



DISCUSSION ITEM

March 8, 2023

TO: Administration & Finance Committee
(Directors Dick, Thomas, Crane)

FROM: Harvey De La Torre, Interim General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: MWDOC's **SECOND** Draft Budget for Fiscal Year 2023-24

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee to review, discuss, and provide comments & direction to staff on MWDOC's **SECOND** draft budget for Fiscal Year (FY) 2023-24 (Fiscal Year Ending 2024', FYE 24).

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Pertinent aspects of MWDOC's **SECOND** draft budget for FYE 2024 include:

1. The second draft budget includes a proposed increase of \$0.50 (3.5%) to the retail service charge bringing the retail rate to \$14.25 per retail meter. The groundwater customer charge to OCWD increases by \$23,294 (5.96%) to \$391,100. These charges are calculated under the rate structure methodology adopted by the MWDOC Board in 2021.
2. The second draft has a budget total of \$226,009,864 (revenue) including Core & Choice, water sales, outside funding, and WEROC. This is an increase of 13.86% mainly as a result of increased water sales. This estimate incorporates the adopted Metropolitan rates and charges for 2023 & 2024, the credit of Local Resource Program Incentives, Outside Fundings, and Choice Revenue.
3. The consolidated general fund budget is \$11,939,584 (revenue) with an increase of \$779,454 (6.5%).

Budgeted (Y/N): N/A	Budgeted amount: N/A	Core _X_	Choice __
Action item amount: None		Line item:	
Fiscal Impact (explain if unbudgeted):			

4. The total revenue amount for the Core budget is \$9,919,765; an increase of \$517,587 (5.2%) over the current year's budget.
5. Interest revenues are budgeted at \$319,410, which is a \$173,439 increase (54.2%) to reflect increasing in returns.
6. The proposed draft budget includes a net planned reserves draw of \$542,722, which can be covered by the current years projected contribution on reserves. Due to the Reserve Policy discussions, we did not move the projected \$437,590 to the Building Reserve. The contribution to the Election Reserve will be finalized when we receive the invoice from the last elections. Reserves will be fully funded under the anticipated new Reserve policy.
7. The unfunded CALPERS liability annual payment of \$207,000 is proposed, pending the outcome of the Reserve Policy discussions.
8. The proposed salary contribution pool is at 11.45% of salaries and wages and reflects the rate of inflation (2022 CPI annual average = 7.45%) and merit considerations. COLA (Cost of Living Adjustment) is not provided to the employee. All salary increases are merit based.
9. There is an increase in the Part-time Employee staffing level by 1.71 FTE, driven by adding staff and a decrease in Interns in Choice program staffing. A slight decrease in Full-time Employees is due to the number of working hours in the year. Thus, total staffing level increases by 0.77 FTE.
10. The Building Improvement expenses have slightly increased but are covered by the carryover credit. FYE'24 includes the remodel of the kitchen and breakroom and the removal of the wooden trellis in the atrium (due to termite damage) and roof.
11. The Capital Acquisition expenses decreased.
12. Outside funding for Water Use Efficiency (WUE) from rebates and grants is budgeted at \$13,605,720; an increase of \$5,060,446 over this year's budget.
13. Expenses are increased for the Core Insurance Expense by \$42,976 (23.4%); Professional Fee expenses \$274,850 (23.7%); Memberships by \$45,155 (23.6%). For accounting purposes, \$52,500 was moved from Professional Fees to Miscellaneous Expenses to better allocate expenses.
14. Conference & Travel expenses have return to pre-COVID conditions and in-person meetings are reflected in FYE'24 budget.
15. Similar to last year, the schedule for the budget process impacts the timing of Choice budget elections by Member Agencies. Therefore, the Choice budget estimates in the draft budget should be considered preliminary.

Proposed new key items that are not incorporated in this Second draft budget pending Committee discussion and direction include:

- A. One (1) additional FTE added to the Public Affairs Department
- B. Through an RFP process, hire and manage a consultant that will be made available to member agencies to develop Commercial, Industrial and Institutional Best Management Implementation Plans as required by SB 606 and AB 1668, the new water use efficiency framework. These services will be available as a **Choice service** funded by agencies accessing these services.

- C. “CA Water for All” Public Relations campaign (stems from the Solve the Water Crisis group) through CMUA designed to support the legislation & advocacy (per agency contribution of \$20,000)
- D. Director attending in Water Educational Tours (2) conducted by the Water Foundation of \$3,000 (including travel)

A reminder that memberships outlined in the budget’s Exhibit D are approved by the Board with the adoption of the budget. Therefore, such memberships will not be brought to the Board for individual approval. However, any new memberships not included in Exhibit D will need to be brought to the Board for consideration and approval.

