

# Water Rates and Charges

The retail water bill you receive for your home or business reflects a wide range of costs from a number of different sources and agencies. While your bill may include several different services (e.g., drinking water, wastewater, solid waste, electricity), we will focus on just the drinking water rates and charges. The fees reflected on your retail water bill include charges from costs incurred by your water service provider at both the local, retail and regional, wholesale level. The charges for water service may also extend beyond your monthly bill to include ad valorem or parcel (e.g., Mello-Roos) taxes that would be listed on your property tax bill.

The Municipal Water District of Orange County (MWDOC) is the wholesale imported water provider for 28 retail water districts and cities within Orange County and provides a wide range of additional services to these Member Agencies including Water Use Efficiency Programs, Water Reliability Planning, Public and Governmental Affairs, and Emergency Response programs. MWDOC represents over 70% of the 3.2 million people in Orange County at the Metropolitan Water District of Southern California (Metropolitan) and passes the costs of Metropolitan regional, imported water and service through to our Member Agencies. The remainder of Orange County is represented at Metropolitan by the three Cities of Santa Ana, Anaheim and Fullerton (the Three Cities). The local agencies provide the services and system maintenance to move the water from the wholesale system to your home or business. Depending upon your location and water supply, these fees may include the costs of groundwater or reclaimed/recycled water operations.

Therefore, the water bill that you receive represents costs from three levels of water supply and services: Regional Wholesale by Metropolitan, OC Wholesale by MWDOC and Local Service by your retail water provider.

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## Regional Wholesale - Metropolitan Water District of Southern California Close ^

### (Metropolitan)

Metropolitan sells wholesale, imported water to MWDOC, which allocates those costs to the local, retail water agencies. Everyone in Orange County uses some amount of Metropolitan imported water. Some areas in South Orange County are almost 100%



dependent on imported water and the opposite is true for some retail agencies in North Orange County. However, even these groundwater-based utilities use imported water in the form of imports used to replenish groundwater supplies.

Metropolitan has a fairly complex rate structure. Some of the charges are volumetric whereby MWDOC is charged a rate per Acre-Foot of water delivered (approximately 325,850 gallons) depending upon whether the water is already treated (ready to consume (potable)) or untreated. Others are fixed charges such as the capacity charge and the Readiness-to-Serve (RTS) charge.

The capacity charge is designed to recover the capital costs to meet short-term peak demands of the system. Retail customers (and therefore utilities) use more water in the summer than the winter and may use more water in a dry year than a wet year. Different utilities cycle up and down at different relative rates. The water distribution system is designed and built to handle the combined peak demands of all the customers, whether they be retail or wholesale. The capacity charge uses the highest 1-day flow (measured in cubic feet per second (cfs)) over a three year period to allocate the cost of this peak capacity. This allocates more of the capacity costs to utilities that have larger swings in their peak demand.

The RTS charge is similar in that it allocates capital costs but in this case for long-term reliability aspects such as emergency storage capacity and standby services. The long-term aspect of these costs are reflected in the use of a 10-year average of a member agency’s water purchases to allocate the costs. The RTS costs are allocated to each Member Agency according to their percent of the total water purchases.

While the vast majority of Metropolitan’s fees are reflected in the regular, water service bill, two charges do appear on the property tax bill in Orange County. Approximately one-third of the RTS charge is billed by Metropolitan on the property tax bills. Metropolitan also utilizes an ad valorem property tax for some State Water Project costs.

Metropolitan approves its rates and charges on a two-year budget cycle with limited annual updates.

Metropolitan Rates & Charges	January 1, 2017	January 1, 2018
<b>Volumetric Full-Service Treated Rate</b>	<b>\$979/AF</b>	<b>\$1015/AF</b>
<b>Volumetric Full-Service Untreated Rate</b>	<b>\$666/AF</b>	<b>\$695/AF</b>
<b>Fixed Capacity Charge</b>	<b>\$8,000/cfs</b>	<b>\$8,700/cfs</b>
<b>Fixed Readiness-to-Serve Charge</b>	<b>\$135 million</b>	<b>\$140 million</b>

Orange County Wholesale – Municipal District of Orange County (MWDOC) Close ^

MWDOC’s rates and fees generally fall into three categories: (1) the pass through of costs from Metropolitan for imported water charges; (2) specific charges for services contracted by our Member Agencies (Choice Budget); and (3) charges for MWDOC services that apply to all our Member Agencies (Core Budget).



The pass through costs from Metropolitan are normally billed on a monthly basis to our Member Agencies with the majority of the cost allocation based on volumetric purchases. The fixed charges require somewhat more involved allocation calculations. The total amount of these Metropolitan charges are projected to be approximately \$185 million in FY 2017-18.

The Choice Budget fees are primarily associated with the water education school program and the water use efficiency program, including conservation rebates. MWDOC Member Agencies elect to subscribe to specific programs and can opt-out of program participation. The FY 2017-18 budget for the Choice programs is approximately \$1.2 million.

MWDOC's Core Budget includes all other programs and functions provided to our Member Agencies: Water Reliability Planning, Metropolitan Activities, Government Affairs, Public Affairs, Water Use Efficiency, Emergency Response, Board Functions, Finance, Information Technology and Administration. The FY 2017-18 Core budget is approximately \$8.3 million. The approved rate structure calculates two different charges for MWDOC customers. For the retail Member Agencies, a fee is assessed per retail meter. This was deemed more equitable as MWDOC's services bear a greater relationship to total number of retail meters (households) than the volume of water purchased. For the remaining groundwater agency, which does not have retail meters and requires a different set of services, the rate is based on a combination of factors including a proportional share for some services and a long-term volumetric average for others.

## MWDOC Rates & Charges July 1, 2017

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<b>Retail Member Agencies</b>	<b>\$11.90 per year per retail water meter</b>
<b>Groundwater Agency Charge</b>	<b>\$468,565 per year</b>

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On May 21, 2014, the Board of Directors of MWDOC adopted Ordinance No. 53, Establishing Classes of Water Service and Terms and Conditions of Water Service within the District, as well as Resolution No. 2031 Establishing Water Rates for the 2016/17 fiscal year.

## Description of MWDOC's Water Rates Including Pass Through of Charges From Metropolitan Water District

**View PDF** (<https://www.mwdoc.com/wp-content/uploads/2017/07/2016-Water->

# Ordinance No. 53, Establishing Classes of Water Service and Terms and Conditions of Water Service within the District

**View PDF** ([https://www.mwdoc.com/wp-content/uploads/2017/04/Ordinance-No\\_-53-](https://www.mwdoc.com/wp-content/uploads/2017/04/Ordinance-No_-53-final-Water-classes.pdf)

## Resolution No. 2031 Establishing Water Rates for the 2016/17 fiscal year

[final-Water-classes.pdf](https://www.mwdoc.com/wp-content/uploads/2017/04/Ordinance-No_-53-final-Water-classes.pdf))

**View PDF** (<https://www.mwdoc.com/wp-content/uploads/2017/04/2031-with-Exhibits-A-C.pdf>)

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Local Service - Retail Water Providers (Member Agencies)

Open ▾

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If you would like to receive additional information regarding MWDOC's water rates and charges, please contact: Harvey De La Torre (<mailto:hdelatorre@mwdoc.com>) at **(714) 593-5027**.



