or environmental justice.

At the April 7 Joint Board Workshop Meeting, MWDOC Board Members expressed interest in taking a formal position on AB 1296 (Kamlager) and asked staff to bring it to the next available committee for action. Staff identified that as SB 342 (Gonzalez) contains the same language, a position on both bills is needed.

ARGUMENTS IN SUPPORT

According to Senator Gonzalez, "South Coast air basin, despite significant air quality improvements over the last several decades, has some of the worst air quality in the nation. Poor land use decisions, discriminatory housing policies, and a legacy of systemic racism have all contributed to an unacceptable reality in South Coast air basin, where low-income communities and communities of color are disproportionately burdened with the unsafe health and environmental consequences of air pollution. According to a 2017 OEHHA report, 57% of the industrial facilities subject to the state's Cap and Trade program are located in or within one-half mile of a disadvantaged community. The same report showed that 75% of refineries and 65% of facilities classified by the California Air Resources Board (CARB) as "other combustion source" facilities are also located in or within one-half mile of a disadvantaged community.

"By adding two environmental justice representatives to SCAQMD's governing board, SB 342 will help tip the scales towards justice for communities that are disproportionately impacted by outdoor pollution in the South Coast air basin and incorporate diverse viewpoints on local public resources and air quality policies. In addition, access to membership on boards will help provide a path to other positions in governmental leadership to individuals from historically underrepresented populations. It is now that we need to deliberately include environmental justice voices and establish active long-term community representation, as we struggle to meet federal air quality standards and tackle one of our most pressing health equity issues."

ARGUMENTS IN OPPOSITION

Ensuring that underrepresented communities are heard in SCAMWD's deliberations has obvious merit, however AB 1296 and SB 342 achieve that goal by diluting the vote of the locally elected officials on the board who are answerable to their constituents. The Legislature could achieve the same result by requiring the two board members they currently appoint are selected from the underrepresented communities they seek to support.

BOARD OPTIONS

Option #1

- Staff recommends that the Board of Directors adopt an Oppose Unless Amended position on AB 1296 (Kamlager) and SB 342 (Gonzalez) and communicate that position with the author's office and policy committee/s.

Fiscal Impact: This bill is not considered to have a fiscal impact on the State of California, and therefore does not require a hearing in the Appropriations Committee.

Business Analysis: Should there be a change of membership to the SCAQMD Board, it could affect issues facing water districts throughout the region.

Option #2

- Do not take a position on AB 1296 (Kamlager) and SB 342 (Gonzalez).

Fiscal Impact: Same as above

Business Analysis: Same as above

STAFF RECOMMENDATION

Option #1

Attached:

- AB 1296 Full Text
- SB 342 Full Text

ASSEMBLY BILL

No. 1296

Introduced by Assembly Member Kamlager

February 19, 2021

An act to amend Section 40420 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 1296, as introduced, Kamlager. South Coast Air Quality Management District: district board: membership.

Existing law imposes various limitations on the emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law assigns the responsibility for controlling air pollution for sources other than vehicular sources to an air pollution control district or air quality management district. Existing law establishes the South Coast Air Quality Management District as the district with the responsibility for controlling air pollution from sources other than vehicular sources in the South Coast Air Basin. Existing law establishes a district board consisting of 13 members to govern the south coast district. Existing law requires one member of the district board to be appointed by the Senate Committee on Rules and one member to be appointed by the Speaker of the Assembly.

This bill would increase the number of members of the district board of the south coast district to 15 members by adding 2 environmental justice appointees, one appointed by the Senate Committee on Rules and one appointed by the Speaker of the Assembly.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 40420 of the Health and Safety Code is amended to read:

40420. (a) The south coast district shall be governed by a district board consisting of ~~13~~ 15 members appointed as follows:

(1) One member appointed by the Governor, with the advice and consent of the Senate.

~~(2) One member~~ (A) Two members appointed by the Senate Committee on Rules.

(B) *One of the members appointed under subparagraph (A) shall be an environmental justice appointee who is a person who works directly with communities in the south coast district that are most significantly burdened by, and vulnerable to, high levels of pollution, including, but not limited to, communities with diverse racial and ethnic populations and communities with low-income populations.*

~~(3) One member~~ (A) Two members appointed by the Speaker of the Assembly.

(B) *One of the members appointed under subparagraph (A) shall be an environmental justice appointee who is a person who works directly with communities in the south coast district that are most significantly burdened by, and vulnerable to, high levels of pollution, including, but not limited to, communities with diverse racial and ethnic populations and communities with low-income populations.*

(4) Four members appointed by the boards of supervisors of the counties in the south coast district. Each board of supervisors shall appoint one of these members, who shall be one of the following:

(A) A member of the board of supervisors of the county making the appointment.

(B) A mayor or member of a city council from a city in the portion of the county making the appointment that is included in the south coast district.

(5) Three members appointed by cities in the south coast district. The city selection committee of Orange, Riverside, and San Bernardino Counties shall each appoint one of these members, who shall be either a mayor or a member of the city council of a city in the portion of the county included in the south coast district.

(6) A member appointed by the cities of the western region of Los Angeles County, consisting of the Cities of Agoura Hills, Artesia, Avalon, Bell, Bellflower, Bell Gardens, Beverly Hills, Calabasas, Carson, Cerritos, Commerce, Compton, Cudahy, Culver City, Downey, El Segundo, Gardena, Hawaiian Gardens, Hawthorne, Hermosa Beach, Hidden Hills, Huntington Park, Inglewood, La Habra Heights, La Mirada, Lakewood, Lawndale, Lomita, Long Beach, Lynwood, Malibu, Manhattan Beach, Maywood, Montebello, Norwalk, Palos Verdes Estates, Paramount, Pico Rivera, Rancho Palos Verdes, Redondo Beach, Rolling Hills, Rolling Hills Estates, Santa Fe Springs, Santa Monica, Signal Hill, South Gate, Torrance, Vernon, West Hollywood, Westlake Village, and Whittier. These cities shall organize as a city selection committee for the purposes of subdivision (f), and shall be known as the city selection committee of the western region of Los Angeles County. The member appointed shall be either a mayor or a member of the city council of a city in the western region.

(7) A member appointed by the cities of the eastern region of Los Angeles County, consisting of the cities in Los Angeles County that are not listed in paragraph (6) or (8), and excluding the Cities of Lancaster, Los Angeles, and Palmdale. These cities shall organize as a city selection committee for the purposes of subdivision (f), and shall be known as the city selection committee of the eastern region of Los Angeles County. The member appointed shall be either a mayor or a member of the city council of a city in the eastern region.

(8) A member appointed by the Mayor of the City of Los Angeles from among the members of the Los Angeles City Council.

(b) All members shall be appointed on the basis of their demonstrated interest and proven ability in the field of air pollution control and their understanding of the needs of the general public in connection with air pollution problems of the South Coast Air Basin.

(c) The member appointed by the Governor shall be either a physician who has training and experience in the health effects of air pollution, an environmental engineer, a chemist, a meteorologist, or a specialist in air pollution control.

(d) Each member shall be appointed on the basis of ~~his or her~~ *the member's* ability to attend substantially all meetings of the

1 south coast district board, to discharge all duties and responsibilities
2 of a member of the south coast district board on a regular basis,
3 and to participate actively in the affairs of the south coast district.
4 No member may designate an alternate for any purpose or
5 otherwise be represented by another in ~~his or her~~ *their* capacity as
6 a member of the south coast district board.

7 (e) Each appointment by a board of supervisors shall be
8 considered and acted on at a duly noticed, regularly scheduled
9 hearing of the board of supervisors, which shall provide an
10 opportunity for testimony on the qualifications of the candidates
11 for appointment.

12 (f) The appointments by cities in the south coast district shall
13 be considered and acted on at a duly noticed meeting of the city
14 selection committee, which shall meet in a government building
15 and provide an opportunity for testimony on the qualifications of
16 the candidates for appointment. Each appointment shall be made
17 by not less than a majority of all the cities in the portion of the
18 county included in the south coast district having not less than a
19 majority of the population of all the cities in the portion of the
20 county included in the south coast district. Population shall be
21 determined on the basis of the most recent verifiable census data
22 developed by the Department of Finance. Persons residing in
23 unincorporated areas or areas of a county outside the south coast
24 district shall not be considered for the purposes of this subdivision.

25 (g) The members appointed by the Senate Committee on Rules
26 and the Speaker of the Assembly shall have one or more of the
27 qualifications specified in subdivision (c) or shall be a public
28 member. None of those appointed members may be a locally
29 elected official.

30 (h) All members shall be residents of the district.

31 (i) (1) The member who was serving on the district board as
32 of June 1, 2007, who had been appointed to represent the eastern
33 region of Los Angeles County shall be deemed on January 1, 2008,
34 to be the member appointed to represent the western region of Los
35 Angeles County pursuant to paragraph (6) of subdivision (a) and
36 shall serve from January 1, 2008, until the end of the term of office
37 for the member who had been appointed to represent the western
38 region of Los Angeles County. At the end of that term, the city
39 selection committee of the western region of Los Angeles County

1 shall make an appointment pursuant to paragraph (6) of subdivision
2 (a).

3 (2) The member who was serving on the district board as of
4 June 1, 2007, who had been appointed to represent the western
5 region of Los Angeles County shall be deemed on January 1, 2008,
6 to be the member appointed pursuant to paragraph (8) of
7 subdivision (a) until the end of that member's term. At the end of
8 that term, the Mayor of the City of Los Angeles shall make an
9 appointment pursuant to paragraph (8) of subdivision (a).

10 (3) On or after January 1, 2008, the city selection committee of
11 the eastern region of Los Angeles County shall convene promptly
12 to make an appointment pursuant to paragraph (7) of subdivision
13 (a).

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AMENDED IN SENATE MARCH 10, 2021

SENATE BILL

No. 342

Introduced by Senator Gonzalez

February 9, 2021

An act ~~relating to environmental justice~~, to amend Sections 40420 and 40424 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 342, as amended, Gonzalez. ~~Environmental justice~~. *South Coast Air Quality Management District: board membership.*

Existing law establishes the South Coast Air Quality Management District vested with the authority to regulate air emissions from stationary sources located in the South Coast Air Basin and establishes a district board, consisting of 13 members.

This bill would add 2 members to the district board, appointed by the Senate Committee on Rules and the Speaker of the Assembly. The bill would require the 2 additional members to reside in and work directly with communities in the South Coast Air Basin that are disproportionately burdened by and vulnerable to high levels of pollution and issues of environmental justice.

