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ORANGE COUNTY WATER DISTRICT
ORANGE COUNTY'S GROUNDWATER AUTHORITY

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April 17, 2023

Harvey De La Torre
Interim General Manager
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley CA 92708

SUBJECT: Fiscal Year 2023-24 Budget Preparation Comments

Dear Mr. De La Torre:

The Municipal Water District of Orange County (MWDOC) is in the process of preparing its Fiscal Year (FY) 2023-24 budget and discussed this issue at the Administration and Finance (A&F) Committee meeting on April 2, 2023. Orange County Water District (OCWD) regrets not being able to participate in those discussions but is submitting this letter with three comments for consideration.

1. The A&F Committee packet included an informative salary survey table of the MWDOC member agencies to assist you in determining your staff salary budget for next year. The table included a "COLA %" and a "Merit Max %" for each agency. These two amounts were added and an average total of 9.57% for your member agencies was calculated. OCWD had a 2% COLA amount and a merit max amount of 6% which gave a total of 8% for our agency. OCWD questions using the maximum merit amount and not an average merit amount in the table. For example, OCWD is only budgeting for a 3% merit which is the average expected merit for its employees. Thus, the figure shown for OCWD would have been 5% and not 8% for budgeting purposes. OCWD expects other MWDOC member agencies would show similar lower amounts, which would lower the 9.57% average shown in the table.
2. OCWD does not support the conversion of one part-time employee to a full-time employee in the Public Affairs Department as we indicated in our February 24, 2023, letter. We suggest adding an additional part-time employee if needed for workload demands. In general, the addition of full-time employees, with all the benefits they accrue, should be given critical scrutiny as to their need for the core function of the organization in providing imported water supply before being added to the payroll.

Harvey De La Torre

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3. OCWD also continues to question the additional costs of \$150,000 in the Government Affairs Department for the consultants Whittingham Public Affairs (\$90,000) and Dopudja & Wells (\$60,000). It appears the \$90,000 for Whittingham Public Affairs is to engage local leaders on the consolidation issue. As MWDOC is aware, LAFCO will be preparing a consolidation study which will be completed in the summer of 2024. We suggest any professional local lobbying on the consolidation issue should not occur until the LAFCO study is completed making the \$90,000 expense unnecessary for the current budget.

We request consideration of these comments in future budget meetings and that this letter be forwarded to your Board prior to its Wednesday meeting.

Thank you.



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

cc: OCWD Board of Directors
OCWD Groundwater Producers