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## **DESCRIPTION OF MWDOC's WATER RATES INCLUDING PASS THROUGH OF CHARGES FROM METROPOLITAN WATER DISTRICT**

Municipal Water District of Orange County (MWDOC) applies rates and charges to its member agencies to recover the cost of purchasing water from Metropolitan (MET) and to generate revenue in support of MWDOC's annual budget. MET's rates normally change effective January 1, and MWDOC's rates change effective July 1. Therefore, the effective rates to our member agencies change both on July 1 and January 1 of each year. The charges can be grouped into the following components:

1. Pass Through of Commodity Rates from MET for purchased water
2. Pass Through of Fixed Charges from MET
3. Pass Through of MET Penalties for Exceeding Drought Allocations (only when Drought Allocations are declared)
4. Imposition of MWDOC Charges to support the MWDOC Budget
  - Annual Retail Meter charge
  - Choice Activity charges

### **PASS THROUGH OF COMMODITY RATES FROM MET FOR PURCHASED WATER**

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MWDOC passes through the following MET rates & charges:

- Tier 1 & 2 Supply Rate – The Tier 1 supply rate recovers the costs of securing and maintaining water from the State Water Project, Colorado River Water and other supply sources to meet the needs of the member agencies. The Tier 2 Supply Rate represents the marginal cost of securing new supplies for MET via water transfers north of the Delta. The Tier 2 supply rate only applies when a member agency exceeds its Tier 1 allotment.
- System Access Rate – recovers the costs to support MET's water conveyance and distribution system, including capital costs associated with average demand and department O&M.
- System Power Rate – recovers MET's average cost of energy to pump water on the Colorado River Aqueduct and State Water Project.
- Water Stewardship Rate – provides revenue to support MET's Water Use Efficiency programs including Conservation and the Local Resources Program.
- Treatment Surcharge – provides revenue to support MET's five treatment plants, including all capital and O&M costs associated with treatment.

## MET TIER 1/TIER 2 SUPPLY RATES

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**MET charges a two-tiered supply rate.** Purchases are charged at the Tier 1 rate up to the member agency's Tier-1 allotment. When MET began implementing tiered supply rates in 2003, MWDOC chose to sign a Purchase Order that determined MWDOC's Tier-1 allotment (maximum allowed Tier 1 purchases), which would be equal to 90% of our base demand (357,372 AF). Currently, MWDOC's Tier-1 allotment is 321,635 AF. Water purchases in excess of the Tier-1 allotment are charged by MET at the Tier-2 rate, which is \$134/AF greater than the Tier-1 rate in 2016.

**MWDOC sets a *Melded Supply* rate** that adjusts the supply costs to MWDOC's agencies based on the melded cost of purchasing Tier 1 and a projected quantity of Tier 2 water based on water demand projections. MWDOC worked with its agencies to establish a Tier 2 Contingency Fund several years ago to help fund Tier 2 purchases, if and when they are needed. For the last several years, the MWDOC Melded Rate has been the same as the MET Tier 1 rate because Tier 2 purchases have not been necessary. MWDOC's Tier 1/Tier 2 melded rate is typically set annually to ensure that MWDOC will have sufficient funds in the Tier 2 Contingency Fund to pay MET for Tier 2 purchases. Today, the melded supply rate for Tier 2 purchases is set at \$0/AF. The Tier-2 Contingency Fund has a balance of about \$1M, which would enable purchases of about 7,500 AF of Tier-2 supplies.

## PASS THROUGH OF FIXED CHARGES FROM MET

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### **MET's Readiness-to-Serve (RTS) Charge:**

One of the fixed charges from MET to MWDOC is the RTS. This is a fixed charge from MET to fund reliability of MET's imported water system. The costs of providing standby service, such as emergency storage capacity, standby services for conveyance, distribution, and aqueduct services are recovered by the RTS. The RTS is allocated to the MET member agencies based on each agency's proportional share of a ten-year rolling average of all Full service purchases (including treated and untreated water as well as water transfers). The purpose of the ten-year rolling average is to lead to a relatively stable RTS allocation that represents an agency's potential long-term need for standby service under different demand conditions.

There are a number of MET member agencies that chose to have a portion of their total RTS obligation offset by a standby charge collected on the property tax bills. MWDOC is one of the agencies that elected to do so. MET levies and accounts for the standby fees within MWDOC, which funds about one-third of its RTS obligation from the tax bill. MET's Standby Charge collections within MWDOC are typically \$10.09 per parcel or per acre for parcels greater than an acre (in the area of the prior Coastal MWD, the standby charge is \$12.60 per parcel or per acre for parcels greater than one acre). The amount

collected by MET in each MET member agency's service area is deducted from the gross RTS charge to determine the net RTS charge. MWDOC pays MET the annual net RTS charge in 12 equal monthly payments.

The derivation of the NET RTS Charge for 2015-16 is shown below:

<b>2015-16 MET RTS Charge to MWDOC =</b>	<b>\$19,979,244</b>
<b>Expected Standby Charge in MWDOC Service Area =</b>	<b><u>\$7,039,583</u></b>
<b>NET RTS Charge to be paid to MET via Water Rates =</b>	<b>\$12,939,661</b>

MWDOC allocates the net RTS charge to each MWDOC member agency based on their 4-year rolling average of full service purchases, converted to a percentage of MWDOC's payment to MET of the net RTS charge. Agencies pay MWDOC the annual net RTS charge in 12 equal monthly payments. The MWDOC member Agencies recommended that a 4-year rolling average should be used within MWDOC so that changes in local supplies and imported water purchases would be reflected in the charge sooner than MET's 10-year rolling average.

**MET Capacity Charge:**

MET collects a fixed charge to recover the capital costs to help meet peak demands on the imported distribution system. MET's Capacity Charge to each member agency is based on the agency's highest one-day flow in cubic-feet-per-second (cfs) as a sum of all of their MET connections during the most recent three summers (May 1 – Sep 30), with a lag of one year (so 2012, 2013 & 2014 flows are used to calculate the 2016 charge). MET's Capacity Charge for 2015 was \$11,100/cfs on a gross basis and \$10,900/cfs for 2016. MWDOC pays to MET the annual Capacity Charge in 12 equal monthly payments.

MWDOC's Capacity Charge to each member agency is based on the agency's highest one-day flow in cfs as a sum of all of their MET connections during the most recent three summers (May 1 – Sep 30), with a lag of one year (so 2012, 2013 & 2014 flows for the 2016 charge). The agency's highest 1-day flow is converted to a percentage of the sum of the MWDOC agencies' highest 1-day flows, and the percentage is multiplied by the Capacity Charge that MWDOC must pay MET (this apportions the MET charge over the peak flows of the MWDOC agencies). The sum of the peak day flows for each of MWDOC's agencies is always higher than the single day peak flow measured on the MET system and so MWDOC's resulting Capacity Charge per cfs to its member agencies is considerably less than the charges imposed by MET.