~~Existing law requires the Secretary for Environmental Protection to convene a Working Group on Environmental Justice composed of various representatives, as specified, to assist the California Environmental Protection Agency in developing an agencywide environmental justice strategy.~~

~~This bill would state the intent of the Legislature to enact subsequent legislation to increase environmental justice representation at a local level.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 40420 of the Health and Safety Code is
2 amended to read:
3 40420. (a) The south coast district shall be governed by a
4 district board consisting of ~~13~~ 15 members appointed as follows:
5 (1) One member appointed by the Governor, with the advice
6 and consent of the Senate.
7 (2) ~~One member~~ (A) Two members appointed by the Senate
8 Committee on Rules.
9 (B) One member appointed pursuant to this paragraph shall
10 reside in and work directly with communities in the South Coast
11 Air Basin that are disproportionately burdened by and vulnerable
12 to high levels of pollution and issues of environmental justice,
13 including, but not limited to, communities with diverse racial and
14 ethnic populations and communities with low-income populations.
15 (3) ~~One member~~ (A) Two members appointed by the Speaker
16 of the Assembly.
17 (B) One member appointed pursuant to this paragraph shall
18 reside in and work directly with communities in the South Coast
19 Air Basin that are disproportionately burdened by and vulnerable
20 to high levels of pollution and issues of environmental justice,
21 including, but not limited to, communities with diverse racial and
22 ethnic populations and communities with low-income populations.
23 (4) Four members appointed by the boards of supervisors of the
24 counties in the south coast district. Each board of supervisors shall
25 appoint one of these members, who shall be one of the following:
26 (A) A member of the board of supervisors of the county making
27 the appointment.
28 (B) A mayor or member of a city council from a city in the
29 portion of the county making the appointment that is included in
30 the south coast district.
31 (5) Three members appointed by cities in the south coast district.
32 The city selection committee of Orange, Riverside, and San
33 Bernardino Counties shall each appoint one of these members,
34 who shall be either a mayor or a member of the city council of a
35 city in the portion of the county included in the south coast district.

(6) A member appointed by the cities of the western region of Los Angeles County, consisting of the Cities of Agoura Hills, Artesia, Avalon, Bell, Bellflower, Bell Gardens, Beverly Hills, Calabasas, Carson, Cerritos, Commerce, Compton, Cudahy, Culver City, Downey, El Segundo, Gardena, Hawaiian Gardens, Hawthorne, Hermosa Beach, Hidden Hills, Huntington Park, Inglewood, La Habra Heights, La Mirada, Lakewood, Lawndale, Lomita, Long Beach, Lynwood, Malibu, Manhattan Beach, Maywood, Montebello, Norwalk, Palos Verdes Estates, Paramount, Pico Rivera, Rancho Palos Verdes, Redondo Beach, Rolling Hills, Rolling Hills Estates, Santa Fe Springs, Santa Monica, Signal Hill, South Gate, Torrance, Vernon, West Hollywood, Westlake Village, and Whittier. These cities shall organize as a city selection committee for the purposes of subdivision (f), and shall be known as the city selection committee of the western region of Los Angeles County. The member appointed shall be either a mayor or a member of the city council of a city in the western region.

(7) A member appointed by the cities of the eastern region of Los Angeles County, consisting of the cities in Los Angeles County that are not listed in paragraph (6) or (8), and excluding the Cities of Lancaster, Los Angeles, and Palmdale. These cities shall organize as a city selection committee for the purposes of subdivision (f), and shall be known as the city selection committee of the eastern region of Los Angeles County. The member appointed shall be either a mayor or a member of the city council of a city in the eastern region.

(8) A member appointed by the Mayor of the City of Los Angeles from among the members of the Los Angeles City Council.

(b) All members shall be appointed on the basis of their demonstrated interest and proven ability in the field of air pollution control and their understanding of the needs of the general public in connection with air pollution problems of the South Coast Air Basin.

(c) The member appointed by the Governor shall be either a physician who has training and experience in the health effects of air pollution, an environmental engineer, a chemist, a meteorologist, or a specialist in air pollution control.

(d) Each member shall be appointed on the basis of ~~his or her~~ *their* ability to attend substantially all meetings of the south coast

1 district board, to discharge all duties and responsibilities of a
2 member of the south coast district board on a regular basis, and to
3 participate actively in the affairs of the south coast district. ~~No A~~
4 ~~member may~~ *shall not* designate an alternate for any purpose or
5 otherwise be represented by another in ~~his or her~~ *their* capacity as
6 a member of the south coast district board.

7 (e) Each appointment by a board of supervisors shall be
8 considered and acted on at a duly noticed, regularly scheduled
9 hearing of the board of supervisors, which shall provide an
10 opportunity for testimony on the qualifications of the candidates
11 for appointment.

12 (f) The appointments by cities in the south coast district shall
13 be considered and acted on at a duly noticed meeting of the city
14 selection committee, which shall meet in a government building
15 and provide an opportunity for testimony on the qualifications of
16 the candidates for appointment. Each appointment shall be made
17 by not less than a majority of all the cities in the portion of the
18 county included in the south coast district having not less than a
19 majority of the population of all the cities in the portion of the
20 county included in the south coast district. Population shall be
21 determined on the basis of the most recent verifiable census data
22 developed by the Department of Finance. Persons residing in
23 unincorporated areas or areas of a county outside the south coast
24 district shall not be considered for the purposes of this subdivision.

25 (g) The members appointed by the Senate Committee on Rules
26 and the Speaker of the Assembly shall have one or more of the
27 qualifications specified in subdivision (c) or shall be a public
28 member. None of those appointed members may be a locally
29 elected official.

30 (h) All members shall be residents of the district.

31 (i) (1) The member who was serving on the district board as
32 of June 1, 2007, who had been appointed to represent the eastern
33 region of Los Angeles County shall be deemed on January 1, 2008,
34 to be the member appointed to represent the western region of Los
35 Angeles County pursuant to paragraph (6) of subdivision (a) and
36 shall serve from January 1, 2008, until the end of the term of office
37 for the member who had been appointed to represent the western
38 region of Los Angeles County. At the end of that term, the city
39 selection committee of the western region of Los Angeles County

1 shall make an appointment pursuant to paragraph (6) of subdivision
2 (a).

3 (2) The member who was serving on the district board as of
4 June 1, 2007, who had been appointed to represent the western
5 region of Los Angeles County shall be deemed on January 1, 2008,
6 to be the member appointed pursuant to paragraph (8) of
7 subdivision (a) until the end of that member's term. At the end of
8 that term, the Mayor of the City of Los Angeles shall make an
9 appointment pursuant to paragraph (8) of subdivision (a).

10 (3) On or after January 1, 2008, the city selection committee of
11 the eastern region of Los Angeles County shall convene promptly
12 to make an appointment pursuant to paragraph (7) of subdivision
13 (a).

14 *SEC. 2. Section 40424 of the Health and Safety Code is*
15 *amended to read:*

16 40424. (a) Except as provided in subdivision (b), ~~seven~~ *eight*
17 members of the south coast district board shall constitute a quorum,
18 and no official action shall be taken by the south coast district
19 board except in the presence of a quorum and upon the affirmative
20 votes of a majority of the members of the south coast district board.

21 (b) Notwithstanding subdivision (a), whenever there are two
22 or more vacancies on the south coast district board, ~~six~~ *seven*
23 members shall constitute a quorum, and the two vacant positions
24 shall not be counted toward the majority required for official action
25 by the south coast district board. Thereafter, whenever at least one
26 of those vacancies is filled, the quorum and voting requirements
27 of subdivision (a) shall apply.

28 ~~SECTION 1. It is intent of the Legislature to enact subsequent~~
29 ~~legislation to increase environmental justice representation at a~~
30 ~~local level.~~

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GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES APRIL 2021

| | |
|--|--|
| MWDOC Agencies Managers Meeting | <p>MWDOC held its Member Agency Managers' meeting at its office in Fountain Valley. Thursday, March 18, 2021</p> <p>In attendance were: R. Correa & B. Ingallinera – Brea, M. McGee – Buena Park, D. Youngblood – EOCWD, D. Cafferty – ETWD, H. Lee – Fountain Valley, C. Pasillas – Garden Grove, K. Vecchiarelli – Golden State WC, A. Papa, C. Davis – Huntington Beach, P. Cook, P. Weghorst – IRWD, K. Van Der Maaten – Laguna Beach CWD, J. Chavira – La Palma, M. Khalifa – Mesa WD, J. Cruz, L. Rocha, K. Young & M. Collings – Moulton Niguel WD, S. Catron & M. Vukojevic – Newport Beach, M. Markus, J. Kennedy, A. Hutchinson – Orange County WD, J. Diaz, S. Tran – Orange, L. Brotman – San Clemente, E. Bauman – San Juan Capistrano, D. Ferons, J. Leach – Santa Margarita WD, J. Vilander, - Serrano WD, G. Pennington, T F. Kjolsing, R. Shintaku – South Coast WD, F. Paludi – Trabuco Canyon WD, M. Grisso – Tustin, S. Miller – Westminster, D. Lugo, D. Logsdon – Yorba Linda WD, S. Gagnon, M. Elliot, C. Diamond, E. Conti – Raftelis</p> <p>Staff in attendance were: R. Hunter, H. De La Torre, H. Baez, J. Berg, V. Osborn, M. Baum-Haley, A. Heide, C. Lingad, H. Chumpitazi, C. Busslinger</p> <p>MWDOC 2021 Rate Study Information/Discussion Items:</p> <p>MWDOC Rate Study</p> <p>General Meeting Information/Discussion Items:</p> <p>MWDOC Board Draft Agendas MWDOC FY 2021-22 Second Draft Budget Urban Water Management Plan Internal Draft WEROC Structure and EOCs</p> <p>Update Items:</p> <p>COVID-19 Update Legislative Items Update Dedicated Irrigation Meter Area Measurements Economic Benefits Study – Business Survey Update Metropolitan Issues Update</p> <p>The next meeting will tentatively be held on April 22, 2021.</p> |
| Meetings | <ul style="list-style-type: none"> ○ MWDOC staff, along with ABS Consulting, IDS Group, and Optima RPM, participated in several construction progress meetings in the month of March regarding the admin building seismic retrofit and remodel. Weekly progress meetings will continue through the completion of the project. |

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| Meetings - continued | <ul style="list-style-type: none"> ○ Chris Lingad attended the OC-70 meter testing on March 1, 2021, and March 9, 2021. ○ Charles Busslinger and Chris Lingad attended a meeting with LBCWD on March 2, 2021, to formally meet LBCWD's new general manager Keith Van Der Maaten, and to discuss MWDOC's hydraulic model. ○ Charles Busslinger and Chris Lingad attended a meeting with IRWD, TCWD, MET, and MET's impacted member agencies on March 11, 2021, to discuss issues with the Lake Mathews Facility Shutdown. Additional repairs were needed for a slide gate which prompted a request from MET for a 3-day shutdown extension. The impacted agencies were quick to respond and approved the extension. MET was able to complete the repairs early, and the extension was not needed. ○ Charles Busslinger and Chris Lingad attended a meeting with IRWD and TCWD on March 11, 2021, to discuss Baker Water Treatment Plant operations. ○ Charles Busslinger, Chris Lingad, and Kevin Hostert attended an AMP shutdown coordination meeting hosted by MET on March 15, 2021. All of the MWDOC's member agencies who are impacted by the shutdown were in attendance. ○ Charles Busslinger, Chris Lingad, Kevin Hostert, and Alex Heide attended a CDR meeting to review water agency boundary information in conjunction with member agency Urban Water Management Plans. ○ Charles Busslinger and Chris Lingad attended a meeting with SCWD on March 17, 2021, to discuss water delivery reporting and billing. ○ Rob Hunter, Charles Busslinger, and Chris Lingad attended a meeting with Dr. Wallace Walrod and Dr. David Sunding on March 22, 2021, to discuss the Economic Benefit Studies business survey. |
| <h2 style="margin: 0;">MET ITEMS CRITICAL TO ORANGE COUNTY</h2> | |
| MET's Finance | <p>Water Transactions for January 2021 totaled 91.1 thousand acre-feet (TAF), which was 16.3 TAF lower than the budget of 107.4 TAF. This translates to \$81.1 million in revenues for January 2021, which were \$15.3 million lower than the budget of \$96.4 million.</p> <p>Year-to-date water transactions through January 2021 were 943.2 TAF, which was 23.8 TAF lower than the budget of 967.0 TAF. Year-to-date water transactions through January 2021 were \$827.1 million, which were \$29.6 million lower than the budget of \$856.7 million.</p> <p>Following the Metropolitan's Board approval and authorization of the distribution of Appendix A for use in the issuance and remarketing of Metropolitan's bonds, Metropolitan priced \$188,890,000 of Water Revenue Bonds in January. This allowed for interest rates to be lowered, resulting in \$1.27 million in debt service</p> |

