



Proposed Biennial Budget for FYs 2022/23 and 2023/24; Proposed Water Rates and Charges for Calendar years 2023 and 2024; Overview of Rates and Charges; Ten-Year Forecast

MWDOC Workshop Board Meeting
April 6, 2022

Proposed Biennial Budget

Overview

- Proposed Biennial Budget (March update)
- Lower water demands Scenario
- Next Steps
- Q&A



Budget Expenditures (March Update)

Fiscal Year Ending	Budget 2022	Updated Proposed Biennial Budget		Increase from 2022 to 2024	
		2023	2024	\$M	%
State Water Contract Power	\$ 212.4	\$ 211.6	\$ 258.6	\$ 46.2	22%
Colorado River Aqueduct Power	57.6	105.9	85.6	28.0	49%
Departmental O&M	579.9	608.9	616.7	36.8	6%
State Water Contract OMP&R & Capital	417.0	440.1	468.2	51.2	12%
Supply Programs (1)	61.2	66.7	64.1	2.9	5%
Delta Conveyance Planning (2)	25.0	30.0	34.5	9.5	38%
Demand Management (1)	52.5	50.8	54.9	2.4	5%
PAYGO	135.0	135.0	135.0	-	0%
Debt Service	307.0	288.0	301.0	(6.0)	-2%
Sub-total Expenditures	\$1,847.5	\$1,937.0	\$2,018.6	\$171.1	9%

(1) cash funded portion (2) net of CWF refund

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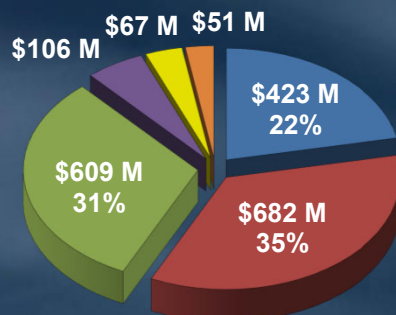
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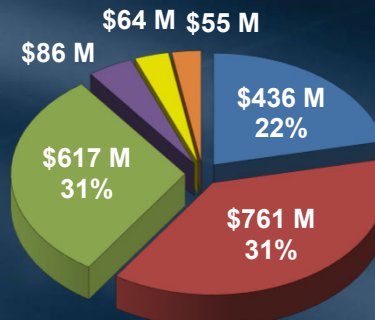
Expenditures

- Capital Financing ■ State Water Contract (1) ■ O&M (3)
- Colorado River Power ■ Supply Programs (2) ■ Demand Management (2)

FY 2022/23 - \$1.94 B



FY 2023/24 - \$2.02 B



- (1) with Delta Conveyance Project planning costs
 (2) cash funded portion
 (3) includes planning costs for RRWP

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Water Rates and Charges

Proposed Biennial Budget (March update)

Rates & Charges Effective January 1st	2022	2023	% Increase (Decrease)	2024	% Increase (Decrease)
Tier 1 Supply Rate (\$/AF)	\$243	\$329	35%	\$355	8%
Tier 2 Supply Rate (\$/AF)	\$285	\$532	87%	\$540	2%
System Access Rate (\$/AF)	\$389	\$381	(2%)	\$412	8%
System Power Rate (\$/AF)	\$167	\$169	1%	\$190	12%
Treatment Surcharge (\$/AF)	\$344	\$367	7%	\$373	2%
Full Service Untreated Volumetric Cost (\$/AF)					
Tier 1	\$799	\$879	10%	\$957	9%
Tier 2	\$841	\$1,082	29%	\$1,142	6%
Full Service Treated Volumetric Cost (\$/AF)					
Tier 1	\$1,143	\$1,246	9%	\$1,330	7%
Tier 2	\$1,185	\$1,449	22%	\$1,515	5%
RTS Charge (\$M)	\$140	\$157	12%	\$175	11%
Capacity Charge (\$/cfs)	\$12,200	\$10,800	(11%)	\$11,800	9%
Overall Rate Increase			8.0%		8.0%

Full Service Cost means the Full Service Rate, consisting of the following rate components: the applicable Supply Rate, the System Access Rate, the System Power Rate, and if applicable the Treatment Surcharge for treated water service.

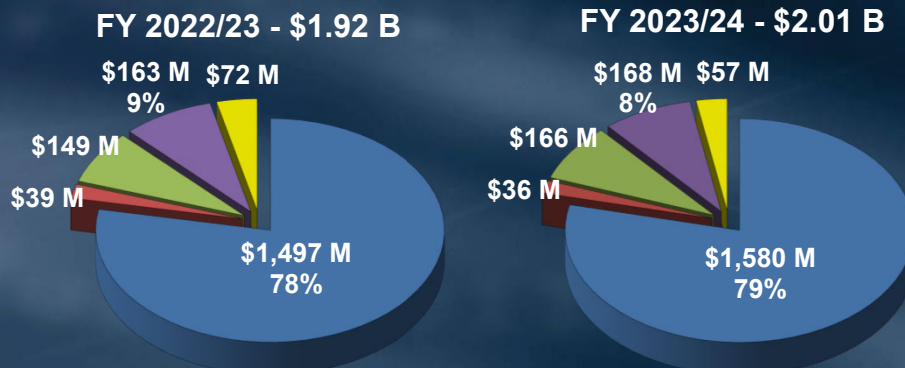
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Revenues

■ Water Transactions* ■ Capacity Charge ■ RTS Charge ■ Property Taxes ■ Misc.