## **PASS THROUGH OF MET PENALTY CHARGES FOR EXCEEDING DROUGHT ALLOCATIONS (MET & MWDOC implemented drought allocations during FY15/16)**

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**With respect to MWDOC Drought Allocation Penalties**, the MWDOC Board of Directors adopted the policy that member agencies would be charged penalties for exceeding drought allocations only if MWDOC were required to pay penalties to MET. In addition, they specified that only agencies that exceeded their allocations would pay a proportional share of the penalties owed by MWDOC. Under drought allocation, it is likely that penalties imposed by MWDOC would be substantially less than those imposed by MET on a per AF basis.

## **IMPOSITION OF MWDOC CHARGES TO SUPPORT THE BUDGET**

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MWDOC passes through all of the charges imposed by MET and then adds other charges to fund MWDOC's budget. MWDOC imposes the following charges:

1. Retail Meter Charge
2. Choice Activity Charges

**MWDOC's Retail Meter Charge** provides the primary revenue to fund the MWDOC budget (excluding the Choice components). During FY14/15, the Retail Meter Charge provided revenue for 95% of MWDOC's budget, and currently it is covering 100% for FY15/16. MWDOC's Retail Meter Charge for FY15/16 is \$10.85/meter per year, and is charged to the agencies based on the number of retail meters in service as of January 1 of each year as certified by the agencies. The Retail Meter Charge is billed in July of each year.

**MWDOC's CHOICE activities** began being charged directly to the MWDOC member agencies beginning in July 2011. These charges are based on activities that each member agency selects. The budgeted amount for all of the Choice activities for FY15/16 totals \$3.390 million. MWDOC will invoice for these charges in July each year.

## **TAXES SHOWING ON ANNUAL PROPERTY TAX BILLS**

There are typically two charges that will appear on the annual property tax statements for Orange County property owners. Both of these charges are imposed by MET. MWDOC has not levied any taxes since 1969. The two charges are:

1. Standby Charge per parcel or per acre for parcels greater than an acre. As previously discussed, this revenue recovers the capital costs of providing emergency and standby services. The revenue collected reduces MWDOC's RTS charge from MET.
2. Ad Valorem Tax Assessment: Generally, MET has constitutional and statutory authority, as well as voter authorization, to levy *ad valorem* property taxes as needed to pay its outstanding general obligation bonds and State Water Contract payments. With the

exception of the past two years, MET's *ad valorem* taxes are applied solely to pay MET's general obligation bonds and a small portion of State Water Contract payments, pursuant to MET Act requirements that limit property tax collections to "the amount necessary to pay annual debt service on MET's general obligation bonds plus the portion of its State Water Contract payment obligation attributable to the debt service on State general obligation bonds for facilities benefitting MET that were outstanding as of 1990-91." Under this requirement, MET's *ad valorem* property tax revenue has been decreasing, and will continue to decrease, as the bonds are retired. However, the MET Act permits MET to suspend the prescribed reduction in the tax rate if the MET Board makes a finding that suspending the decrease is essential to the fiscal integrity of MET. The tax rate for the past three years has been 0.0035 percent of assessed valuation.

The average cost of the above charges, for both MET and MWDOC, are presented in the table below on a unit per AF basis, even though that is not necessarily how the charges are billed. This table is for presentation purposes to help understand the magnitude of the various charges:

<b>Average Cost of MET Water Across MWDOC in 2016</b>		
		<b>Per AF or Equivalent Charges</b>
<b>MET Tier 1 Supply Rate</b>		<b>\$156.00</b>
<b>MET Delta Supply Surcharge</b>		<b>\$0.00</b>
<b>MET System Access Rate</b>		<b>\$259.00</b>
<b>MET System Power Rate</b>		<b>\$138.00</b>
<b>MET Water Stewardship Rate</b>		<b>\$41.00</b>
<b>MET Water Treatment Rate</b>		<b>\$348.00</b>
<b>Typical Rate from MET - Tier 1</b>		<b>\$942.00</b>
<b>MWDOC Supply Rate for Tier 2<sup>(1)</sup></b>		<b>\$0.00</b>
<b>Total MWDOC Melded Commodity Rate</b>		<b>\$942.00</b>
<b><u>Equivalent Per AF Charges</u></b>		
<b>MET RTS to MWDOC (varies by retail agency)</b>	<b>\$11,685,918</b>	<b>\$87.44</b>
<b>MET Capacity Charge to MWDOC (varies by retail agency)</b>	<b>\$4,007,157</b>	<b>\$29.98</b>
<b>MWDOC Per AF Charge (for July 1, 2015)</b>		<b>\$0.00</b>
<b>MWDOC Retail Meter Charge (\$10.85 per retail meter per year beginning July 1, 2015)</b>	<b>\$6,687,322</b>	<b>\$50.04</b>
<b>Sum of MWDOC's Choice Programs (varies by retail agency)</b>	<b>\$3,081,938</b>	<b><u>\$23.06</u></b>
<b>MWDOC &amp; MET Equivalent Charges on a Per AF Basis</b>		<b>\$190.52</b>
<b>MWDOC Sales less OCWD (AF) to develop equivalent charges<sup>(2)</sup></b>	<b>133,643</b>	
<b>Total of all charges averaged across MWDOC</b>		<b>\$1,132.52</b>

(1) Tier 2 charges added by MET for sales over 321,635 AF to MWDOC = \$134 per AF

(2) MWDOC budgeted AF sales reduced by OCWD's purchases, and OCWD's portion of total RTS, Capacity Charges and Choice program removed for calculation of equivalent charge for the other MWDOC Agencies.

The projected Choice includes no charges for Desal, which is OCWD's only participation, so no adjustment was made to the Sum of MWDOC's Choice Programs for OCWD. 3 Cities Choice amounts subtracted.

**ORDINANCE NO. 53**

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

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

WHEREAS, MWDOC is authorized and directed by section 71616 of the Water Code of the State of California to establish water rates and charges for the sale of such water which will result in revenues sufficient to meet the operating expenses of the District, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions and enlargements, and cover principal and interest payments and costs associated with the bonded debt; and

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

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

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

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

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

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

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

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

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors subject to the provisions set forth herein that Ordinance No. 52 is hereby repealed and superseded and this Ordinance No.53 is adopted and enacted as follows:

SECTION 1. SCOPE:

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

SECTION 2. DEFINITIONS:

- 2.1 Whenever used in this Ordinance, the following terms shall have the meaning indicated herein:
  - 2.2 "Board" shall mean the Board of Directors of MWDOC.
  - 2.3 "MWDOC" shall mean the Municipal Water District of Orange County.
  - 2.4 "MWDOC Member Agency" shall mean any city, county, water district, county water board, mutual water company, investor owned utility or other entity, including a joint powers agency, which receives water from MWDOC, directly or indirectly (excepting the cities of Anaheim, Fullerton and Santa Ana), the corporate area of which, in whole or in part, is included in MWDOC.
    - 2.4.1 "Retail Water Meter" shall mean a water meter, or water measuring device, through which water, other than replenishment, construction and recycled water, directly or indirectly supplied by MWDOC, is delivered to any consumer within the boundaries of each MWDOC Member Agency or customer. Retail Water Meters are considered to be "in service" if they were used at any time within

the preceding calendar year. Meters on dedicated fire lines shall not be considered as being "in service"; retail meters not being utilized due to temporary interruption as a result of a change in service or a past due account shall be considered as being "in service."