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| MET's Finance - continued | savings over the bonds' life. Bond proceeds will provide \$255 million for funding a portion of the Capital Investment Plan for fiscal years 2020/21 and 2021/22. |
| MET's General Manager Recruitment Process | <p>The current steps in the General Manager Recruitment process are as follows:</p> <ul style="list-style-type: none"> • At the January 11 OP&T committee, the Hawkins Company presented the Job Description, Recruitment Brochure, and the Outreach Plan to the Metropolitan Board for review and approval. • Nominations and submittals from interested candidates were accepted up to February 26. While the recruitment is open until the position is filled, candidates are encouraged to apply early; evaluations of all potential candidates will be done throughout the recruitment process. • At the February 23 Executive Committee meeting, the screening criteria, interview process, and interview questions were developed within a closed session. • Throughout the month of March, the Hawkins Company will review the submitted candidate applications. Only a select number of highly qualified candidates will be invited to participate in the interview process. • On March 23, the Hawkins Company presented a shortlist of candidates to the Executive Committee within a closed session. • Executive Committee will conduct initial interviews, date to be determined. • Board will conduct interviews of the top candidates, potentially on April 13. • Board to approve the selection of the new General Manager, potentially on May 11. <p>The MET General Manager Recruitment brochure can be found at the link: https://thehawkinscompany.com/wp-content/uploads/2021/01/metro_water_district_v6.pdf</p> |
| MET Review of Equal Employment Opportunity Policies and Practices | <p>Metropolitan's Board of Directors and executive management are taking steps to foster and ensure a workplace that values equity, inclusion, and diversity – both in policy and in practice.</p> <p>The Metropolitan Board responded to employee comments alleging systemic harassment by authorizing Metropolitan's Ethics Officer in November 2020 to enter into a contract with Shaw Law Group, a certified women-owned business enterprise with extensive expertise in Equal Employment Opportunity issues. The firm is currently conducting an independent and thorough review of allegations of systemic Equal Employment Opportunity-related discrimination, harassment, retaliation, and related concerns.</p> <p>To help ensure greater transparency and accountability, a microsite has also been created on Metropolitan's website that includes information about the Board's actions, policies, correspondence, and related matters.</p> <p>Microsite link: http://www.mwdh2o.com/DocSvcsPubs/MREC/</p> |

MET Integrated Resources Plan Update

On March 23, the Metropolitan Board members and member agency general managers participated in an Integrated Resources Plan (IRP) Demand Workshop with an expert panel. The three-hour workshop was facilitated by Ed Means and organized into three segments:

1. Panel member discussion of charge questions related to the demand
2. Panel member feedback on questions submitted by the Board and member agency managers in advance
3. Panel member feedback for clarification or additional demand-related questions from Board members or member agency participants

Expert Panelists:

- Tom Chesnutt, A & N Technical Services, Inc.
- Stephen Levy, Center for Continuing Study of the California Economy
- Lisa Maddaus, Maddaus Water Management Inc.
- Dan Rodrigo, CDM Smith
- Kurt Schwabe, UC Riverside

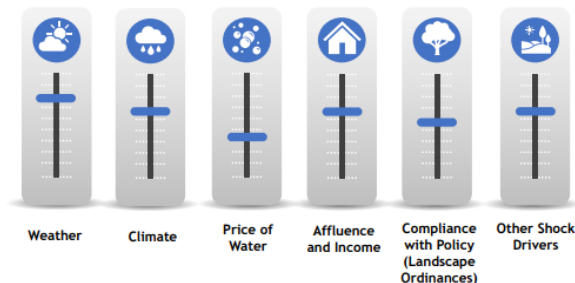
Metropolitan staff sought feedback from the demand consultants in four primary question areas on the driver of demands. Below is a brief recap of the responses as presented during the workshop.

1. The most important drivers that influence water demands.
 - a. How they affect demands in each of the three major demand sectors (single-family residential, multi-family residential, Commercial/Industrial).

Principal Drivers



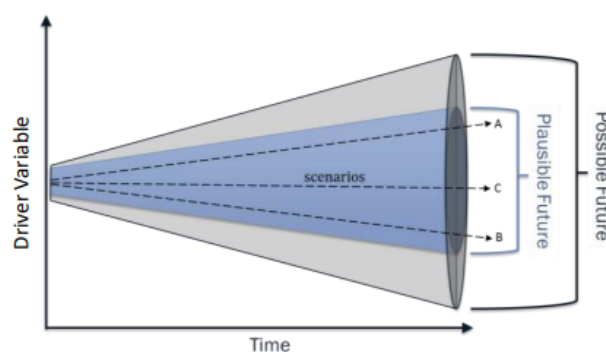
Other Important Drivers With Shifting Trends



**MET
Integrated
Resources
Plan Update
– continued**

- a. How to account for uncertainties in future demographic factors and how they can be measured, with the following key takeaways:
 - The level of immigration is the major driver of U.S. population growth and the one with the largest uncertainty. Other demographic drivers are smaller or have less uncertainty, including agreements on birthrates decreasing and the level of deaths increasing.
 - Competitiveness is in the local area's hands (residents and policymakers). The biggest competitiveness challenge is housing (amount, affordability, location, and size), as housing has the broadest range of uncertainty and is complicated.

2. How to estimate plausible ranges of future outcomes for each driver.

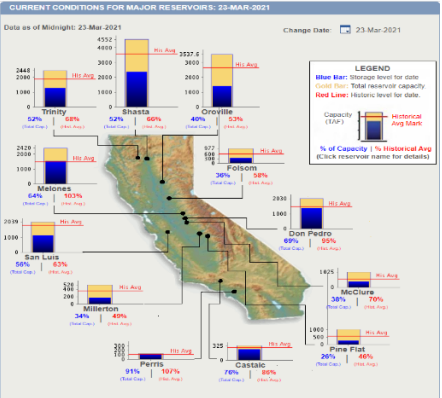


- **Plausible** range includes things that are likely to occur but with considerable variability into the future.
- **Possible** range includes things that could happen, although we haven't seen evidence of it just yet. **Black Swan Events*** often fall in this range.

** A black swan is an unpredictable event that is beyond what is normally expected with potentially severe consequences. They are characterized by their extreme rarity, severe impact, and the widespread insistence they were obvious in hindsight.*

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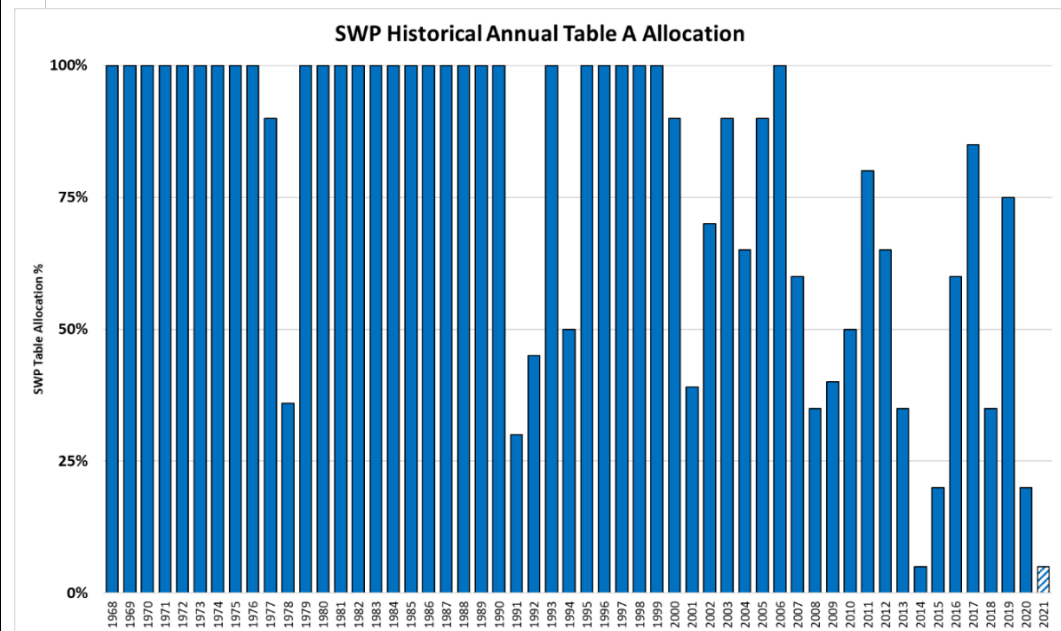
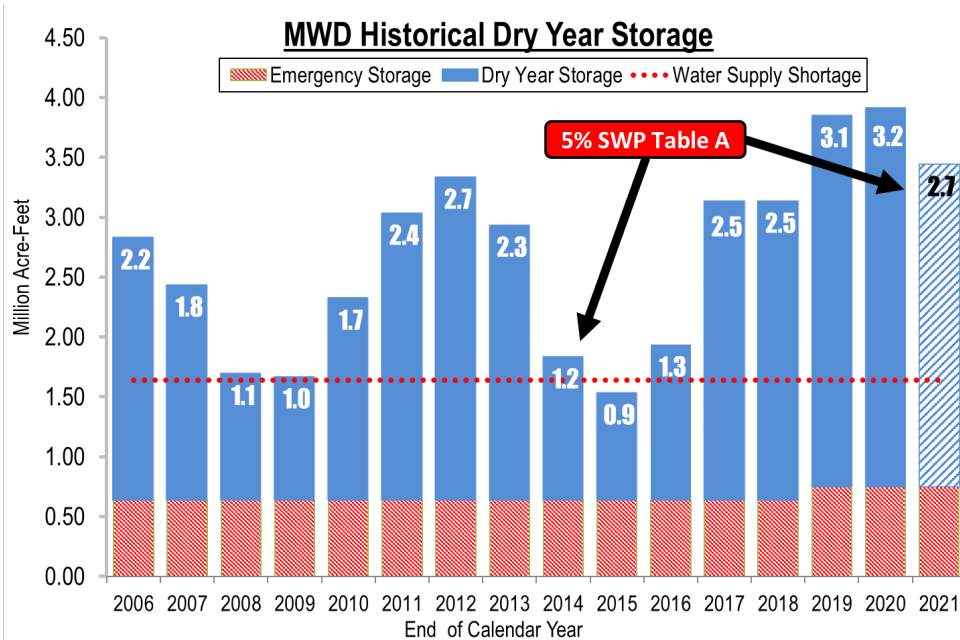
3. Approaches or methodologies to quantify the effects of the drivers.
 - a. The estimation method should depend on the measures available. For example, demand on wholesalers would look at volume per unit time, whereas retail demand comes from customers (meters) and demand per customer.
 - b. Different methods can be combined to estimate drivers' effects, including prior information, estimation from data alone, and Bayesian methods that combine the two.
4. Significant interrelations between ranges and direction of future outcomes for these drivers and how to treat them with internal consistency within the IRP scenarios.
 - a. Assumptions made about population growth (e.g., demographics, housing density/type) should be consistent with assumptions behind drivers of individual water demand (e.g., demographics, housing density/type).
 - b. Water savings associated with one particular driver may be illusory if another driver has already subsumed savings. Understanding interrelations can avoid this "double counting."
 - c. When using models to predict future water demand, care must be taken to understand how the contexts that were used to generate model parameters compared to the contexts upon which the

