

# MWD OC Third Draft Budget

## Administration & Finance Committee

### Municipal Water District of Orange County

04.08.2020

# MWDOC FY 2020-21 Budget - Schedule



- **February 2020**

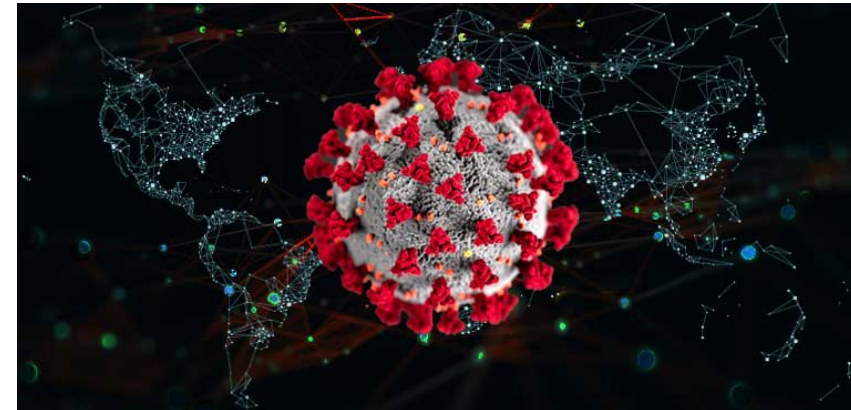
- First Draft Budget @ A&F Committee (2-12)
- Initial Member Agency Choice Participation Confirmation (2-20)
- Member Agency Managers Meeting (2-20)

- **March 2020**

- Second Draft Budget @ A&F Committee (3-11)
- CHOICE Program Discussions
- Member Agency Managers Meeting (3-19)
- Member Agency Formal Comments (3-27)

- **April 2020**

- • Elected Officials Meeting (4-2)
- • Third Draft Budget @ A&F Committee Meeting (4-8)
- • Board Approval of Final Budget & Rates (4-15)



- **June 2020**

- Member Agencies Confirm Final Choice participation (6-12)

- **August 2020**

- Reconciliation of FY 2019-20 WUE & Choice Programs

- **September 2020**

- Revised Final Choice Budget @ A&F Committee (9-9)
- Board Approval of Revised Final Choice Budget (9-16)

# Budget Changes: 2<sup>nd</sup> to 3<sup>rd</sup> Drafts

## Year-to-Year Changes

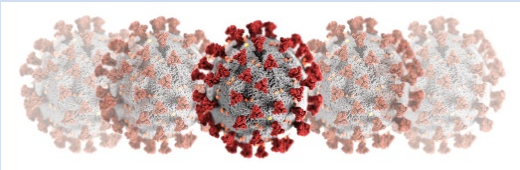


	Second Draft	Third Draft	Change
<b>Retail Meter Rate</b>	<b>\$12.75</b>	<b>\$12.35</b>	<b>(-) \$0.40</b>
<i>Change from Current</i>	<b>\$0.35</b>	<b>(-) \$0.05</b>	
<b>Groundwater Customer Charge</b>	<b>\$604,936</b>	<b>\$599,111</b>	<b>(-) \$5,825</b>
<i>Change from Current</i>	<b>\$6,688</b>	<b>\$863</b>	
<b>Total Core Expenses</b>	<b>\$9,239,486</b>	<b>\$9,089,677</b>	<b>(-) \$149,809</b>
<i>Change from Current</i>	<b>\$212,178</b>	<b>\$62,369</b>	
<b>Total Core Revenue</b>	<b>\$9,257,071</b>	<b>\$8,994,270</b>	<b>(-) \$262,801</b>
<i>Change from Current</i>	<b>\$186,894</b>	<b>(-) \$75,907</b>	

# Unfunded Reserve Balance

**C7 – F7 = (-) \$93,333**  
**3<sup>rd</sup> Draft = (-) \$94,407**



	A	B	C	D	E	F
1	 <b>Designated Reserves</b>	# Days Cash	FY 2020-21 Target Reserve	FY 2019-20 Current Balance	FY 2019-20 Projected Year End Reclass to Reserves	FY 2019-20 Projected Reserve Balance
2	General Operations	90-180	\$ 3,931,515	\$ 3,830,240	\$ 194,608	\$ 4,024,848
3	Grant & Project Cash Flow		1,500,000	1,500,000	-	1,500,000
4	Building Reserve	10-15	452,626	444,186	\$ 8,440	452,626
5	Election Reserve	N/A	1,332,740	1,332,740	-	1,332,740
6	OPEB Reserve est. 9/2018	N/A	297,147	297,147	-	297,147
7	<b>TOTALS</b>		<b>\$ 7,514,028</b>	<b>\$ 7,404,313</b>	<b>\$ 203,048</b>	<b>\$ 7,607,361</b>

