



March 11, 2019

Rob Hunter
General Manager
Municipal Water District of Orange County
P.O. Box 20895
18700 Ward Street
Fountain Valley, CA 92708

Re: Comments on Proposed MWDOC Fiscal Year 2019-20 Budget

Rob:

On Wednesday, MWDOC staff will review a second draft of the MWDOC Fiscal Year 2019-2020 budget with the MWDOC Administration and Finance Committee. In response to the first draft of the budget, IRWD staff provided verbal comments at the last Manager's Meeting. The purpose of this letter is to provide written comments to you and the MWDOC Board on the second draft to assist you with finalizing the budget to meet the needs of both MWDOC and its member agencies. Following are comments related to MWDOC's proposal to budget for additional staff resources as well as substantial travel expenses.

Additional Staff Resources:

In reviewing the proposed budget, IRWD noted discussions of adding four additional full-time equivalent employees (FTE). These additional staff resources would:

1. Provide shared water loss-related services (1.5 FTE) as a *Choice* program;
2. Conduct *Core* policy work related to water loss regulations (0.5 FTE);
3. Assist with Metropolitan Water District of Southern California issues including the Sacramento-San Joaquin River Delta and the California WaterFix (1.0 FTE) as a *Core* function; and
4. Transfer *Core* institutional knowledge and expertise in preparation of the upcoming retirement of MWDOC's Assistant General Manager (1.0 FTE).

The role that MWDOC fulfills in representing the interests of its member agencies at Metropolitan is a high priority to IRWD and the primary function of MWDOC. IRWD agrees that the issues at Metropolitan are complex, time consuming and require additional resources. Accordingly, IRWD supports the hiring of an additional employee to address these issues only to the extent that MWDOC has confirmed that it is already maximizing the use of its existing staff in fulfilling its primary function. IRWD requests that MWDOC verify the need for the additional FTE to address Metropolitan issues.

Rob Hunter
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Municipal Water District of Orange County
March 11, 2019
Page 2

IRWD fully supports the addition of an employee to facilitate the transfer of important institutional knowledge and expertise prior to the retirement of the Assistant General Manager. This support is provided with the expectation that there will be a 1.0 FTE reduction in future years in response to the expected retirement.

Water Loss Shared Services:

Prior to adding the 1.5 FTE positions related to providing water loss services, IRWD recommends that MWDOC staff confirm that its member agencies are not able to offer the same shared services. It is expected that some agencies may already have the equipment and staff to provide these services and may be able to assist other member agencies. Through this confirmation process, MWDOC will be able to ensure that existing resources are being maximized prior to hiring additional staff.

Water Loss Policy Needs:

IRWD believes that the implementation of water loss-related regulations in the state of California will occur in the near term and that it is unnecessary to hire a 0.5 FTE to deal with the associated policy issues. It would be better to manage these near-term issues using MWDOC's existing legislative, water use efficiency staff and lobbying resources. Accordingly, IRWD recommends that MWDOC adjust its proposed budget to not include the additional 0.5 FTE.

Travel Expenses:

The number of trips that MWDOC plans to Washington, D.C. and Sacramento may be excessive. IRWD requests that MWDOC review its proposed travel expenditures, streamline the associated efforts and optimize the use of lobbying services where ever possible. Furthermore, MWDOC's efforts in Washington, D.C. and Sacramento should be coordinated with the ongoing efforts of the member agencies to avoid potential conflicting objectives, information and messaging.

Thank you for the opportunity to review the proposed MWDOC Fiscal Year 2019-20 Budget. If you have any questions related to the comments provided above, please contact me at (949) 453-5590.

Sincerely,



Paul A. Cook, P.E.
General Manager