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

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

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

2.8 "State" shall mean the State of California.

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

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

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

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

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

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

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

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

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

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

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2.20 "Full Service" shall mean service of water for domestic or municipal purposes, agricultural purposes and Groundwater Replenishment purposes that is not subject to reduction or interruption except by application of the preferential rights referred to in



Section 135 of the Metropolitan Water District Act or by application of the then effective MWDOC Water Supply Allocation Plan ("WSAP") or other shortage allocation plan as adopted by the Board.

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

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

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

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

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

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

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

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

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

2.38 "CHOICE" services (as distinguished from "Core" services imposed on all Member Agencies) shall mean those services made available by MWDOC to its Customers on an elective basis. Each Customer will make a decision whether and to what extent it will engage the services and participate in the activities (depending on the nature of the services and the manner in which they are charged).

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

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

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

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

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

SECTION 3. MWDOC's WATER RATE:

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

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

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

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

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

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

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

#### SECTION 4. OTHER CHARGES:

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

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

4.2 MWDOC Capacity Charge –The MWDOC Capacity Charge is assessed to each MWDOC Member Agency on the basis of recent historic peak day capacity usage (including capacity usage for Full Service and wheeling as a fixed charge on

each Member Agency calculated on such past peak day usage, as described in the rate resolution adopted pursuant to this Ordinance).

4.3 Blank.

4.4 The MWDOC Readiness-to-Serve Charge and the MWDOC Capacity Charge shall be set by the Board by resolution and shall be established at a level which, in the judgment of the Board, will yield revenues sufficient to cover the charges imposed by Metropolitan upon MWDOC under Metropolitan's rates and charges for water service, provided that MWDOC's charges may provide for collection in advance of expected invoice by Metropolitan and provide for a reasonable excess to cover variations in the amount of Metropolitan's charges that cannot be calculated in advance.

4.5 AMP Connection Charge

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

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

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

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

4.6 Charges for CHOICE services. The categories, budget levels and methodology for allocating the costs to MWDOC's Customers for CHOICE

services shall be set each year by the Board in its adoption of the Water Rate Resolution.

SECTION 5. CLASSES OF SERVICE:

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

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

5.2 Emergency Service

5.3 Blank

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

5.5 Not Used

5.6 Wheeled, Exchanged or Transfer Water

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

5.7 Deliveries to Which Rates Not Applicable.

The rates for the various classes of service of water established by this Section 5 shall not apply to water sold and delivered by MWDOC to any purchaser other than a MWDOC Member Agency; and said rates shall not apply to water sold and delivered by MWDOC for any use outside MWDOC, or to water sold and delivered by MWDOC for any use within MWDOC in substitution for water used outside MWDOC, regardless of



whether or not such water will be purchased by, or delivered pursuant to the order of, any MWDOC Member Agency; but such water shall be sold and delivered pursuant to such contract and upon such terms and conditions as the Board shall authorize and determine for each such transaction.

5.8 Rates Subject to Applicable Law.

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

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

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

6.2 Contents of Estimates and Certification.

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

Member Agency for each month of the succeeding four Fiscal Years, the following information:

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

### 6.3 Obligations in Event of Shortage.

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

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

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

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

to one percent (1%) of such delinquent payment. Invoices for delinquencies, including additional charges, shall be mailed within 5 days of delinquency.

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

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

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

7.5 Year-End Reconciliation. Billing for all water delivered by MWDOC to a MWDOC Member Agency that requires annual reconciliation (unless otherwise specified by agreement) shall be subject to a reconciliation after the close of each Fiscal Year to determine what quantity of water qualifies for the incentive or penalty. Adjustment will be made to previous billings based upon the reconciliation and the MWDOC Member Agency will be billed or given a credit for the difference.

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

7.7 Blank

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

## SECTION 8. WATER WHEELING, EXCHANGES AND TRANSFERS:

8.1 Water Wheeling, Exchanges and Transfers that will result in water being delivered into MWDOC's service area and that are entered into between two or more

MWDOC Member Agencies or entities within the District, or between a MWDOC Member Agency and an entity outside the District, will be subject to MWDOC's consent.

SECTION 9. SUPERCEDES PRIOR RESOLUTIONS.

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

SECTION 10. SEVERABILITY:

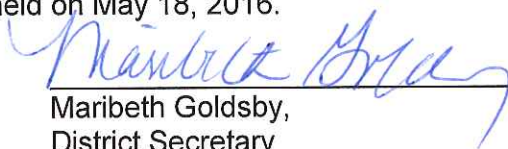
If any provision of this Ordinance is for any reason held to be unlawful, such decision shall not affect the remaining portions of the Ordinance. The Board of Directors hereby declares that it would have passed each and every section and each and every phrase thereof irrespective of the fact that one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

SECTION 11. EFFECTIVE DATE:

This Ordinance shall be effective July 1, 2016. Said Ordinance No. 53 was adopted, on roll call, by the following vote:

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

I certify the foregoing is a true and correct copy of Ordinance No. 53, adopted by the Board of Directors at its meeting held on May 18, 2016.

  
\_\_\_\_\_  
Maribeth Goldsby,  
District Secretary

**RESOLUTION NO. 2031  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ESTABLISHING WATER RATES**

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

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

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

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

WHEREAS, the Board of Directors has reviewed the water supply, water demand and replenishment conditions in the Orange County Water District (OCWD) Basin and the impact these conditions will have on MWDOC 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 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 the Capacity Charge to MWDOC based on MWDOC's highest cumulative peak day delivery rate in cubic feet per second (CFS) between May 1 and September 30 in the three preceding calendar years, ending on the year prior to the year of the charge being imposed; and

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

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

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

WHEREAS, the MWDOC Board has approved the "Choice" services, the associated budgets, and the methods for allocating such costs to the member agencies, and has directed staff to bill for those costs pursuant to Section 11 of this Resolution as part of MWDOC's water rates and charges; and

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

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

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

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

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

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



Rate Component	July 1 through December 31, 2016	Beginning January 1, 2017
<b>Untreated Full Service</b>	<b>\$594.00</b>	<b>\$666.00</b>
<b>Treated Full Service</b>	<b>\$942.00</b>	<b>\$979.00</b>
<b>Unbundled Rate By Component:</b>		
System Access Rate	\$259.00	\$289.00
System Power Rate	\$138.00	\$124.00
Water Stewardship Rate	\$41.00	\$52.00
MWDOC Melded Supply Rate*	\$156.00	\$201.00
Tiered Supply Rate (Tier 1/Tier 2)*	N/A	N/A
<b>Subtotal Untreated Full Service:</b>	<b>\$594.00</b>	<b>\$666.00</b>
Treatment Surcharge	\$348.00	\$313.00
<b>Total Treated Full Service:</b>	<b>\$942.00</b>	<b>\$979.00</b>

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

(b) **Drought Allocation Surcharge**

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

**SECTION 2. MWDOC READINESS-TO-SERVE CHARGE.**

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

Metropolitan has notified MWDOC that for fiscal year 2016-17 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 \$11,532,284. 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 the 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 2016-17 charges, the four-year average shall be based on fiscal years 2011-12 through 2014-15). The Net Metropolitan RTS Charges to MWDOC shall be apportioned to the MWDOC member agencies based on the four-year average of full service sales, which would include wheeled and transferred water.