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| MET Integrated Resources Plan Update – continued | <p>predictions are being applied. Representative and up-to-date data are critical to adaptive management.</p> <p>Additionally, the expert panelists were given/asked individual questions from the Metropolitan Board and member agency staff. While the expert panel was not explicitly intended to address these questions in detail, the individual questions were used to improve the discussion's robustness at the workshop. They will help inform each panel member's written feedback to Metropolitan staff.</p> <p>Full Presentation Link: http://www.mwdh2o.com/PDFWWACurrentBoardAgendas/03232021%20IRP%206a%20Presentation.pdf </p> |
| MET's Water Supply Conditions | <p>The 2020-21 Water Year (2020-21 WY) officially started on October 1, 2020. Thus far, Northern California accumulated precipitation (8-Station Index) is reporting 22.3 inches or 56% of normal as of March 22nd. For 2020-21 WY, the Northern Sierra Snow Water Equivalent is reporting 20.2 inches on March 24th, which is 71% of normal for that day. Due to the below-average precipitation/snowfall, the Department of Water Resources (DWR) has reduced the initial State Water Project (SWP) "Table A" allocation from 10% to 5%. This allocation provides Metropolitan with approximately 96,575 AF in SWP deliveries this water year. DWR's SWP Allocation considers several factors, including existing storage in SWP, conservation reservoirs, SWP operational, regulatory constraints, and the 2021 contractor demands. If the Table A allocation remains at 5%, it would be tied for the lowest allocation dating back to 1968. The last time DWR had a Table A Allocation of 5% was in 2014.</p> <p>The Upper Colorado River Basin accumulated precipitation reports 13.1 inches or 77% of normal as of March 22nd. The snowpack is measured across four states in the Upper Colorado River Basin on the Colorado River system. The Upper Colorado River Basin Snow Water Equivalent was reporting 15.5 inches as of March 23rd, which is 87% of normal for that day. Due to the below-average precipitation/snowfall in 2020-21 WY, there is now a 60% chance of a shortage at Lake Mead in 2022 and an 82% chance of shortage in 2023.</p> <p>As of March 23rd, Lake Oroville storage is 40% of total capacity and 53% of normal. As of March 23rd, San Luis Reservoir has a current volume of 56% of the reservoir's total capacity and is 63% of normal</p>  |

MET's Water Supply Conditions – continued

With estimated total demands and losses of 1.574 million acre-feet (MAF) and a 5% SWP Table A Allocation, Metropolitan is projecting that demands will exceed supply levels in Calendar Year (CY) 2021. Based on this, the estimated total dry-year storage for Metropolitan at the end of *CY 2021 will go down to approximately 2.7 MAF*.

A projected dry-year storage supply of *2.7 MAF will be the third-highest for Metropolitan, an awe-inspiring accomplishment. The last two years have been extremely dry in Northern California*. A significant factor in maintaining a high water storage level is lower than expected water demands. We are seeing regional water demands reaching a 38-year low.



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| Colorado River Issues | <p><u>Outlook for Lake Mead Continues to Decline</u></p> <p>At the end of February, Lake Mead had reached its high point for the year, and the forecast is for it to drop precipitously for the next 18 months. Lake Mead currently stands at 1,087 feet, which is 12 feet above the shortage trigger. However, as Lower Basin demands begin to increase and releases from Lake Powell decrease, Lake Mead is forecast to decrease by 30 feet by the end of next summer and reach 1,057 feet. It is also likely that this August, Reclamation will declare the first-ever shortage for the Lower Basin states. This initial shortage would impact Arizona, Nevada, and Mexico. California, because of its higher priority status, would not be cut back in this initial shortage. However, if Lake Mead were to drop an additional 12 feet below the current forecast, California and Metropolitan would be required to contribute water to Lake Mead under the terms of the Drought Contingency Plan. Staff will keep the Committee updated on the Colorado Basin's outlook as it enters the key spring months where temperatures can significantly impact the amount of snowmelt runoff.</p> <p><u>Warren H. Brock Reservoir Conservation Summary Report</u></p> <p>Warren H. Brock Reservoir (Brock Reservoir), previously known as Drop 2 Reservoir, is an 8,000acre-foot (AF) capacity regulatory water storage facility. It is in southern California, 25 miles west of Yuma, Arizona, adjacent to the All-American Canal near the Drop 2 Power Plant. The purpose of this facility is to augment regulatory storage capacity in the Colorado River system for flows below Parker Dam, which allows water to be conserved by reducing flows to Mexico in excess of treaty obligations. The construction costs of Brock Reservoir were funded jointly by Southern Nevada Water Authority, Central Arizona Water Conservation District, and Metropolitan. In exchange for the agencies' funding, each agency received Intentionally Created Surplus (ICS) credits in Lake Mead.</p> <p>In February, the Bureau of Reclamation published a study that documents the volume of water conserved by Brock Reservoir during calendar years 2013 through 2019. Conserved water was estimated based on the modeled difference in regulatory storage below Parker Dam with and without Brock Reservoir based on actual operations during those years. Model results show that Brock Reservoir has conserved approximately 389,339 AF or 55,620 AF per year. Lake Mead is about 5 feet higher today because of the operation of Brock Reservoir. Based on those results, Brock Reservoir is projected to conserve an additional 2,392,000 AF over the project's remaining life (43 years). The actual volume will be larger or smaller depending on year-to-year variability of hydrologic conditions, rainfall events, and other operational considerations along the lower Colorado River. However, total conservation will be far more than the 600,000 AF of System Efficiency ICS granted to project funders. The estimated annual volume of water conserved by Brock Reservoir will be reported in future Decree Accounting Reports.</p> |
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| <p>Delta Conveyance Activities and State Water Project Issues</p> | <p><u>New Delta Conveyance Deep Dive Videos Available</u></p> <p>The Delta Conveyance Deep Dive video series, which features interviews with experts on complex project-related topics such as financing, water allocations, and climate change, has published several new videos over the last few months. The complete list, with links, is below:</p> <ul style="list-style-type: none"> • <u>Delta Conveyance Deep Dive: Financing the Project</u> • <u>Delta Conveyance Deep Dive: Allocations (Part 1)</u> • <u>Delta Conveyance Deep Dive: Allocations (Part 2)</u> • <u>Delta Conveyance Deep Dive: Climate Change</u> • <u>Delta Conveyance Deep Dive: State Water Project Operations</u> • <u>Delta Conveyance Deep Dive: Soil Investigations</u> <p><u>Scoping Summary Report for the Delta Conveyance Project</u></p> <p>The Department of Water Resources (DWR) recently published an addendum to the Scoping Summary Report for the Delta Conveyance Project, initially published in July 2020. It summarizes comments received after the official close of the California Environmental Quality Act (CEQA) scoping period on April 17, 2020, through December 14, 2020. Consistent with the original Scoping Summary Report's contents, the Addendum includes the comments DWR continued to receive after scoping pertaining to the alternatives considered and the scope of analysis in the Environmental Impact Report (EIR). The Scoping Summary Report Addendum can be accessed on the <u>Delta Conveyance Environmental Planning page</u> on DWR's website.</p> <p><u>DWR Approves Modifications to Soil Investigations Project</u></p> <p>Consistent with the need to evaluate the Delta Conveyance Project EIR alternatives, DWR has approved modifications to the soil investigations that were initially approved in July of 2020. Before considering the changes' approval, DWR prepared an addendum to the Final Initial Study/Mitigated Negative Declaration (IS/MND) for the soil investigations in the Sacramento-San Joaquin Delta (Delta). DWR considered both the Final IS/MND adopted in July 2020 and the Addendum before approving the project modifications. The approved modified soil investigation activities, as evaluated in the Addendum, including removing and replacing geotechnical investigation sites not previously evaluated in the Final IS/MND. DWR has determined and documented that these changes will not result in any new potentially significant impacts, and no subsequent EIR or negative declaration is required. To access a copy of the Addendum and associated Notice of Determination, visit the <u>Delta Conveyance Environmental Planning page</u> on DWR's website.</p> <p><u>Community Benefits Program Workshops</u></p> <p>As part of the Community Benefits Program's ongoing development for the proposed Delta Conveyance Project, DWR will be hosting community workshops this spring to hear from people who live, work, or play in the Delta on program goals and objectives, and project types.</p> |
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| ENGINEERING & PLANNING | |
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| Economic Benefit Studies and Modeling Work to Quantify the Benefits of Local Projects in the Context of MET's 2020 Integrated Resources Plan (IRP) | <p>MWDOC staff is working with the Brattle Group and CDM Smith on the Economic Benefits Studies and modeling work. In this process, the consulting team will be working with MWDOC and the member agencies regarding the survey of businesses in Orange County.</p> <p>CDM Smith has completed initial modeling work for a water demand analysis and presented preliminary results to MWDOC's member agencies at the Managers Meeting on January 21, 2021. Final drafts have been completed. This analysis will support the Urban Water Management Plans and provide information for the Economic Benefits study.</p> <p>Wallace Walrod, an economist for Orange County Business Council and sub-consultant for the Brattle Group, leads the studies' business survey portion. MWDOC staff has been working with Dr. Walrod on the first draft of the business survey. A meeting will be scheduled with the member agencies later this month to obtain member agency input on the draft business survey.</p> |
| OC-70 Meter Testing Update | <p>MWDOC, MET, and EOCWD agreed to a reference standard for testing at OC-70 using a calibrated mag meter to test the billing meter to be installed upstream of the OC-70 facility compared to the existing venturi meter.</p> <p>EOCWD provided the use of a new 16-inch McCrometer magnetic flow meter to MET for this testing. The mag meter was sent to Utah State Water Research Lab for calibration. The off-the-shelf calibration of this new meter (KA value) proved to be 8% off when tested in a straight pipe run against the NIST certified weight tank but with good repeatability. The calibrated meter was then tested in the simulated pipe system to the weight tank and adjusted by another 0.5%. MET then completed the installation of the mag meter at OC-70. Site conditions encountered at OC-70 differed from the as-built drawings, causing MET to scramble to make several adjustments in the field.</p> <p>Field testing at OC-70 began on March 1, 2021, and was completed on March 9, 2021. A second OC-70 shutdown was completed on March 22-23, 2021, to retrieve the mag meter and pipe spools which are being sent back to Utah Water Research Lab for final calibration verification. MET staff anticipate final results by the end of April 2021.</p> |
| OC Hydraulic Model | <p>Black & Veatch has constructed and calibrated the hydraulic model using Innovyze's InfoWater modeling platform. Staff and B&V are currently working with member agencies to define potential project scopes of work.</p> |
| Doheny Ocean Desalination Project | <p>South Coast Water District (SCWD) continues working on the project:</p> <ul style="list-style-type: none"> In 2019, SCWD was awarded an \$8.3 million award from the Water Infrastructure Improvements for the Nation Act of 2016 (WIIN). In December 2020, the Interior Department notified SCWD that the project was selected for an additional \$11.7 million for the project for FY 21 for a |