# 3<sup>rd</sup> Draft Budget Changes

## 💧 TOTAL CHANGE (2<sup>nd</sup> Draft to 3<sup>rd</sup> Draft)

- 💧 Reserve Flip (Contribution to Draw) = \$113,002
- 💧 Core Expense Reduction = \$149,809

## 💧 CORE EXPENSE REDUCTION COMPONENTS




- 💧 Staff & Board Travel & Registrations = \$141,007
  - 💧 FY19-20 @ \$71,002 & FY20-21 @ \$70,005
- 💧 Staff Training = \$55,000
  - 💧 FY19-20 @ \$25,00 & FY20-21 @ \$30,000
- 💧 Public Affairs Budget = \$49,000
  - 💧 FY19-20 @ \$17,00 & FY20-21 @ \$32,000
- 💧 MWDOC Director Vacancy = \$16,370







# MWDOC FY 2020-21 Budget

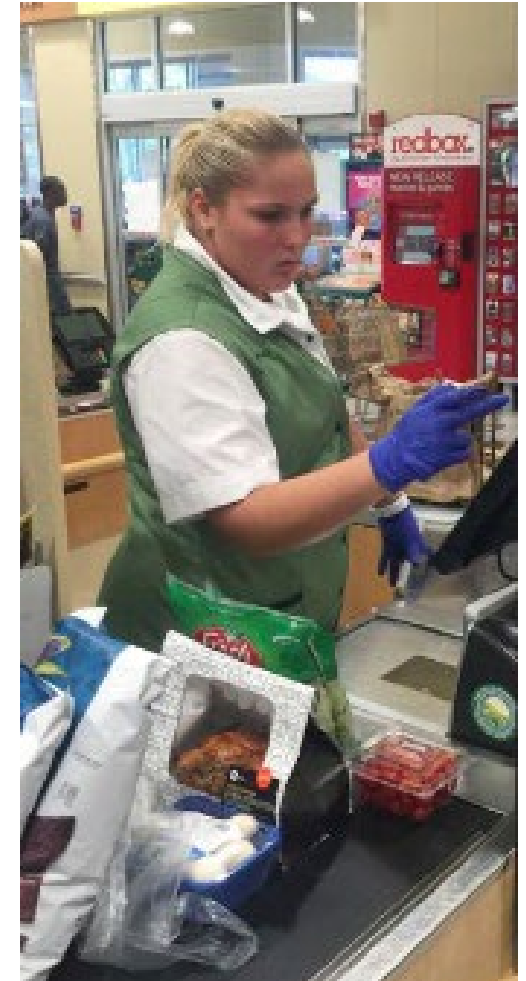


## STAFF LEVELS & SALARY CONTRIBUTION POOL

-  No Increase in Full-time Staffing Level (33.0 FTE)
-  Salary Contribution Pool @ 5.68% of Salaries & Wages
  -  CPI \* 1.85 (CPI @ 3.07% - Mid-Range)

## STUDIES & TRAINING

-  Triennial Benchmark Study (\$36 k)
-  5-Year Rate Study (\$82.5 k)
-  New Accounting System Software (\$80 k)
-  Increase in Staff Development Training Offset by Decrease in Continuity Consultant (\$32.5 k - \$40 k)



# MWDOC FY 2020-21 Budget



## 💧 TOTAL OUTSIDE FUNDING

💧 WUE & LRP Funding @ \$6,426,193

## 💧 BUILDING IMPROVEMENT & CAPITAL ACQUISITION

💧 Substantial Prior Year Carryover  
(\$1.1 million & \$347 k)

## 💧 CalPERS UNFUNDED LIABILITY PAYMENT

💧 \$207,000 (3<sup>rd</sup> of 10 years)

## 💧 ELECTION RESERVE

💧 Increased \$637,000

💧 Five Divisions (4+1)





# Questions and Discussion

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Municipal Water District of Orange County

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