(c) Fiscal Year 2016-17 MWDOC Readiness to Serve Charge Rate

For fiscal year 2016-17, MWDOC will charge the MWDOC member agencies total Net RTS Charges of \$11,532,284. 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 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 2016-17 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 2017, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be \$3,544,800. 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 2017 charges, the highest peak day flow shall be based on May 1 through September 30, 2013, 2014 and 2015). 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 2017 Capacity Charge apportioned to each member agency is set forth in **Exhibit B**, attached hereto and by this reference incorporated herein and made an operative part hereof.

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

The annual charge to be imposed by MWDOC on each member agency for each retail water meter served by a MWDOC member agency which is in service as of January 1 of each year ("MWDOC's Retail Meter Charge") shall be \$10.95. MWDOC's Retail Meter Charge shall be collected in accordance with Section 11 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 2016-17 shall be \$392,666.00. MWDOC's Groundwater Customer Charge to be imposed on OCWD shall be collected in accordance with Section 11 of this Resolution.

The Groundwater Customer Charge is calculated based on OCWD's portion of MWDOC's Cost Centers #21 (Planning and Resource Development) and #23 (MET Issues and Special Projects), plus one-twenty-sixth of the remaining MWDOC cost centers of MWDOC's fiscal year 2016-17 general fund core budget, but not including the WEROC cost item. OCWD's portion of Cost Centers #21 and #23 is based on the most recent 10-year historical 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 2016-17**

The Choice services to the member agencies shall be provided and charged for as follows for 2016-17:

- (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 incentive payments received from Metropolitan and any other sources of funding from the program in calendar year 2015. 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 and under the Integrated Regional Water Management Plans that are separate from this basic program. Anything beyond the basic program will be implemented separately by agreement or memorandum of understanding with each participating member agency. The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year.
- (b) School Education Program – Each participating member agency may set a target number of students for which the School Education program for grades 1-6 (“basic program”) be made available in their service area. The basic program will be charged based on the actual number of students to which the program is provided, at a cost of \$3.91 per student. The School Education Program in fiscal year 2016-17 offers other additional services to the member agencies that may be provided pursuant to a contract entered into with MWDOC and under a separate fee structure. A High School Education Program is also offered for grades 9-12. The High School program is charged based on each member agency’s school participation in their service area. The costs to be charged

shall reflect any carry-over or deficit funds from the preceding fiscal year.

- (c) 2014 Doheny Desalination Program – During fiscal year 2014-15, given an uncertain scope of work for new Doheny activities, MWDOC requested \$10,000 from each of the five member agencies (City of San Juan Capistrano, Moulton Niguel WD, South Coast WD, Laguna Beach CWD, and San Clemente). Only three of the five agencies contributed funding (South Coast WD, Laguna Beach CWD and San Clemente). These funds were retained in fiscal year 2015-16. With the transition of the Doheny Project to South Coast Water District, the \$30,000 funds from fiscal year 2014-15 will be returned to the contributing agencies.
- (d) 2008 Fund for Doheny Desal (Phase 3 efforts) – The label 2008 is used to signify the year the efforts began. Funding for this Project has involved five participating member agencies (City of San Juan Capistrano, Moulton Niguel WD, South Coast WD, Laguna Beach CWD, and San Clemente), MWDOC and grants brought into the program such that the total revenue for the effort is \$6.2 million. MWDOC's latest accounting indicates that approximately \$31,194 of available revenue remains, plus the \$356,000 retained to remove the facilities at such time it is appropriate to do so. The combined total of \$387,194 is being used to carry out the operations for fiscal year 2015-16 (State Parks lease and electrical costs) and for the decommissioning work for the slant well, the mobile test facility and to restore the site. In the event additional funds are needed to complete this work, MWDOC will invoice all five participating member agencies, until such time as a close-out arrangement has been completed.
- (e) Poseidon Huntington Beach Ocean Desalination Program – The Poseidon Ocean Desalination project Choice activities for fiscal year 2016-17 are

uncertain at the time the Board is adopting the budgets and setting the rates and charges. During fiscal year 2014-15, 17 member agencies participated in the Poseidon Choice program. MWDOC will not charge the participating member agencies during fiscal year 2016-17, and will maintain the existing accumulation of funds that will be made available for such uses as decided by the Poseidon Workgroup. Approximately \$44,416 remains in the fund.

- (f) Value of Water Communications Program – The charge for the Value of Water Communications Program Choice activities for fiscal year 2016-17 are uncertain at the time the Board is adopting the budgets and setting the rates and charges. The Core development phase of the program was initiated in fiscal year 2013-14. The first phase of implementation occurred in fiscal year 2014-15. Additional media buys and refinements of messaging and use of the public service announcement and other materials will be carried out by a combination of MWDOC and the member agencies. However, given the drought discussions occurring as the budget is being approved, the actual activities anticipated under the value of water have become uncertain this coming year. The actual work to be completed will have to be worked out between MWDOC and the participating agencies. Staff has developed and provided to the MWDOC member agencies a conceptual forecast of the CHOICE costs for the Value of Water Communications Plan for FY2016-17. It was noted that these dollar estimates are placeholders for determining the initial CHOICE selections for FY2016-17 and will not be billed with the other CHOICE selections. Instead, final decisions on the level of the CHOICE participation by the various agencies will be made later in the year. The charge for services will occur at that time.
- (g) Water Loss Control Program: The 2015 Urban Water Management Plan

("UWMP") requires a water loss control effort to be included as a new component within one's UWMP. MWDOC hired a consultant on December 3, 2015 for the water loss control effort, and will ask for member agency commitments towards participation for the next three years. It is estimated that the cost for the completion of this effort will range from \$9,400 to \$49,000 per year for each participating member agency based on their elected level of consultant assistance.

The details on these Choice options and charges to the member agencies are included in Section 11 and are set forth in **Exhibit C**, attached hereto and by this reference incorporated herein and made an operative part hereof .

**SECTION 7.**        **AMP SURCHARGE.**

The surcharge on water delivered through the Allen-McColloch Pipeline, in accordance with the Diemer Agreements (the "AMP Surcharge"), shall continue to be suspended and shall not apply to water delivered through the Allen-McColloch Pipeline pending Metropolitan's completion of its performance under the Agreement for Sale and Purchase of the Allen-McColloch Pipeline, as long as Metropolitan is not in default thereunder.



**SECTION 8. RATES AND CHARGES FOR WHEELED, EXCHANGED OR TRANSFERRED WATER**

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

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

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

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

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

**SECTION 9. MWDOC WATER SUPPLY ALLOCATION PLAN (WSAP)**

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

**SECTION 10. EFFECTIVE DATE.**

The rates set forth in this Resolution shall become effective as of July 1, 2016 or thereafter as specified and shall remain in effect until changed by subsequent Resolution of the Board of Directors.

