MWDOC 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)
## Year-to-Year Changes

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

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>General Operations</td>
<td>90-180</td>
<td>$3,931,515</td>
<td>$3,830,240</td>
<td>$194,608</td>
<td>$4,024,848</td>
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<tr>
<td>3</td>
<td>Grant &amp; Project Cash Flow</td>
<td>1,500,000</td>
<td>1,500,000</td>
<td></td>
<td>-</td>
<td>1,500,000</td>
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<tr>
<td>4</td>
<td>Building Reserve</td>
<td>10-15</td>
<td>452,626</td>
<td>444,186</td>
<td>$8,440</td>
<td>452,626</td>
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<td>5</td>
<td>Election Reserve</td>
<td>N/A</td>
<td>1,332,740</td>
<td>1,332,740</td>
<td>-</td>
<td>1,332,740</td>
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<td>6</td>
<td>OPEB Reserve est. 9/2018</td>
<td>N/A</td>
<td>297,147</td>
<td>297,147</td>
<td>-</td>
<td>297,147</td>
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<td>7</td>
<td>TOTALS</td>
<td></td>
<td>$7,514,028</td>
<td>$7,404,313</td>
<td>$203,048</td>
<td>$7,607,361</td>
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</tbody>
</table>

\[C7 - F7 = (-) \$93,333\]

3rd Draft = (-) \$94,407
3rd Draft Budget Changes

- TOTAL CHANGE (2nd Draft to 3rd 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
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)
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 (3rd of 10 years)

ELECTION RESERVE
- Increased $637,000
- Five Divisions (4+1)
Questions and Discussion