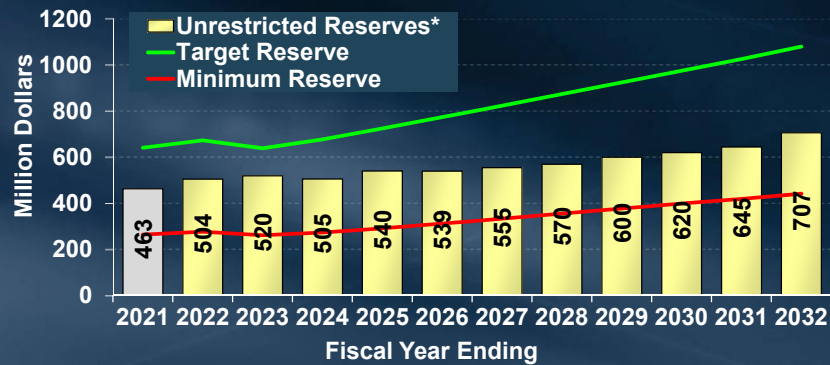
*from water sales and exchange

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Proposed Biennial Budget (March Update)



Overall Rate Inc.	3.0%	4.0%	8.0%	8.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Water Transactions (MAF)**	1.52	1.60	1.59	1.54	1.54	1.51	1.53	1.53	1.54	1.55	1.55	1.57
Rev. Bond Cvg	2.0	1.6	1.5	1.5	1.8	1.7	1.8	1.7	1.7	1.8	1.8	1.7
Fixed Chg Cvg	2.0	1.6	1.5	1.5	1.8	1.7	1.8	1.7	1.7	1.7	1.7	1.6
PAYGO, \$M	110	135	135	135	175	175	175	175	200	200	200	200

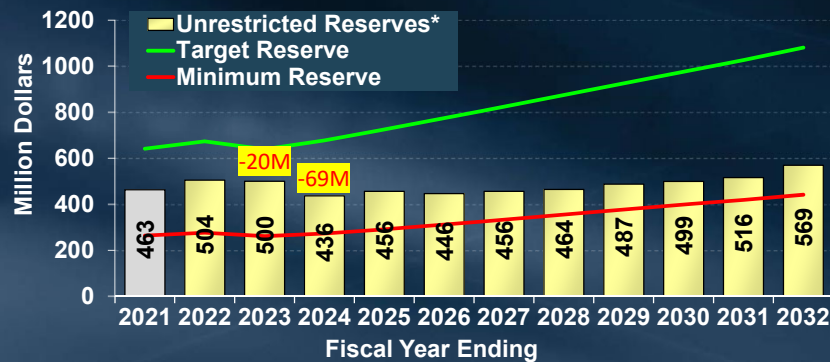
* Revenue Remainder and Water Rate Stabilization Fund
 ** Includes water sales, exchanges and wheeling

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Scenario: Draw down an additional \$20M in FY2023



Overall Rate Inc.	3.0%	4.0%	3.0%	13%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Water Transactions (MAF)**	1.52	1.60	1.59	1.54	1.54	1.51	1.53	1.53	1.54	1.55	1.55	1.57
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Fixed Chg Cvg	2.0	1.6	1.4	1.2	1.8	1.6	1.7	1.7	1.7	1.6	1.7	1.6
PAYGO, \$M	110	135	135	135	175	175	175	175	200	200	200	200

* Revenue Remainder and Water Rate Stabilization Fund
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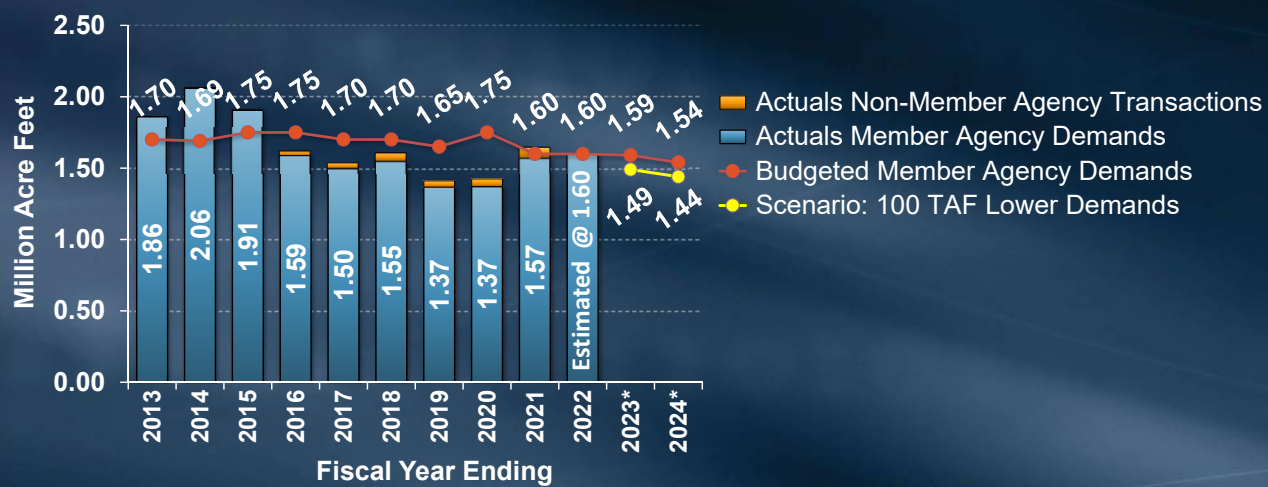
Lower water demands Scenario