Similar to memberships, standard conferences for Board and staff (as those listed in Exhibits E & F) are approved by the Board with adoption of the budget. This approval includes staff travel/attendance for any out of state conferences listed on Exhibits E & F. Subsequent to the budget adoption, any new out of state conferences will be brought to the Board for consideration and approval.

The detailed draft budget is included as Attachment A.

CHANGES FROM THE PRIOR DRAFT TO CURRENT DOCUMENT

This is the second draft budget and there are minimal changes from the prior draft. The total core expenses increase by \$149,741 (1.5%) between the first and second draft budgets. The decision during the February A&F meeting was to add the IT Consultant for \$95,000 and the addition of Membership for CCEEB along with the coordinating conferences. The increase in the core revenue was only \$6,514 with the difference between the changes in expenses and revenue resulting in a slightly larger draw on reserve (\$143,226).

MAJOR YEAR-TO-YEAR CHANGES IN THE CURRENT BUDGET

The year-to-year (Y-T-Y) changes in the Core Operating Expenses are an increase of \$1,023,367 (10.4%). The addition of building and election costs yields a Y-T-Y Core Total Expense increase of \$603,248 (5.8%).

- The largest Core expense is the combined cost categories for Employee, MWDOC Director and MWD Director salaries, wages and benefits with a Y-T-Y increase of \$386,804 (6.4%). These combined expense categories constitute 57.8% of the total core expense budget.
- The other large core expense increases in descending order are Professional Fees (\$274,850), Contribution to Election Reserve (\$80,272); Miscellaneous Expense due to reclass of expenses (\$67,180); Membership (\$45,155); Insurance Expense (\$42,976); Maintenance Expense (\$24,460).
- The Membership/Sponsorship expenses only include items previously approved by the Board of Directors.

Choice Y-T-Y expenses are anticipated to increase by \$261,868 (12.9%) at this early point in the budget process.

DETAILED REPORT

MWDOC's budget process normally includes three versions of the draft budget with the final budget being approved at the April 19, 2023, Board of Directors meeting. This report provides the detail and background of the second draft MWDOC Budget. It should be noted that although staff may list or present new budgetary items, they are **not included** in this budget draft until directed by the A&F Committee. We will incorporate such changes, comments, and suggestion in the next draft budget.

This draft budget presents revenue figures based on the MWDOC current rate structure. It is anticipated that the proposed changes to the rates and charges will also be approved at the April 19th Board meeting.

The FYE'24 MWDOC budget is developed through a transparent and iterative process. Key topics discussed below include:

1. MWDOC Budget Process & Schedule
2. Budget Principles
3. District Reserves
4. Compensation Pool Guidelines
5. Budget Input from Member Agencies
6. Key Priorities & Initiatives for FYE'24
7. Core/Choice Programs
8. Water Rates and Charges

1. MWDOC Budget Process & Schedule

MWDOC's Budget schedule is designed to accommodate the budget and rate schedules of our Member Agencies. Under this schedule, the Year-End Projections and Conceptual Budget were discussed at the January Administration & Finance (A&F) Committee. The first draft budget is presented at the February A&F Committee meeting. The second and third draft budgets are scheduled for the March and April A&F Committee meetings. The final budget is scheduled for approval by the MWDOC Board of Directors at the April 19, 2023, Board meeting.

Similar to last year, the Choice budget elections and commitments will lag behind this proposed schedule and staff will bring back to the Board a revised Final Choice Budget in September or October 2023 to reflect the reconciliations and final program commitments of our Member Agencies. It should be noted that changes in Choice programs do not impact the rates and charges passed in April for Core activities.

The budget schedule is included in Attachment B.

2. MWDOC Budget Principles

Staff continues to utilize the following Budget Principles to develop the draft budget:

- **Principle #1: Budget Investments Align with MWDOC's Priorities & Values**
The Budget should reflect the mission and goals of MWDOC and align proposed activities with the valued benefits of the Board and our stakeholders. The budget process should be transparent and readily facilitate public review

and input.