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| Doheny Ocean Desalination Project – continued | <p>cumulative total of \$20 million which is the existing maximum for WIIN Act Desalination Program funding.</p> <ul style="list-style-type: none"> • SCWD received an extension on filing a Water Infrastructure Finance and Innovation Act (WIFIA) loan application until June 30, 2021. • SCWD submitted its NPDES permit application on March 13, 2020. Regional Board comments were received in September 2020. SCWD re-submitted in January 2021 and anticipates a Board hearing on the NPDES permit in Summer 2021. • A draft Coastal Development Permit has been submitted to Coastal Commission on 11/23/20, and the Commission staff have provided comments. Resubmission of the permit application is anticipated in Mid-2021. • Work is progressing on an Alternative Energy Study by Burns & McDonnell for the project. A draft report is under review by SCWD. • Work is also progressing on the Financial Analysis for a 2 mgd and 5 mgd scenario through Clean Energy Capital. Work is on hold pending input from the Alternative Energy Study. • Progress continues with a third-party hydrogeologic review of San Juan Creek to determine if and to what extent near-shore pumping may have on inland groundwater wells. Additional geophysical fieldwork has been completed, and multiple technical working group meetings have been held to model subsurface flows for the lower portion of San Juan Creek. The geology in the vicinity of Stonehill Drive is extremely complex. Still, modeling shows a subsurface barrier that impedes groundwater flows between the upper and lower portions of the creek in Stonehill Drive's vicinity. The hydrogeologists modeled the hydrogeologic flows between the upper and lower portions of the creek and presented 3D modeling results in March 2021. • A draft report on a Doheny/GRF Hybrid Option Study has been submitted to SCWD for review in January 2021. • SCWD has identified additional environmental permitting tasks related to preparation, technical support, and submission for key resource agencies. The proposed tasks will be completed during the next eight months, with the final public hearing taking place by October 2021. <p>On June 25, 2020, the SCWD Board approved an amendment to the Clean Energy Capital Financial Analysis to evaluate alternative project options that meet reliability benefits for SCWD similar to the Doheny Desalination Project, along with reducing overall life-cycle costs in light of the uncertain economic situation moving forward due to the COVID-19 pandemic.</p> <p>The Doheny Desalination Project is currently sized at a capacity of up to 5 MGD, which exceeds SCWD's average potable water demand expected during emergencies. SCWD has only received interest from SMWD for about 1 mgd of supply from Doheny. This leaves South Coast with potential capacity for others in a 5 MGD facility. Based on this, along with regional financial hardships caused by the COVID-19 pandemic and potential economic recession, SCWD believes that it is necessary to consider alternative, potentially lower-cost project options to utilize and potentially expand existing assets as a means to meet their reliability needs.</p> |
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| Doheny Ocean Desalination Project – continued | This amended study reviews design parameters and existing conditions at SCWD's existing Groundwater Recovery Facility (GRF) to obtain a comprehensive understanding of the actual production capacity of the GRF and current limitations and reliability concerns. A range of additional water production volumes needed to maintain emergency reliability for SCWD will be developed. Current estimates are that 1.2 to 2.2 mgd of additional reliability will be needed for SCWD based on a GRF production volume of 0.8 mgd. |
| SMWD San Juan Watershed Project | <p>Santa Margarita WD continues to focus on diversifying its water supply portfolio toward obtaining a goal of 30% local supplies. The San Juan Watershed Project is one project SMWD is working on toward that goal.</p> <p>The original project was envisioned to have three Phases; Phase 1 included three rubber dams along San Juan Creek to recover about 700 Acre-Feet-per Year (AFY); Phase 2 added up to 8 additional rubber dams and the introduction of recycled water into the creek to improve replenishment of the basin to recover up to 6,120 AFY. Phase 3 added more recycled water topping out at approximately 9,480 AFY. Under this arrangement, most or all of the production and treatment involved the existing San Juan Groundwater Desalter with expansions scheduled along the way to increase production beyond 5 mgd. Fish passage and regulatory hurdles to satisfy subsurface travel time requirements continue to be addressed.</p> <p>SMWD has since modified the project. Currently, SMWD is working with the Ranch on the next phase of development within SMWD's service area and working on access to riparian groundwater from the Ranch in the San Juan Creek's upper portions watershed. SMWD plans to construct a water filtration plant to treat this additional water, which currently has the working title of 'The Ranch Water Filtration Plant' (RWFP). The draft CEQA documentation for the RWFP is going to the SMWD E&O Committee for review in February 2021. SMWD anticipates that the RWFP plant will begin operation in the 1st quarter of 2022. This new first phase will treat approximately 1,000 AFY of non-potable water to produce 800 – 900 AFY of potable water, which will then be put directly into the SMWD water system. The RWFP treatment system will consist of Microfiltration or Ultrafiltration, Reverse Osmosis, and Chloramines.</p> <p>SMWD also continues to work with the California Department of Fish and Wildlife (CDFW) and National Marine Fisheries Service (NMFS) on steelhead trout regulations for any work occurring within the San Juan Creek stream. This new RWFP 1st phase is 'off-stream which is allowing the project to move forward.</p> <p>A new 2nd phase of the project will use infiltration basins (stormwater/flood) that will be constructed as part of the Ranch's next phase of development. SMWD is looking to fill these new basins with recycled water in the summer when the basins are empty and then take it back out. Doing this, SMWD anticipates increasing the source water supplies for the RWFP to approximately 5,000 AFY. Both State and US Bureau of Reclamation grants are being pursued for this project.</p> <p>SMWD has discovered that the local geology has high vertical percolation rates and sufficient groundwater basin travel time (lower horizontal conductivity) to potentially allow percolation of treated recycled water with an ability to meet the required travel time regulations. SMWD is of the opinion that permitting for percolation augmentation using recycled water from the nearby Trampas reservoir can be added as permitting allows. SMWD believes the new project may ultimately produce 4,000 to 5,000 AFY; they believe the original project will continue to be</p> |

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| SMWD San Juan Watershed Project – continued | developed for production out of the wells and treatment provided by San Juan Capistrano as the two agencies merge. Ultimate production out of the basin could exceed 10,000 AFY if all goes well. |
| South Orange County Emergency Service Program | <p>MWDOC, IRWD, and Dudek have completed the study to determine if the existing IRWD South Orange County Interconnection capacity for providing emergency water to South Orange County can be expanded and/or extended beyond its current time horizon of 2030.</p> <p>Dudek participated in the November 6, 2019, SOC workshop to re-engage with the SOC agencies on this project. Support from the agencies was expressed to take a small next step to install Variable Frequency Drives at a pump station within IRWD which would be paid for by SOC to help move water from the IRWD system to SOC in an emergency. The Variable Frequency Drives will provide more flexibility to the IRWD operations staff to allow additional water to be sent to SOC while meeting all of the IRWD needs.</p> |
| Strand Ranch Project | MWDOC and IRWD are continuing to exchange ideas on implementing the program to capture the benefits that can be provided by the development of “extraordinary supplies” from the Strand Ranch Project. Staff from MWDOC and IRWD met in August 2020 and reached out to other agencies to determine the project's level of interest. |
| Poseidon Resources Huntington Beach Ocean Desalination Project | <p>The Santa Ana Regional Water Quality Control Board (SARWQCB) continues to work with Poseidon to renew the National Pollutant Discharge Elimination System (NPDES) Permit for the proposed HB Desalination Project.</p> <p>The renewal of the NPDES permit for the proposed desalination facility requires a California Water Code section 13142.5(b) determination in accordance with the State’s Ocean Plan (a.k.a. the Desalination Amendment). To make a consistency determination with the Desalination Amendment, the Regional Board is required to analyze the project using a two-step process:</p> <ol style="list-style-type: none"> 1. Analyze separately as independent considerations a range of feasible alternatives for the best available alternative to minimize intake and mortality of all forms of marine life: <ol style="list-style-type: none"> a. Site b. Design c. Technology d. Mitigation Measures 2. Then, consider all four factors collectively and determine the best combination of feasible alternatives. <p>The key areas required by the Ocean Plan on which the Santa Ana Water Board is required to decide includes:</p> <ul style="list-style-type: none"> • Facility onshore location; • Intake considerations including subsurface and surface intake systems; |