**SECTION 11. 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, and the AMP Surcharge (if applicable) 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 1<sup>st</sup> of each 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. and referred to in Section 5 hereof, shall be billed to OCWD annually in advance 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 12. 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 13.**        **REASONABLE COST.**

The Board of Directors finds that the water rates established herein are in accordance with the adopted fiscal year 2016-17 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 14.**        **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 15.**        **RATES SUBJECT TO ORDINANCE.**

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


**SECTION 16.**        **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. 2031 was adopted May 18, 2016 by the following roll call vote:

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



MARIBETH GOLDSBY, District Secretary  
Municipal Water District of Orange County

EXHIBIT A

Readiness-to-serve Charge for MWDOC Client Agencies for FY 2016-17

Agency	Metropolitan Readiness-to-Serve (RTS) Charge to MWDOC for FY 2016/17 = \$ 18,578,669.15										Net RTS	Monthly Charge July - December	Monthly Charge January - June
	Expected Standby Revenue Less Metropolitan Administrative Charge Plus Delinquencies & Uncollectibles FY 2016/17 = \$ (7,046,385.00)												
	2011-12	2012-13	2013-14	2014-15	14-15 CPTP Variance	4-Yr Ave	AF Share (%)	Net RTS	FY 2014-15 RTS Adjustment				
Brea	2,812	3,163	3,459	3,285	0.00	3,180	1.45%	\$ 167,735.50	\$ -	\$ 167,735.50	\$ 15,353.68	\$ 12,602.25	
Buena Park	4,998	5,252	4,571	2,782	0.00	4,401	2.01%	\$ 232,139.58	\$ -	\$ 232,139.58	\$ 21,248.90	\$ 17,441.03	
East Orange County Water District	4,108	3,512	4,765	3,365	243.40	3,938	1.80%	\$ 207,704.11	\$ -	\$ 207,704.11	\$ 19,012.19	\$ 15,605.16	
El Toro Water District	9,005	9,420	10,165	8,631	0.00	9,305	4.26%	\$ 490,845.87	\$ -	\$ 490,845.87	\$ 44,929.57	\$ 36,878.07	
Fountain Valley	3,373	3,201	2,644	2,618	2616.00	2,959	1.35%	\$ 156,089.64	\$ -	\$ 156,089.64	\$ 14,287.66	\$ 11,727.28	
Garden Grove	8,775	6,893	5,183	5,928	0.00	6,695	3.06%	\$ 353,148.81	\$ -	\$ 353,148.81	\$ 32,325.48	\$ 26,532.66	
Golden State Water Company	9,285	8,793	8,209	5,863	171.10	8,037	3.68%	\$ 423,966.89	\$ -	\$ 423,966.89	\$ 38,807.81	\$ 31,853.34	
Huntington Beach	10,431	9,545	9,342	7,692	(3455.20)	9,253	4.23%	\$ 488,073.86	\$ -	\$ 488,073.86	\$ 44,675.84	\$ 36,669.80	
Irvine Ranch Water District	17,633	23,516	21,127	16,479	0.00	19,689	9.01%	\$ 1,038,585.17	\$ -	\$ 1,038,585.17	\$ 95,066.89	\$ 78,030.64	
La Habra	1,976	938	42	232	0.00	797	0.36%	\$ 42,045.64	\$ -	\$ 42,045.64	\$ 3,848.65	\$ 3,158.96	
La Palma	756	505	663	539	538.70	616	0.28%	\$ 32,480.76	\$ -	\$ 32,480.76	\$ 2,973.13	\$ 2,440.33	
Laguna Beach County Water District	3,556	3,637	3,926	3,641	0.00	3,690	1.69%	\$ 194,641.91	\$ -	\$ 194,641.91	\$ 17,816.55	\$ 14,623.77	
Mesa Water District	6,169	2,900	0	0	(1997.80)	2,267	1.04%	\$ 119,590.65	\$ -	\$ 119,590.65	\$ 10,946.73	\$ 8,985.05	
Moulton Niguel Water District	27,551	28,361	28,869	26,792	0.00	27,893	12.76%	\$ 1,471,369.21	\$ -	\$ 1,471,369.21	\$ 134,681.77	\$ 110,546.43	
Newport Beach	5,536	4,651	6,045	4,338	0.00	5,143	2.35%	\$ 271,269.08	\$ -	\$ 271,269.08	\$ 24,830.61	\$ 20,380.90	
Orange	9,065	8,583	7,796	6,516	0.00	7,990	3.65%	\$ 421,470.50	\$ -	\$ 421,470.50	\$ 38,579.30	\$ 31,665.78	
Orange County Water District	2	24,360	55,215	65,759	1883.80	36,334	16.62%	\$ 1,916,603.55	\$ -	\$ 1,916,603.55	\$ 175,436.30	\$ 143,997.63	
San Clemente	9,118	9,014	9,654	8,917	0.00	9,176	4.20%	\$ 484,022.67	\$ -	\$ 484,022.67	\$ 44,305.01	\$ 36,365.43	
San Juan Capistrano	3,876	4,731	5,189	5,166	0.00	4,741	2.17%	\$ 250,064.93	\$ -	\$ 250,064.93	\$ 22,889.69	\$ 18,787.80	
Santa Margarita Water District	26,532	27,929	28,779	26,725	0.00	27,491	12.57%	\$ 1,450,145.28	\$ -	\$ 1,450,145.28	\$ 132,739.04	\$ 108,951.84	
Seal Beach	1,287	1,188	1,164	787	0.00	1,107	0.51%	\$ 58,369.10	\$ -	\$ 58,369.10	\$ 5,342.82	\$ 4,385.37	
Serrano Water District	0	501	4,034	4,682	0.00	2,304	1.05%	\$ 121,545.04	\$ -	\$ 121,545.04	\$ 11,125.62	\$ 9,131.88	
South Coast Water District	5,558	5,625	6,030	5,714	0.00	5,732	2.62%	\$ 302,349.33	\$ -	\$ 302,349.33	\$ 27,675.54	\$ 22,716.01	
Trabuco Canyon Water District	2,187	2,832	3,183	2,968	0.00	2,793	1.28%	\$ 147,306.51	\$ -	\$ 147,306.51	\$ 13,483.70	\$ 11,067.38	
Westminster	4,179	3,980	3,760	2,356	0.00	3,568	1.63%	\$ 188,235.43	\$ -	\$ 188,235.43	\$ 17,230.13	\$ 14,142.44	
Yorba Linda Water District	10,807	10,820	10,881	5,595	0.00	9,526	4.36%	\$ 502,485.14	\$ -	\$ 502,485.14	\$ 45,994.98	\$ 37,752.55	
<b>Sum of MWDOC Agencies</b>	<b>188,574</b>	<b>213,850</b>	<b>244,694</b>	<b>227,369</b>	<b>0.00</b>	<b>218,622</b>	<b>100%</b>	<b>\$ 11,532,284.15</b>	<b>\$ -</b>	<b>\$ 11,532,284.15</b>	<b>\$ 1,055,607.59</b>	<b>\$ 866,439.78</b>	

	2016 July - December	2017 January - June
6 Month RTS Charge	9,856,838	8,721,831
Estimated Standby Charge Revenue	(3,523,193)	(3,523,193)
6 Month Net RTS Charge	6,333,646	5,198,639
Monthly Net RTS Charge	1,055,608	866,440