- **Principle #2: Activities Based on a County-wide Perspective**
MWDOC's service area extends to Orange County's borders and the budgeted activities must comprehensively address issues, needs, and benefits for the entire service area and our regional involvement with the Metropolitan Water District of Southern California (MET).
- **Principle #3: Efficient Program Design & Performance**
The budgeted programs must consider complementary and cooperative designs to maximize benefits from other regional and local water resource programs to maximize value.
- **Principle #4: Full Cost Recovery**
The budget will be developed to support full cost recovery of all expenses via the rates and charges without the unplanned use of reserves.
- **Principle #5: Compliance with Administrative Code**
The proposed budget and budget process should fully comply with applicable sections of the MWDOC Administrative Code.

3. District Reserves

One goal of the budget process is the early identification of the District's Reserve Fund Balance and its impact to the proposed Budget. At this time, the Board is reviewing revisions to the MWDOC's reserve policy, including its funding targets. Once the Board adopts revisions to the MWDOC Reserve Policy and/or provides further direction on the funding targets, staff will reflect such changes in the Budget.

4. Compensation Pool Guidelines

MWDOC's compensation system includes both job classification-specific salary ranges and person-specific salaries. Annual modifications to both are implemented under different but inter-related practices. A common goal of both practices is to maintain competitive and appropriate salaries and benefits within the Southern California market.

Job Classification Salary Ranges.

MWDOC annually adjusts our salary ranges by the local Consumer Price Index (CPI) for the previous calendar year. The 2022 CPI average for the LA/Long Beach/Anaheim area was 7.45%. This is 194% higher than the 2021 number of 3.84%. The CPI of 7.45% falls into MWDOC's high inflation range. Every three years MWDOC contracts for a Comprehensive Baseline Survey that reviews our job classifications with similar agencies and job functions. The last Benchmark Survey was conducted in 2021 and only minor appropriate changes were incorporated in last year's budget. In addition, MWDOC found limited salary range corrections to be necessary, which supported the CPI adjustment process. Therefore, we will continue the CPI-based salary range adjustment for FYE'24.

In 2024, staff plans to conduct a new Comprehensive Baseline Survey to be incorporated into next year's budget.

Employee-Specific Salaries

MWDOC does not provide a Cost-of-Living Adjustment (COLA) for employee salary increases. Rather MWDOC establishes a Compensation Pool that facilitates employee salary increases allocated solely on merit. MWDOC conducts an annual direct labor market survey as part of the budget process and most of the water agencies in the survey have both defined merit and COLA components to their annual salary increases. The functional difference is that while both approaches cover both merit and inflation, other agencies will guarantee a COLA pay increase to all employees, while MWDOC employees are at risk of no salary increase depending upon their performance.

There is an objective comparison as to how well MWDOC's salary system has been performing relative to the market. As noted above, MWDOC's salary ranges have been generally tracking the labor market conditions. In addition, MWDOC salaries have largely maintained a mid-range position with predominately only long-tenured employees bumping up against the range ceiling for their position.

The MWDOC annual survey of approximately 20 water utilities is utilized as a comparison of proposed employee salary increases. As of today, this comparative information is not yet available from the other utilities but will be provided in the April Draft Budget.

MWDOC utilizes a system of CPI based formulas to calculate the proposed Compensation Pool. An analysis of 10-year compensation increases and CPI data was conducted to quantify the past practices that had successfully maintained MWDOC's salaries both competitive and within job classification ranges. The formula uses current inflation percentages but is also apply a merit component to properly align with current market conditions. For example, 0% CPI would calculate as a 0% compensation pool increase and would obviously not reward merit as intended. At the other end of the range, other problems arise. For example, in 1980 the CPI was 13.5% and this would calculate at the unlikely compensation pool of 25% (using the moderate category of CPI x1.85).

The result was a system of four CPI ranges with associated Compensation Pool formulas as summarized below.

COMPENSATION POOL CPI RANGES & FORMULAS		
Category	CPI Range	Formula
Negative	< 0%	2% + (CPI x 0.5)
Low	0% to 2.4%	2% + CPI
Moderate	2.4% to 4.7%	CPI x 1.85
High	> 4.7%	4% + CPI

The 2022 annual CPI was 7.45% for the region which is in the > 4.7% "High inflation" effective range. Applying the 4% + CPI High inflation range formula to the 7.45% CPI yields a compensation pool of 11.45% which was used to calculate the employee salary expense increase in the draft budget.

It should be noted, the Committee directed staff not to provide a Director per diem adjustment in this FYE'24 budget.

