Budget Summary

- Total Expenses: $153,352,416
- Water Purchases: $139,750,585
- Operating Expenses:
  - CORE: $7,632,356
  - CHOICE: $1,580,080
  - CONSOLIDATED: $9,212,437
- Revenue: $8,709,877
- Reserves: $<502,560>
- Comparison Rate: $11.30

Budget Summary + 3.4%
MAJOR BUDGET VARIANCES

- Election Expense $592,000
- Engineering Expense $105,000
- Employee Benefits $101,983
- Professional Fees <$ 91,994>
- Outside Printing <$ 40,445>
- Legal Expenses <$ 35,000>
MWDOC OUTSIDE FUNDING

- **Water Use Efficiency**
  - $22.8 M (FY 2014-15)
  - $25.2 M (FY 2015-16)
  - $4.3 M (FY 2016-17)

- **Local Resource Program**
  - $12.2 M (FY 2014-15)
  - $15.5 M (FY 2015-16)
  - $16.1 M (FY 2016-17)

- **TOTAL OUTSIDE FUNDING**
  - $20.3 Million
MWDOC OUTSIDE FUNDING

- MWD LRP Funding
- MWD WUE Credits
- Competitive Grants
- MWDOC Budget

Fiscal Year Ending

Millions of Dollars

- 2002
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016
- 2017

5 X Operating Budget

2 X
### Metropolitan’s Rates
(Two-Year Budget: 4.0% + 4.0%)

<table>
<thead>
<tr>
<th>Rate Type</th>
<th>2016 Approved</th>
<th>2017 Proposed</th>
<th>2018 Proposed</th>
<th>% Increase (2016-17)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full Service Untreated Volumetric Cost ($/AF)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>UNTREATED COST IMPACT</strong></td>
<td></td>
<td></td>
<td></td>
<td>8.54% Increase</td>
</tr>
<tr>
<td><strong>Full Service Treated Volumetric Cost ($/AF)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TREATED COST IMPACT</strong></td>
<td></td>
<td></td>
<td></td>
<td>2.82% Increase</td>
</tr>
<tr>
<td><strong>MWDOC WEIGHTED IMPACT</strong></td>
<td></td>
<td></td>
<td></td>
<td>4.68% Increase</td>
</tr>
</tbody>
</table>
MET and MWDOC Total Cost per Meter per Month FY2016-17

<table>
<thead>
<tr>
<th>Component</th>
<th>Cost per Meter per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total MET-OC Water Sales</td>
<td>$20.95</td>
</tr>
<tr>
<td>MET-OC Water Sales Increase</td>
<td>$0.98</td>
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<tr>
<td>MWDOC Core Budget Increase</td>
<td>$1.03</td>
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<tr>
<td>MWDOC Core Budget Increase</td>
<td>$0.12</td>
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<tr>
<td>MWDOC Core Budget Increase w/o Election Expense</td>
<td>$0.04</td>
</tr>
<tr>
<td>MWDOC Outside Funding</td>
<td>$2.73</td>
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</tbody>
</table>
Rates that are shown in the budget are based on the current rate structure:
- 100% Fixed – 0% Variable
- Retail Meter Basis ($11.30/meter)

Results of ongoing Rate Study will be Incorporated:
- Any change would be to rate structure not to Budget
Key MWDOC Projects
FY 2016-17

- Metropolitan Focus
  - Integrated Resource Plan Policy Issues
  - LRP Funding
  - Storage & Allocation Programs
- OC Reliability Study Ongoing Actions
  - Regional & Local Projects - Funding
  - Poseidon
- Water Use Efficiency
- Communication Outreach Programs
  - California Water Fix & Drought
- MWDOC Website & Communication Surveys
- Government Affairs Activities
CHOICE MWDOC Activities
FY 2016-17

- Water Use Efficiency
- School Program
- Communications Program
- Doheny Desal
- Water Loss Reduction Program
Budget Schedule
FY 2016-17

- **March 2016**
  - A&F Committee (3-9)
  - CHOICE Program Discussions
  - Member Agency Manager’s Discussion
  - Member Agency Presentations as Requested

- **April 2016**
  - Elected Officials Meeting (4-7)
  - A&F Committee Meeting (4-13)
  - Member Agency Formal Comments by April 15th
  - Member Agency Manager’s Discussion
  - Member Agency Presentations as Requested
  - Confirm CHOICE Participation

- **May 2016**
  - Final Draft Budget & Rates to A&F Committee (5-11)
  - Member Agency Formal Comments
  - Member Agency Manager’s Discussion
  - Board Approval (5-18)
Municipal Water District of Orange County

March 9, 2016

BUDGET FY 2016-17
FIRST DRAFT
Municipal Water District of Orange County
March 9, 2016