

DIRECTORS

DENIS R. BILODEAU, P.E.
JORDAN BRANDMAN
CATHY GREEN
DINA L. NGUYEN, ESQ.
KELLY E. ROWE, C.E.G., C.H.
VICENTE SARMIENTO, ESQ.
STEPHEN R. SHELDON
TRI TA
ROGER C. YOH, P.E.
AHMAD ZAHRA



ORANGE COUNTY WATER DISTRICT

ORANGE COUNTY'S GROUNDWATER AUTHORITY

Item No. 7

OFFICERS

President
VICENTE SARMIENTO, ESQ.
First Vice President
CATHY GREEN
Second Vice President
STEPHEN R. SHELDON
General Manager
MICHAEL R. MARKUS, P.E., D.WRE

March 12, 2019

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

SUBJECT: Fiscal Year 2019-20 Budget Preparation

Dear Mr. ^{Res}Hunter:

The Municipal Water District of Orange County ("MWDOC") is currently in the process of preparing its FY2019-20 rates and budget, and has been describing this work to its member agencies over the past few months. The Orange County Water District ("OCWD") would like to provide the following comments for your Board's review:

1. The OCWD groundwater management charge is increasing by 26% from \$499,002 to \$631,705. We have serious concerns regarding the validity and appropriateness of any rate formula that results in a 26% increase. OCWD requests that MWDOC reconsider how this charge is calculated before the budget is finalized.
2. The draft February 2019 budget also includes more than \$250,000 in travel expenses. OCWD asks that you closer scrutinize the travel budget before its final adoption.
3. The draft budget creates a new position to the Metropolitan Issues and Water Policy Cost Center 23 regarding Bay-Delta issues and the Delta Fix Project. OCWD questions the need for MWDOC to introduce this position since the project is being developed and likely implemented by the Metropolitan Water District ("MWD") and other State Water Project contractors. The Delta Fix Project is obviously a very important project. However, it seems more fiscally prudent and jurisdictionally appropriate that MWD, provide the project staffing, technical information, literature, legislative and advocacy efforts. As a result, MWDOC will not absorb an unnecessary financial obligation that should be rightfully borne by all of MWD's member agencies.

Mr. Robert Hunter

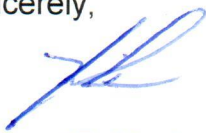
March 12, 2019

Page 2 of 2

4. The addition of a 0.5 full time equivalent (FTE) position to the Water Use Efficiency Department as a Core activity does not appear justified. There is insufficient evidence provided to warrant a sustainable workload for the proposed position. In the event that the new 0.5 FTE position is created, OCWD recommends that it be included in the new Choice Water Loss Control program that MWDOC is establishing.

Thank you in advance for your consideration of the above referenced comments.

Sincerely,



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