	CY 2016	CY 2017
MWDOC Share	12.88%	12.92%
RTS Total	\$ 153,000,000	\$ 135,000,000
MWDOC RTS	\$ 19,713,676	\$ 17,443,662

**EXHIBIT B**  
**Capacity Charge for MWDOC Member Agencies for CY 2017**

	2013	2014	2015	Peak
MWDOC's Peak to MWD (cfs)	379.4	443.1	293.0	443.1
Date	8/30/13	7/25/14	7/3/15	7/25/14

Two shared connections not yet allocated

Metropolitan Capacity Charge to MWDOC for CY 2017 \$ **3,544,800** \*

Agency	Capacity Charge Eligible Flows (CFS)			3-Yr Peak	CFS Share (%)	Annual Capacity Charge	Monthly Capacity Charge
	2013	2014	2015				
City of Brea	12.1	12.4	8.5	12.4	2.31%	\$ 81,722	\$ 6,810
City of Buena Park	8.7	4.9	7.6	8.7	1.62%	\$ 57,397	\$ 4,783
City of San Juan Capistrano	18.8	14.8	15.4	18.8	3.50%	\$ 123,911	\$ 10,326
East Orange County Water District	21.2	18.9	11.4	21.2	3.95%	\$ 139,982	\$ 11,665
El Toro Water District	18.1	20.2	15.9	20.2	3.75%	\$ 133,047	\$ 11,087
City of Fountain Valley	3.3	0.0	3.6	3.6	0.67%	\$ 23,890	\$ 1,991
City of Garden Grove	14.1	14.2	9.0	14.2	2.65%	\$ 93,904	\$ 7,825
City of Huntington Beach	29.2	29.7	25.0	29.7	5.53%	\$ 196,020	\$ 16,335
Irvine Ranch Water District	41.6	43.3	41.2	43.3	8.07%	\$ 285,924	\$ 23,827
City of La Habra	8.5	0.0	2.3	8.5	1.59%	\$ 56,190	\$ 4,682
City of La Palma	3.4	0.0	1.4	3.4	0.63%	\$ 22,203	\$ 1,850
Laguna Beach County Water District	7.3	7.5	7.0	7.5	1.40%	\$ 49,776	\$ 4,148
Mesa Consolidated Water District	0.0	0.0	0.0	0.0	0.00%	\$ -	\$ -
Moulton Niguel Water District	56.4	55.5	49.0	56.4	10.50%	\$ 372,334	\$ 31,028
City of Newport Beach	13.4	11.8	10.3	13.4	2.49%	\$ 88,107	\$ 7,342
Orange County Water District	0.6	101.4	61.0	101.4	18.88%	\$ 669,208	\$ 55,767
City of Orange	18.0	18.5	15.8	18.5	3.44%	\$ 121,973	\$ 10,164
City of San Clemente	20.0	20.0	20.0	20.0	3.72%	\$ 131,978	\$ 10,998
Santa Margarita Water District	60.5	61.1	53.9	61.1	11.38%	\$ 403,458	\$ 33,621
City of Seal Beach	5.4	5.5	5.5	5.5	1.02%	\$ 36,329	\$ 3,027
Serrano Water District	0.0	0.0	0.0	0.0	0.00%	\$ -	\$ -
Golden State Water Company	14.8	14.1	7.9	14.8	2.75%	\$ 97,357	\$ 8,113
South Coast Water District	11.4	10.9	10.7	11.4	2.12%	\$ 75,078	\$ 6,257
Trabuco Canyon Water District	6.3	6.5	6.0	6.5	1.21%	\$ 43,028	\$ 3,586
City of Westminster	5.2	4.8	5.3	5.3	0.98%	\$ 34,799	\$ 2,900
Yorba Linda Water District	31.4	15.1	12.6	31.4	5.84%	\$ 207,186	\$ 17,265
<b>Total</b>				<b>537.2</b>	<b>100%</b>	<b>\$ 3,544,800</b>	<b>\$ 295,400</b>
				<b>MWDOC Capacity Charge Per CFS:</b>		<b>\$ 6,599</b>	

\* Based on MWDOC's aggregate peak flow of 443.1 cfs on 7/25/2014 charge at MET's rate of \$8,000 per cfs 2012 & 2013 peak flows adjusted for MET OC-88 metering error.