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| Poseidon Resources Huntington Beach Ocean Desalination Project – continued | <ul style="list-style-type: none"> • Identified need for the desalinated water; • Concentrated brine discharge considerations; • Calculation of the marine life impacts; and • Determination of the best feasible mitigation project available. <p>On December 6, 2019, SARWQCB, Regional Board staff, conducted a workshop in Huntington Beach that was heavily attended with a considerable range of views expressed at the meeting.</p> <p>On May 15, 2020, SARWQB held a second workshop, which focused on the identified need for the desalinated water and marine life mitigation requirements. Karl Seckel presented to the Regional Board on several topics, including MWDOC's role in Orange County, alternative definitions of "need" for a water supply project and the role of water agencies, Urban Water Management Plans, non-mandated planning documents, and what was and was NOT in the 2018 OC Water Reliability Study.</p> <p>On September 15, 2020, the Regional Board postponed action on the waste discharge permit renewal at Poseidon's request to allow additional time to address concerns raised in three days of public hearings.</p> <p>On February 12, 2021, the Santa Ana Regional Water Board released a tentative order detailing proposed revisions to the project. The Tentative order is available at: https://www.waterboards.ca.gov/santaana/public_notices/docs/2021/NPH_Poseidon_Order_R8-2021-0011.pdf</p> <p>The changes include:</p> <ul style="list-style-type: none"> • Revisions to the mitigation acres for the inlet dredging in Bolsa Chica so that the dredging accounts for no more than 25% of the mitigation acreage needed to minimize the intake and mortality of all forms of marine life. <p>Poseidon has proposed additional mitigation to meet the Ocean Plan requirements and proposed additional restoration at the Bolsa Chica Wetlands and the creation of an artificial reef along the Palos Verdes Peninsula to satisfy the remaining mitigation requirements.</p> <ul style="list-style-type: none"> • a finding regarding the human right to water policy adopted by the State and adopted by the SARWQB as a core value. The Order is consistent with and promotes the human right to water policy. • The Discharger deadline to submit the Climate Change Action Plan was revised from within three years of the Order's effective date to 18 months. <p>Continued public hearings are scheduled for April 23, 2021, at 9:00 am, and if needed, April 29, 2021, to review the revisions and vote on renewing Poseidon's permit.</p> <p>Assuming success at the Regional Board, Poseidon would then seek its final permits from the California Coastal Commission (CCC). The CCC has committed to reviewing the permit within 90 days of the SARWQCB NPDES permit issuance.</p> |
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| Trampas Canyon Dam and Reservoir | <p>Trampas Canyon Reservoir and Dam (Trampas Reservoir) is a seasonal recycled water storage reservoir, with a total capacity of 5,000 AF, of which 2,500 AF is available to meet Santa Margarita Water District's projected base recycled water demands, and 2,500 AF to meet future water supply needs. When completed, the Trampas Reservoir will allow SMWD to store recycled water in the winter and draw on that water during the peak summer months.</p> <p>The construction of the Trampas Canyon Recycled Water Seasonal Storage Reservoir consists of three main components:</p> <ol style="list-style-type: none"> 1. Trampas Canyon Dam (Dam) 2. Conveyance facilities to transport recycled water into and out of the Reservoir (Pipelines) 3. Trampas Canyon Pump Station (Pump Station) <p>The construction of the facilities is being completed in three phases:</p> <ol style="list-style-type: none"> 1. Preconstruction/Site Preparation for the Dam and Pump Station Construction Project Status – Completed in 2018 2. Dam and Pipelines Project Status – All of the pipelines that convey the recycled water to and from the reservoir have been completed. SMWD is ready to fill, monitor, and operate the Reservoir predicated on the receipt of Permit to Operate from the Division of Safety of Dams (DSOD). 3. Pump Station Project Status – All pre-startup work necessary for pumping has been completed. SMWD has opted not to operate and test the pumps until it has the flexibility of sending water into the Reservoir, which will make the testing activities more efficient and help conserve water. <p>The Emergency Action Plan (EAP) for Trampas Dam has been finalized and submitted to CalOES. This satisfies the requirement for DSOD to have an EAP in place before issuing a permit to impound water behind the dam.</p> |
| AMP Shutdown in 2021 to Replace PCCP Sections | <p>In 2016, MET initiated a Prestressed Concrete Cylinder Pipe (PCCP) rehabilitation program to install 100 miles of steel liner throughout the MET system to address structural issues associated with prestressed steel wire failures in PCCP. As part of the program, MET monitors PCCP for wire breaks regularly.</p> <p>MWDOC staff was notified that an internal inspection of the AMP revealed two pipe segments with increased wire breaks within the PCCP portion south of OC-70. Metropolitan Engineering considers this section of the pipeline to be at high risk due to pipe segments with 20 or more wire breaks. The minimum relining length needed is approximately 1,000 feet and requires a minimum 37-day shutdown for the portion of the AMP south of OC-70. MET had originally scheduled the AMP PCCP relining to begin in about five years, but based on the survey. MET does not recommend that repairs to these segments wait until Fall 2021.</p> <p>Two MWDOC member agency projects were scheduled around the same time as the pending AMP shutdown; a South Coast Water District vault rehabilitation on the</p> |

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| AMP Shutdown in 2021 to Replace PCCP Sections – continued | <p>JTM that was previously postponed due to the previous Diemer shutdown and Santa Margarita Water District relocation of a portion of the Aufdenkamp Connection Transmission Main (ACTM) to accommodate the I-5 widening project. Both projects have been completed and are back in operation.</p> <p>The AMP shutdown is planned for April 4, 2021, through May 10, 2021.</p> <p>Staff coordinated a meeting with impacted AMP agencies on February 9, 2021, to discuss scenarios regarding moving water around the impacted agencies to meet demands during the shutdown.</p> <p>Staff is continuing to work with affected agencies and will keep both the Board and the AMP Participants informed as more information becomes available.</p> |
| Other Shutdowns | <p>Orange County Feeder</p> <p>MET plans to reline and replace valves in a section of the Orange County Feeder from Bristol Ave to Corona Del Mar – this is the last section of this 80-year-old pipeline to be lined.</p> <p>MET has further delayed the relining project and has proposed new shutdown dates of September 15, 2022, through June 15, 2023.</p> <p>Orange County Feeder Extension</p> <p>MET plans to reline 300-linear feet of the OC Feeder extension affecting the City of Newport Beach, IRWD, and LBCWD.</p> <p>MET has delayed the relining project by one year and has proposed new shutdown dates of June 16, 2023, through July 10, 2023.</p> <p>Joint Transmission Main</p> <p>SCWD has completed the rehabilitation project of their CM-10 vault on the Joint Transmission Main (JTM), which included replacing existing valves.</p> <p>Aufdenkamp Connection Transmission Main</p> <p>SMWD has completed the relocation of a section of the ACTM pipeline for the I-5 widening project.</p> |
| <h2>EMERGENCY PREPAREDNESS</h2> | |
| COVID-19 (Corona Virus) Coordination | <ul style="list-style-type: none"> • WEROC continues to monitor the State and County for changing information and is sharing information with agencies as it becomes available. • WEROC is participating in the weekly Operational Area Conference calls. • WEROC continues to hold bi-weekly conference calls on Tuesdays with member agencies to report on Federal, State, and County changes. Calls continue to support the sharing of information between agencies. • Vicki continues to support agencies daily with COVID-19 related questions and guidance needs. • Vicki is a member of the County POD IMT coordination calls. WEROC is coordinating with any special district that wishes to provide staffing to the County Super PODS. |

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| COVID-19 (Corona Virus) Coordination – continued | <ul style="list-style-type: none"> • Vicki continued to advocate for water and wastewater workers to be added to the 1b Tier. Vicki got Dr. Chau to agree on the Operational Area Coordination call to agree that public works, water, and wastewater are Tier 1b and eligible. Vicki had another meeting with Dr. Chau and Dr. CK scheduled following the Operational Area Coordination call to finalize the discussion. Still, the State changed the 1B tier to include utility workers (water/wastewater) on 3/11/21, so this meeting was canceled. Email directions were sent to WEROC agencies immediately so they could begin the registration process. • Vicki also provided a verification letter to the agencies for staff to use at the POD locations. • On the 3/16/21 WEROC Bi-Weekly Conference call, Vicki shared information regarding the American Rescue Plan Act COVID-19 Relief Funding. Allocations to the State, cities, and Counties have been made. Cities allocations are based on if all cities participate so that the funding number could change. Even though it was included in the legislation, Special Districts has no direct allocation amounts indicated at this time. CSDA has sent information to special districts highlighting activities to be done now in preparation. This and other information is included in the WEROC Conference Call minutes to be sent later this week. • CalOSHA is reanalyzing the Temporary Emergency Standards in place for section 3205. As of 3/28/21, CalOSHA is meeting with the California Department of Public Health on changes recommended by CDC for both agencies to try to get on the same page, but there is still no resolution or updates to the COVID-19 ETS. To highlight one area of conversation is the quarantine time for someone vaccinated vs. not, or the mask-wearing requirements WEROC will monitor the discussions and outcomes and provide information to the agencies as it is available • Vicki and Cathy, MWDOC HR Director, on working on the MWDOC COVID Control Plan updates to include resumption of business services, including in-person meetings, travel, etc. This plan will be tied to the current regulations, vaccine status, and MWDOC facility construction schedule. |
| March Incidents/ Events (cyber, mutual assistance coordination) | <ul style="list-style-type: none"> • WEROC coordinated with the OCIAC and a member agency on an identified vulnerability during March. • WEROC coordinated and participated with the County during the March rain events in correlation with the Bond Fire Debris Flow Plan. There were no impacts on water/wastewater. |
| America's Water Infrastructure Act (AWIA) | <ul style="list-style-type: none"> • WEROC and its consultant, Herndon Solutions Group (HSG), continue to work with WEROC agencies to comply with America's Water Infrastructure Act (AWIA). • Tier II agencies successfully completed their RRA submittals by the December 31, 2020 deadline. The Emergency Response Plan phase will be due in June 2021. Tier II agencies began their Emergency Response Plan meetings at the end of January. |

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| America's Water Infrastructure Act (AWIA) - continued | <ul style="list-style-type: none"> • All Tier III agencies have begun their workshops. The Tier III agencies RRA are due June 30, 2021. • Eight agencies workshops were conducted in March utilizing various virtual platforms, dependent on the agency preference. |
| Communication and Coordination With Member Agencies and Outside Agencies | <ul style="list-style-type: none"> • Daniel is providing important cybersecurity information to the member agencies. The Cyber Communications group is being used to disseminate this information. • WEROC continues to assist the County/Operational Area Emergency Management Division with getting the water and wastewater Special Districts signed Operational Area Agreements completed. The new Operational Area agreement went into effect in September 2020. Vicki attended the Board Meetings for Laguna Beach County and South Coast Water District, who passed the agreement in March. There are only four special district water agencies left that have not submitted their completed agreements. • Vicki had a meeting with CSDA regarding the back-end and history of Public Safety Power Shutoffs, generator use, SB 560, and AB 1403. Vicki provided additional information in regards to the current regulations, the proclamation process. It was an excellent engagement that may lead to other training opportunities with CSDA in the future regarding the proclamation process and the tie-in to the Operational Area/County level. • Vicki attended the State CalWARN board meeting and is assisting with revising the Mutual Assistance plan, which has not been updated in 4 years and, based on recent events, requires some changes and training. • Vicki is assisting the Orange County Sanitation District with the field exercise in April and has attended the internal planning meetings. The exercise will be conducted on April 28th. Vicki is evaluating the EOC Operations and Coordination activities. • Vicki attended the COAST – County of Orange Area Safety Taskforce meeting. This group focuses on fire mitigation activities. The meeting on 3/18 focused on the revision of the Community Wildfire Protection Plan (CWPP). The modification will increase the inclusionary areas and agencies for Laguna Beach and Brea's wildland fire areas. This document assists with grant funding as another support document highlighting mitigation and planning efforts. The other interesting topic was the seasonal weather outlook for March-June's months (I have the report if there is an interest). • WEROC participated in the State's Annual Tsunami Communication drill with the County Operational Area. If this were an actual event, Vicki would communicate timeline, updates, and actions agencies should be taking based on the seismic event that triggered a tsunami affecting all agencies along the coast. • Daniel, on 3/30, met with representatives from the UCI Emergency Management, presented our structure, and set up. UCI likes some of the processes and equipment in place and wishes to replicate some of these items within its EOC |