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Historic Water Transactions Projected vs. Actual



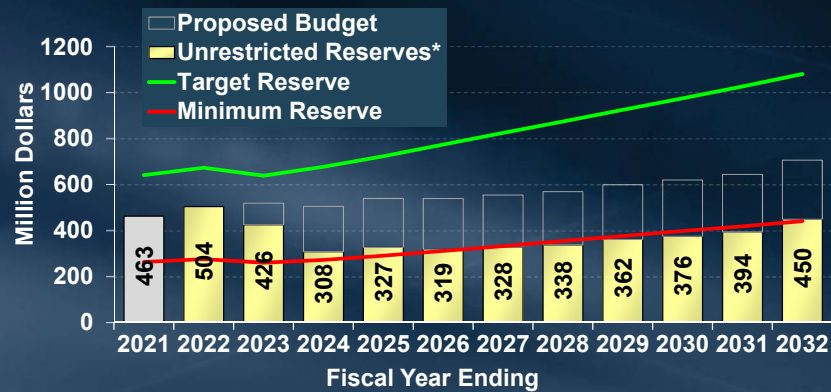
Includes water sales, exchanges and wheeling (occur period)
* cash year ending

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Scenario: water demands 100TAF lower for 2 years



Overall Rate Inc.	3.0%	4.0%	8.0%	8.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Water Transactions (MAF)**	1.52	1.60	1.49	1.44	1.54	1.51	1.53	1.53	1.54	1.55	1.55	1.57
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Fixed Chg Cvg	2.0	1.6	1.1	1.1	1.8	1.6	1.7	1.7	1.7	1.7	1.7	1.6
PAYGO, \$M	110	135	135	135	175	175	175	175	200	200	200	200

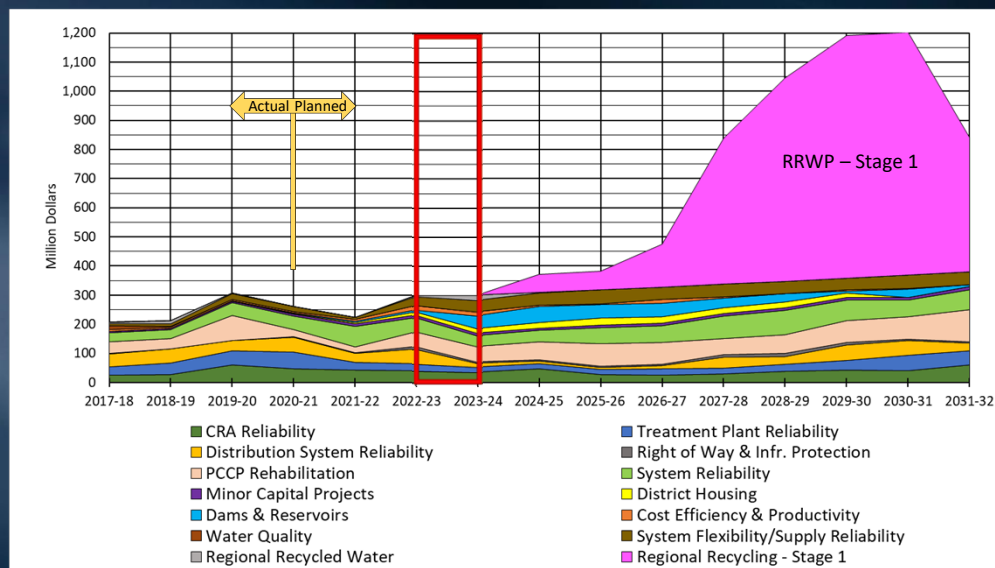
* Revenue Remainder and Water Rate Stabilization Fund
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Recent & Planned CIP Expenditures by Program



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Next Steps

- April 11, 2022 F&I Committee, Recommend Biennial Budget and Calendar Year rates and charges
- April 12, 2022 Board action regarding Biennial Budget, Calendar Year rates and charges, and applicability of Section 124.5 limit

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Q&A

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