**Exhibit C**  
**MWDOC Member Agency Choice Services Program Summary**  
 Cost Allocations by Agencies for FY 2016-17

Program Budget	Water Use Efficiency	School Education (Elementary) [6]	School Education (High School) [6]	County Wide Communications Program [7]	Poseidon Ocean Desalination[3]	Doheny 2008 [4]	Doheny 2014 Refund [5]	Water Loss Control Program [8]	AMP Administration [9]	Total Choice Allocation	
											No contributions needed this year
Draft Budget (4/13/2016) [1]											
Prior Year Adjustment [2]											
Net Project Budget	\$ -	\$ -	\$ -	\$ -	\$ 44,416	\$ 387,194	\$ -	\$ -	\$ -	\$ -	
<b>Retail Agency</b>	<b>Water Use Efficiency</b>	<b>School Education (Elementary) [6]</b>	<b>School Education (High School) [6]</b>	<b>County Wide Communications Program [7]</b>	<b>Poseidon Ocean Desalination[3]</b>	<b>Doheny 2008 [4]</b>	<b>Doheny 2014 Refund [5]</b>	<b>Water Loss Control Program [8]</b>	<b>AMP Administration [9]</b>	<b>Total Choice Program</b>	
Brea	\$ 14,213	\$ 5,574	\$ 4,594	\$ 6,792				\$ 34,292	\$ -	\$ 65,464	
Buena Park	\$ 5,041	\$ 8,223	\$ 615	\$ 9,247				\$ 30,092	\$ -	\$ 53,218	
East Orange County WD	\$ 1,526	\$ 1,104	\$ 2,000	\$ 4,207				\$ 39,032	\$ 605	\$ 48,474	
El Toro WD	\$ 41,261	\$ 5,628	\$ 4,022	\$ 7,304				\$ 27,032	\$ 922	\$ 86,169	
Fountain Valley	\$ 8,560	\$ 4,908	\$ 1,716	\$ 7,671				\$ 9,432	\$ -	\$ 32,288	
Garden Grove	\$ 15,521	\$ 18,231	\$ 3,230	\$ 15,319				\$ 9,432	\$ -	\$ 61,734	
Golden State Water Company	\$ 39,026	\$ 4,885	\$ 11,418	\$ 14,785				\$ 27,032	\$ -	\$ 97,146	
Huntington Beach	\$ 45,867	\$ 21,504	\$ 2,983	\$ 16,606				\$ 48,672	\$ -	\$ 135,632	
Irvine Ranch WD	\$ 205,611	\$ -	\$ -	\$ 19,000				\$ -	\$ 8,356	\$ 232,967	
La Habra	\$ 4,167	\$ 7,026	\$ 1,401	\$ 7,911				\$ 34,292	\$ -	\$ 54,797	
La Palma	\$ 5,798	\$ 2,708	\$ 684	\$ 4,973				\$ 27,032	\$ -	\$ 41,196	
Laguna Beach County WD	\$ 9,471	\$ 1,057	\$ 4,246	\$ 5,267				\$ 27,032	\$ -	\$ 37,072	
Mesa Water	\$ 22,494	\$ 3,327	\$ 4,762	\$ 10,786			\$ (10,000)	\$ -	\$ -	\$ 68,402	
Moulton Niguel WD	\$ 156,398	\$ 18,329	\$ 6,979	\$ 14,783				\$ -	\$ 2,707	\$ 199,197	
Newport Beach	\$ 37,403	\$ -	\$ -	\$ 8,170				\$ 27,032	\$ -	\$ 72,605	
Orange	\$ 27,606	\$ 8,756	\$ 1,598	\$ 12,697				\$ 27,032	\$ 1,051	\$ 78,739	
Orange County WD	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -	
San Clemente	\$ 45,381	\$ 1,581	\$ 4,910	\$ 7,238				\$ 27,032	\$ -	\$ 76,142	
San Juan Capistrano	\$ 17,832	\$ 7,652	\$ 1,054	\$ 6,474				\$ 34,292	\$ -	\$ 67,304	
Santa Margarita WD	\$ 88,222	\$ 14,548	\$ 6,102	\$ 14,061				\$ -	\$ 5,528	\$ 128,462	
Seal Beach	\$ 2,664	\$ 2,391	\$ -	\$ 5,531				\$ -	\$ -	\$ 20,019	
Serrano WD	\$ 7,323	\$ 1,640	\$ 737	\$ 4,404				\$ 9,432	\$ -	\$ 41,135	
South Coast WD	\$ 36,109	\$ 4,619	\$ 4,811	\$ 6,334				\$ 27,032	\$ -	\$ 68,905	
Trabuco Canyon WD	\$ 8,625	\$ 1,898	\$ 20	\$ 4,776				\$ 27,032	\$ 337	\$ 42,688	
Tustin	\$ 12,732	\$ 11,151	\$ 3,426	\$ 8,036				\$ 27,032	\$ -	\$ 62,377	
Westminster	\$ 7,869	\$ 9,143	\$ 1,421	\$ 9,992				\$ -	\$ -	\$ 28,425	
Yorba Linda WD	\$ 25,899	\$ 5,413	\$ -	\$ 8,794				\$ 34,292	\$ 184	\$ 74,583	
Anaheim	\$ 950	\$ 29,089	\$ 10,140	\$ 19,000				\$ -	\$ 215	\$ 59,393	
Fullerton	\$ 252	\$ 10,302	\$ 2,618	\$ 12,981				\$ 27,032	\$ -	\$ 53,184	
Santa Ana	\$ 5,105	\$ 42,402	\$ 5,154	\$ 19,000				\$ 27,032	\$ -	\$ 98,693	
<b>Orange County Total</b>	<b>\$ 898,928</b>	<b>\$ 253,089</b>	<b>\$ 90,640</b>	<b>\$ 292,140</b>	<b>\$ 44,416</b>	<b>\$ 387,194</b>	<b>\$ (30,000)</b>	<b>\$ 661,708</b>	<b>\$ 19,905</b>	<b>\$ 2,186,410</b>	

Note: Totals may not foot due to rounding.  
 \*\* These numbers are draft and subject to change  
 [1] These numbers are from the MWDOC Draft Budget dated 4/13/2016  
 [2] The adjustment amounts reflect prior year revenue overage or (shortfall) to be reconciled with participating member agencies  
 [3] The activity for Poseidon Desal for FY 2015-16 remain uncertain at this time. The funds in the account are from prior years and are recommended to remain to assist with efforts that may arise in this coming Fiscal Year  
 [4] The activity for Doheny 2008 is utilizing existing remaining funds (\$34,194) to pay the state lease and the power costs at the pilot plant site and \$365,000 retained for decommissioning  
 [5] The activity for Doheny 2014 was uncertain. MWDOC collected \$10,000 each from the agencies to cover potential work. With the transition of the Doheny Project to South Coast W.D. the funds are being returned  
 [6] Preliminary cost, To be confirmed on an agency by agency basis  
 [7] Preliminary cost, To be confirmed by an agency by agency basis, white board cost (water education video) allocated by agency percent of population with in Orange County  
 [8] Participation in the Water Loss Control Program is estimated at \$9k to \$46k per agency. The actual cost will vary based on the select of the firm and the scope of work. Line items were based on 15-16 participation  
 [9] Administration of AMP sales Agreement only paid by AMP Participants  
 Municipal Water District of Orange County



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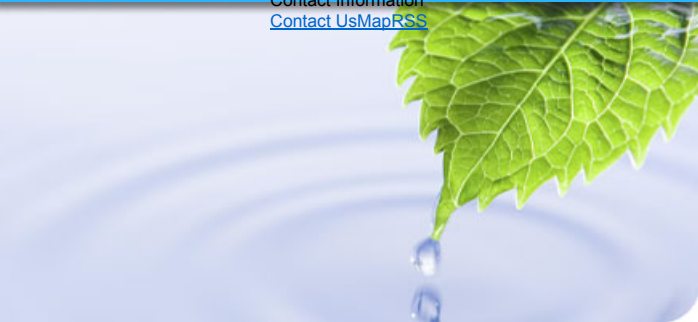
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## About MWDOC

The Municipal Water District of Orange County is a wholesale water supplier and resource planning agency that serves all of Orange County (except Anaheim, Fullerton, and Santa Ana) through 28 retail water agencies. We purchase imported water from the Metropolitan Water District of Southern California and distribute it to our client agencies, which provide retail water services to the public.

## Water Rates and Charges

The Municipal Water District of Orange County (MWDOC) is the wholesale imported water provider for 28 retail water districts and cities within Orange County. MWDOC's member agencies are charged an Increment Rate, Meter Charge, and Choice Program Charge, each set on an annual basis effective July 1st of every year. MWDOC also passes through the rates and charges set by the Metropolitan Water District of Southern California (Metropolitan), usually effective January 1st of every year.

Effective as of:	January 1, 2016	January 1, 2017
<b>Volumetric Water Rates</b>		<b>Proposed</b>
<a href="#">Metropolitan Rates</a>		
Full-Service Treated Tier 1 Rate (\$/Acre-Foot)	\$942	\$979
<b>Fixed Charges</b>		
<a href="#">MWDOC Charges</a>		
Meter Charge (\$/Meter)	\$10.50	\$10.95
MWDOC Choice Program (\$ Thousands)	\$1,229	\$1,609
<a href="#">Metropolitan Charges</a>		
Capacity Charge (\$/cfs)	\$10,900	\$8,000
Readiness-to-Serve Charge (\$ Millions)	\$153	\$135

On May 21, 2014, the Board of Directors of Municipal Water District of Orange County adopted [Ordinance No. 53, Establishing Classes of Water Service and Terms and Conditions of Water Service within the District](#), as well as [Resolution No. 2031 Establishing Water Rates for the 2016/17 fiscal year](#).

If you would like to receive additional information regarding MWDOC's water rates and charges, please contact: [Harvey De La Torre](#) at (714) 593-5027.

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