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| WEROC Assessment Implementation and Planning Efforts | <ul style="list-style-type: none"> • In relation to the WEROC Assessment Report, the Records and Data Management project is 79% completed. Janine is updating the outdated documents in the safety center. • Program, Planning Maintenance and Recommendation Matrix are 100% completed as a comparison of federal and state mandates in relation to current planning continues. This matrix includes staff program and planning assignments and each member of the WEROC team. Internal planning meeting occurred to discuss and implement this matrix. • Staffing assignments and realignment of roles and responsibilities are 40% completed. A survey was sent to the internal members of MWDOC to highlight currently assigned roles and potential future reassignment of roles. Once this part of the EOC responder assignment's realignment is completed, training will begin with the updated Emergency Operations Plan. • The WEROC EOP is 95% completed, Management has provided feedback to Daniel on the plan, and he is making final changes. This plan will be done in April. |
| EOC Readiness | <ul style="list-style-type: none"> • Daniel is working on maintaining the operational function for the South EOC. He is focused on the project areas with the generator and IT systems (on-going). • There is no update from the County on the status of the WebEOC Resource Management and Resource Request board issues or timeline when the issues will be resolved. Janine attended the Operational Area Technology committee meeting on 3/24. • Janine continues to update member agency contact information. |
| Training and Exercises | <ul style="list-style-type: none"> • Daniel hosted one 800 MHz radio training in March. • WEROC has hosted a Cyber Security Training on 3/18 in partnership with the Orange County Intelligence Assessment Center. There were 68 attendees for this training. Daniel is working on scheduling additional cyber courses at the request of the member agencies. • Daniel began his National Emergency Management Advanced Academy (NEMAA). This is a nationally offered class targeting California representatives from Federal, State, City, County, Local, Tribal, and Territorial Governments and Emergency Managers from Higher Education, DOD, Private Sector, American Red Cross, Public Health Volunteers. To attend, you have to be sponsored and selected. This course will further enhance Daniels' experience and professional career. • Janine is in the final stages of completed a grant writing course. This will provide her and WEROC with additional skill sets to look for additional funding for different programs. |

| WATER USE EFFICIENCY | |
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| Joint Targeted Water Use Efficiency Project Discussion | <p>On March 5, Steve Hedges, Rachel Waite, and Andrea Antony-Morr met with staff from Orange county Coastkeeper and Moulton Niguel Water District to discuss a joint project. The potential project would target high-water-using customers who are typically hard to reach, such as homeowner associations.</p> |
| Orange County Data Acquisition Partnership (OCDAP) | <p>On March 8, Steve and Rachel W. participated in the OCDAP working group. Attendees included staff from MWDOC, Southern California Association of Governments, Center for Demographic Research, Orange County Fire Authority, Orange County Water District, Santa Ana Watershed Project Authority, and the City of Yorba Linda. Topics on the agenda included:</p> <ul style="list-style-type: none"> • Deliverables and Flight Status Update • Timeline to Receive Data • OCDAP Cycle 1 Participation Agreement Tracking Log • OCDAP Cycle 1 Payment Log • OCDAP Cycle 2 <ul style="list-style-type: none"> ○ Timeline ○ Cycle 2 Lead Agency ○ Deliverables • USGS FY 20/21 Broad Agency Announcement • Other Matters <p>The next meeting is scheduled for April 12.</p> |
| Water Conservation Data Collaborative | <p>On March 9, Rachel W. attended the Water Conservation Data Collaborative hosted by San Antonio Water Systems (SAWS). The meeting was attended by water conservation data analysts from MWDOC, SAWS, City of Austin, City of Bend, City of Santa Barbara, Moulton Niguel Water District, and Maddaus Water Management. Topics discussed revolved around Flume as a data source and water usage trends before and during the ongoing COVID-19 pandemic.</p> <p>The next meeting will be held sometime in May.</p> |
| Department of Water Resources (DWR) Water Use Study Workgroup Meeting – Variances and Bonus Incentives | <p>On March 11, Joe Berg, Beth Fahl, Rachel W., and Andrea attended DWR's Water Use Study Workgroup Meeting about SB 606 and AB 1668 (Conservation Framework). This workgroup focused on variances and bonus incentives and research related to the development of potential variance categories. Topics on the agenda included:</p> <ul style="list-style-type: none"> • Summary Recap and Expectations for the Workshop • Variance: Fluctuations in Seasonal Populations • Variance: Evaporative Coolers • Variance: Soil Compaction and Dust Control • Introduction to Bonus Incentives • Next Steps |

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| Department of Water Resources (DWR) Water Use Study Workgroup Meeting – Variances and Bonus Incentives – continued | <p>On April 8, Joe, Beth, Rachel W., and Andrea attended DWR's Water Use Study Workgroup Meeting focusing on variances and bonus incentives. Topics on the agenda included:</p> <ul style="list-style-type: none"> • Meeting Logistics and Welcoming Remarks • Summary Recap and Expectations for the workgroup • Bonus Incentives • Variance: Fire Protection • Variance: Horses and Livestock • Updates: (1) Soil Stabilization and Dust Control; (2) Season Populations; (3) Evaporative Coolers; and (4) Medical Devices • Next Steps <p>The next Water Use Study Workgroup Meeting focusing on variances and bonus incentives is scheduled for May 13.</p> |
| Dedicated Irrigation Meter (DIM) Area Measurements for Orange County Retailers | <p>On March 15, Joe and Rachel W. hosted a meeting with the Orange County Retailers to discuss DIM Area Measurements. Approximately 25 attendees representing 18 Orange County retailers joined the meeting. The meeting focused on providing information and facilitating discussion around MWDOC's DIM Area Measurements Assistance Program to (1) increase awareness and share project details; (2) answer questions and receive feedback; and (3) provide MWDOC with a better understanding of the levels of interest and participation. Topics on the agenda included:</p> <ul style="list-style-type: none"> • Conservation Framework and Project Overview <ul style="list-style-type: none"> ○ Components of the Water Use Objective ○ DIM Measurements – How MWDOC is Offering Assistance • Project Costs • Project Timeline • Discussion and Questions. <p>A follow-up meeting may be scheduled in May.</p> |
| Project Agreement 22 Advisory Workgroup Meeting | <p>On March 15, Steve and Rachel W. attended the Project Agreement (PA) 22 Advisory Workgroup Meeting hosted by Santa Ana Watershed Project Authority (SAWPA). Topics on the agenda included:</p> <ul style="list-style-type: none"> • PA 22 Committee Budget Approval <ul style="list-style-type: none"> ○ Overview of Proposed 2-year Budget ○ Overview of Invoice Amounts Included in Budget • Enhanced Water Budget Prop 1/United State Bureau of Reclamation (USBR) Project <ul style="list-style-type: none"> ○ Overview of Upper Watershed RFP Bids ○ Feedback from SAWPA member agencies ○ Update on USBR Work • Santa Ana River Conservation and Conjunctive Use Program (SARCUUP) Water Budget Assistance Project Update <ul style="list-style-type: none"> ○ Kick-Off Meeting on March 24 ○ Recruitment Process Update ○ Feedback from Conversations with Member Agencies and Retailers |

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| Project Agreement 22 Advisory Workgroup Meeting – continued | <p>On March 30, Rachel W. attended the Project Agreement (PA) 22 Advisory Workgroup Meeting hosted by SAWPA. The purpose of this meeting was for SAWPA staff to share and discuss, with their member agencies, the 2021 Upper Watershed Aerial Imagery contract to be proposed to the PA 22 Committee.</p> <p>The next meeting is scheduled for April 19</p> |
| Proposition 1 Project Partners Meeting | <p>On March 17, Joe, Steve, Rachel W., and Andrea hosted a Proposition 1 Project Partners meeting to discuss the collaborative project among MWDOC, Big Bear Department of Water, Eastern Municipal Water District, Inland Empire Utilities Agency, and Western Municipal Water District, which is funded through Proposition 1. Topics on the agenda included:</p> <ul style="list-style-type: none"> • Project Refresh • Agreements <ul style="list-style-type: none"> ○ Structure ○ Timing • Reporting <ul style="list-style-type: none"> ○ Timing and Schedule ○ Format • Tracking • Signage • Questions <p>The next Proposition 1 Project Partners meeting is scheduled for April 20.</p> |
| California Water Efficiency Partnership (CalWEP) Landscape Task Force Fire Rebuild Group | <p>On March 17, Andrea participated in a remote meeting with Krista Guerrero from Metropolitan Water District, Lisa Cuellar from CalWEP, Debby Figoni from the City of Beverly Hills, and Cheryl Buckwalter from Landscape Liaisons. This was the first meeting of the CalWEP Landscape Task Force Fire Rebuild Group, and the overall goals and deliverables for the group were discussed. Andrea's will be focusing on finding firescaping resources produced by non-profits, such as the California Native Plant Society.</p> <p>On April 5, Andrea participated in a remote meeting with Lisa Cuellar from CalWEP, Debby Figoni from the City of Beverly Hills, Anya Kamenskaya from East Bay Municipal Utility District Cheryl Buckwalter from Landscape Liaisons. The agenda included sharing resources each group member found and establishing a timeline for deliverables.</p> <p>The next meeting is scheduled for April 19.</p> |
| Metropolitan Water District of Southern California Metropolitan Water Use Efficiency Workgroup Meeting | <p>On March 18, Andrea, Beth, Rachel Davis, and Rachel W. participated via Zoom in Metropolitan's Water Use Efficiency Workgroup meeting. Topics on the agenda included:</p> <ul style="list-style-type: none"> • Welcome • Model Water Efficient Landscapes • March Metropolitan Water District Board Presentations <ul style="list-style-type: none"> ○ Conservation Board Report • Commercial Mixed-Use Meters (presentation from Moulton Nigel Water District) |

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| Metropolitan Water District of Southern California Metropolitan Water Use Efficiency Workgroup Meeting – continued | <ul style="list-style-type: none"> • Residential Leak Detection: Smart Leak Detector Rebate Coupon Program (presentation by Southern Nevada Water Authority) • Residential Irrigation Surveys • Metropolitan Water District Program Updates <ul style="list-style-type: none"> ○ Regional Residential Leak Detection Program ○ Pre-1994 Multi-Family Property Toilet Replacement Program • Welcome Corner Landscape Transformation Partnership Program (presentation from City of Simi Valley and Waterworks District No. 8) <ul style="list-style-type: none"> ○ Campus Water Connections Program • External Affairs Update • Member Agency Roundtable <p>The next Workgroup meeting is scheduled for April 15.</p> |
| DWR Water Use Study Workgroup Meeting – Commercial, Industrial, and Institutional (CII) | <p>On March 22, Joe, Beth, Rachel W., and Andrea attended DWR's Water Use Study Workgroup related to the CII water use. Topics on the agenda included:</p> <ul style="list-style-type: none"> • Developing the CII Water Use Related Elements <ul style="list-style-type: none"> ○ CII Water Use Classification System ○ CII Performance Measures ○ Standard for Outdoor Irrigation of Landscape Area with Dedicated Meters • CII Water Use Classification System • Overview of CII Performance Measures • Developing Recommendations for CII Performance Measures • Standard for CII Outdoor Irrigation of Landscape Area with Dedicated Irrigation Meters • Wrap Up and Next Steps <p>The next Water Use Study Workgroup related to CII water use is scheduled for April 26.</p> |
| Dedicated Irrigation Meter Area Measurements Program for City of Seal Beach Discussion | <p>On March 23, Joe and Rachel W. met with City of Seal Beach Staff to discuss the City's involvement in MWDOC's DIM Area Measurements Assistance Program. Topics discussed included:</p> <ul style="list-style-type: none"> • Overview of the Conservation Framework • How this project supports the City's compliance • Project Cost • Project Timeline • Additional Questions |
| SAWPA Kick-Off Meeting for Dedicated Irrigation Landscape Meter Project | <p>On March 24, Rachel W. attended SAWPA's Kick-Off Meeting for its Dedicated Irrigation Landscape Meter Project, which introduced SAWPA's DIM area measurement effort to SAWPA member agencies. Topics on the agenda included:</p> <ul style="list-style-type: none"> • Introductions and Overview of Agency/Firm Management Structures • DWR Proposition 84 Grant Requirements • State Water Conservation Regulation Requirements • Benefits to Retail and Wholesale Water Agencies • Benefits to Dedicated Landscape Meter Customers • Retailer Recruitment Approach |

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| SAWPA Kick-Off Meeting for Dedicated Irrigation Landscape Meter Project – continued | <ul style="list-style-type: none"> ○ Workshop and Attendees ○ Recruitment Timeline ○ Geolocated vs. Non-Geolocated Retailers ● Quantum and Subcontractors Approach for Developing Budgets ● Data Transfer Process |
| Dedicated Irrigation Meter Area Measurements Program for City of Tustin Discussion | <p>On April 1, Rachel W. met with staff from the City of Tustin to discuss the City's involvement in MWDOC's DIM Area Measurements Assistance Program. Topics discussed included:</p> <ul style="list-style-type: none"> ● Overview of the Conservation Framework ● How Project Supports the City's Compliance with the Framework ● Project Cost ● Project Timeline ● Additional Questions |
| Alliance for Water Efficiency Cooling Tower Estimating Model Webinar Presentation | <p>On April 8, Rachel W. and Sam Fetter were panelists for the Cooling Tower Estimating Model (CTEM) Webinar, hosted by Alliance for Water Efficiency (AWE). Approximately 150 attendees across the United States and Canada joined the webinar. Rachel and Sam presented MWDOC's work using the CTEM model using aerial imagery to validate the presence of predicted cooling towers. Other panelists included representatives from Pacific Northwest National Laboratory, creators of the model, and Maureen Erbeznik and Associates, a key consultant to the project.</p> |
| Orange County Water Use Efficiency Coordinators Workgroup Meeting | <p>On April 1, Jo, Steve, Beth, Rachel W., Andrea, and Rachel D. hosted the Orange County Water Use Efficiency Coordinators Workgroup meeting via Zoom. Highlights on the agenda included:</p> <ul style="list-style-type: none"> ● MWDOC Updates ● Agency Problem Solving Roundtable ● West Basin CII and Restaurant Programs ● Water Supply Update ● Metropolitan Update <ul style="list-style-type: none"> ○ Model Water Efficient Landscape Series ○ Regional Residential Leak Detection Rebate Program ○ Pre-1994 Multi-Family Property Toilet Replacement Program ○ Addenda 20A for Residential and CII Programs ● Conservation Framework <ul style="list-style-type: none"> ○ Upcoming Meetings of Interest ● Water Use Efficiency Updates <ul style="list-style-type: none"> ○ Turf Removal ○ Landscape Design Assistance Program ○ Reformulated Residential End Use Study ○ Choice Program ● CalWEP Update ● Future Agenda Items <p>The next Workgroup meeting is scheduled for May 6.</p> |

PUBLIC/GOVERNMENT AFFAIRS

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| Member Agency Relations | <p>Public Affairs Staff:</p> <ul style="list-style-type: none"> • Developed and distributed Wyland National Mayor's Challenge for Water Conservation Media Kit for member agencies • Attended Orange County Water District's (OCWD) 2020 Retrospective: Wildlife Populations Thrive on OCWD Lands • Attended Irvine Ranch Water District's San Joaquin Marsh & Wildlife Sanctuary Virtual Tour • Created Pressure Regulating Valve marketing materials for South Coast Water District and updated materials for Irvine Ranch Water District <p>Governmental Affairs Staff:</p> <ul style="list-style-type: none"> • Hosted a grants tracking and acquisition meeting and provided timely updates on deadlines • Worked with the City of Newport Beach on shutoff issues and answers inquiries regarding flow restrictors • Distributed the monthly grants tracking and acquisition report to member agencies • Distributed information on a webinar hosted by the California Department of Housing and Community Development to help utilities understand how to access Emergency Rental Assistance for Utility Providers under the recently adopted SB 91 COVID Relief funding bill • Provided a legislative update to the OC Met Managers group • Distributed a "save the date" to member agencies on the upcoming SCAQMD working group meeting updating regulations affecting emergency generator use |
| Community Relations | <p>Public Affairs Staff:</p> <ul style="list-style-type: none"> • Met with Metropolitan Water District of Southern California to discuss virtual Scouts programs • Met with Bolsa Chica Conservancy to discuss virtual Scouts program opportunities <p>Governmental Affairs Staff:</p> <ul style="list-style-type: none"> • Volunteered at a COVID-19 vaccination POD • Assisted SDCWA staff with federal RFP coordination and feedback, including sharing our distribution list |
| Education | <p>Public Affairs Staff:</p> <ul style="list-style-type: none"> • Met with Water Energy Education Alliance sponsors and regional leads to discuss 2020-21 and 2021-22 deliverables. • Submitted an article on the Water-Energy Education Alliance to OC STEM • Attended the Orange County Community Foundation Workforce Initiative meeting • Met with Orange County Community Foundation regarding a grant opportunity for the Water-Energy Education Alliance |

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| Education – continued | <ul style="list-style-type: none"> • Met with a teacher about building workforce pathways to water careers for Santa Ana Unified School District • Met with Strategic Competitive Gains on communications training • Met with California Environmental Literacy Initiative to discuss plans for reorganization • Met with Alison Loukeh to discuss the steps required for building Career Technical Education programs • Met with Orange County Department of Education and Hashtag Pinpoint to discuss education video series project • Met with Orange County Department of Education on a pilot water education project for San Joaquin Elementary • Hosted and led a meeting with the Water-Energy Education Alliance regional leads to discuss roles and resources needed • Met with Mesa Water to discuss the industry awards process • Met with UC Master Gardeners to discuss partnership opportunities • Met with UC Irvine Civil & Environmental Engineering Affiliates to discuss virtual externship opportunity • Attended the Energy, Construction, and Utilities Advisory Board meeting • Participated in a California Environmental Literacy Leadership Council meeting • Presented on Career Technical Education and the Water-Energy Education Alliance at the Department of Water Resources Water Education Committee Meeting • Co-presented educational video series project at the Metropolitan Water District of Southern California's Education Coordinator's Meeting • Met with Ten Strands CTE working group to discuss the integration of environmental literacy into Career Technical Education programs • Conducted interviews for RFP 0119-001: Design and Implementation of Water Education School Program Services • Provided School Program website interest forms to School Program contractors • Provided information to Director Schneider regarding school program progress in the City of San Clemente • Provided information to Moulton Niguel Water District regarding MWDOC Choice Elementary School Programs |
| Media Relations | <p>Public Affairs Staff:</p> <ul style="list-style-type: none"> • Prepared and distributed content for social media • Met with Strategic Digital Communications contractor Hashtag Pinpoint to discuss social media and campaign strategies • Created Content for OC Register Special Insert: California Water Orange County |
| Special Projects | <p>Public Affairs Staff:</p> <ul style="list-style-type: none"> • Participated in the Orange County Water Summit Committee Meetings with Orange County Water District and MWDOC Directors Yoo Schneider, Thomas, and Seckel |

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| Special Projects - continued | <ul style="list-style-type: none"> • Selected and notified winners for the 2021 Water Awareness Poster Contest • Hosted February 24th Virtual Water Policy Forum featuring keynote speakers Nancy Vogel and Susan Tatayon • Developed Garden Smart resources for MWDOC and UC Master Gardeners partnership • Completed several website updates • Completed MWDOC workplace trust and DocuSign training • Attended Baywork and California Water Environmental Association's (CWEA) Women in Water: Addressing Barriers to Joining the CA Water Profession webinar • Participated in WEROC exercise/training • Assembled a Dropbox folder allowing MWDOC board access to promotional, outreach, and branding materials across 18 Public Affairs categories • Organized and participated in the creation of Speakers Bureau presentation to Newport Balboa Rotary • Participated in Communications Plan Ad Hoc Committee <p>Governmental Affairs Staff:</p> <ul style="list-style-type: none"> • Staffed the ISDOC Executive Committee meeting • Coordinated with Metropolitan staff to speak at the May WACO meeting • Staffed the WACO meeting featuring Ducks Unlimited • Prepared a support letter for Director McVicker for ISDOC 2nd VP • Staffed the WACO Planning meeting • Coordinated with SDCWA GM Sandy Kerl's office to speak at the May WACO meeting • Coordinated with Metropolitan staff who had been booked to speak at the May WACO meeting to be on stand-by for a possible future date • Fielded numerous questions and emails regarding the ISDOC 2nd VP vacancy • Drafted and distributed the ISDOC Quarterly Luncheon meeting scheduled for April 29 |
| Legislative Affairs | <p>Governmental Affairs Staff:</p> <ul style="list-style-type: none"> • Participated in the ACWA COVID Relief and LIRA working group meeting (multiple meetings) • Participated in the Metropolitan Member Agency Legislative Coordinators meetings (multiple meetings) • Met with Capitol staff for Assembly Member Janet Nguyen • Attended the CSDA Legislative Committee meeting on March 5 and March 26 • Attended the Southern California Water Coalition Legislative Task Force meeting • Participated in the AMWA Legislative Committee meeting • Distributed a request to join Metropolitan's coalition letter on AB 442 (Mayes) • Attended CMUA's utility debt relief meeting • Participated in the ACWA Region 10 State Legislative Committee pre-meeting caucus |

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| Legislative Affairs – continued | <ul style="list-style-type: none">• Met with Assembly Water, Parks, and Wildlife Committee staff regarding MWDOC's position on pending legislation• Met with Assembly Member Steve Bennett's staff, who assist him in his position on the Water, Parks, and Wildlife Committee• Attended the CMUA Regulatory Committee meeting and the Legislative Committee meeting• Attended the ACWA Legislative Symposium featuring panels on Water Affordability Legislation (SB 222 and SB 223) and the Climate Resiliency Bonds (AB 1150 and SB 45), and closed out with a conversation with Assembly Member Luz Rivas• Participated in the ACWA State Legislative Committee meeting• Participated in the Cal-Desal Legislative Committee meeting• Attended the ACWA DC Congressional Staff Panel on various water issues• Participated in the ACWA Bond Measures Working Group meeting |
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INFORMATION CALENDAR

**MWDOC GENERAL INFORMATION
ITEMS**

MWDOC BOARD OF DIRECTORS

- Al Nederhood
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