5. Budget Input from Member Agencies

In November 2022, MWDOC sent a letter to all of its member agencies informing them of the start of the MWDOC FY 2023-24 Budget Process, and invited their formal participation in the process which can include suggestions of activities and general comments. The FYE'24 draft budget was presented to the member agency managers on February 15, 2023, for feedback and comments. Staff received a request for additional information on the need and responsibilities for the requested (1) FTE for Public Affairs as well as a copy of the scope of work for two additional consultants in the Government Affairs budget. Lastly, there was a comment on the District's compensation pool formula and requested a survey of its member agencies' salary increase before Board adoption.

As of March 3, the District has received two comment letters from OCWD, one specific to the MWDOC Budget and the other focuses on their MET priorities and recommendations. Both are included in Attachment C.

6. Key Priorities & Initiatives for FYE'24

MWDOC's MISSION

To provide reliable, high quality supplies from MWD and other sources
to meet present and future needs,
at an equitable and economical cost and
to promote water use efficiency for all of Orange County

MWDOC was formed in 1951 to serve the majority of Orange County as its MET member agency representative and make imported water available within Orange County. This remains MWDOC's primary purpose. Although this purpose has taken various forms and has evolved over the decades, the emphasis continues to be MET representation and advocacy on behalf of the water agencies, to provide water reliability, and to provide value to the residents and ratepayers in Orange County. All functions included in the annual budget address components of MWDOC's mission.

MWDOC's key priorities and initiatives are discussed for the following major departments and cost centers:

- Reliability Planning & Engineering (Cost Center 21)
- Metropolitan (MET) Issues & Water Policy (Cost Center 23)
- Water Use Efficiency (WUE) (Cost Centers 35, 62 & 70)
- Water Emergency Response (WEROC) (Cost Center 25)
- Communication/Public Affairs (Cost Center 32 & 63)
- Government Affairs Department (Cost Center 31)
- Administration Department (Cost Centers 11, 12, 13, & 19)
- Finance & Information Technology (Cost Centers 41 & 45)

While MWDOC is organized into several functional departments or cost centers, operationally, there is significant internal support and cooperation on the different tasks of our mission. For example, a critical issue like the Delta Conveyance Project will involve

Reliability Planning & Engineering, MET Issues, Government Affairs, Public Affairs, the Board of Directors and Administrative Support.

It should be clear from the following discussion that many of the issues are not addressed in departmental silos but are shared responsibilities under various departments in carrying out MWDOC's overarching mission.

Reliability Planning and Engineering (Cost Center 21)

The Reliability Planning and Engineering (Engineering) Department efforts are varied and aimed at helping MWDOC member agencies navigate and understand the implications of long-term supply and emergency planning as well as the numerous intricacies involved in coordinating with MET to provide imported water (e.g., service connections, metering of water, pipeline operations, water quality, etc.). Engineering Department activities tie directly back to MWDOC's Mission Statement. Engineering activities include:

- Analysis and planning for Orange County water reliability,
- Facility shutdown planning,
- Coordination of operations and maintenance activities and responsibilities of various regional pipelines in Orange County,
- Identification and resolution of water quality issues in the regional distribution system, and
- Developing the ability and protocols to allow for pumping of local water supplies into the East Orange County Feeder #2 pipeline (EOCF#2) should retail agencies wish to pursue this opportunity

The Engineering Department also provides internal support to other MWDOC departments; most notably Administration and WEROC by providing project management for MWDOC's office building and EOC improvements. Support is also provided to MET Issues and Water Policy Department as many MET issues overlap between the two departments in covering MET activities and their implications to MWDOC member agencies.

Areas of overlap with MET Issues and Water Policy Department include:

- Analysis of various reliability improvement projects and MET initiatives including the MET Regional Recycled Water Program (Pure Water Southern California Project),
- MET's Local Resources Program (LRP),
- Water quality issues in the regional distribution system that may impact MWDOC member agencies,
- Additional MET storage planning,
- Emergency use of MET pipelines in circumstances when MET is unable to supply water,
- MET's Water Supply Allocation Plan (WSAP),
- MET System Resiliency Study,
- MET's Integrated Resources Plan (IRP),
- MET Rates and Charges

Some Key Initiatives for Engineering in FYE'24

Supplemental Reliability Analysis of Water Supplies

California is facing significant and rapid changes in water supply availability. Both main imported water sources for MET (the State Water Project, and the Colorado River Aqueduct) are experiencing long-term water availability issues. These situations continue to evolve rapidly as numerous solutions are being pursued on multiple fronts. Periodic supplemental analysis of MET and Orange County's water reliability are anticipated as new information becomes available regarding changing conditions and likelihood of various projects moving, or not moving, forward.

Discussions on which projects MET is likely to move forward will be part of MET's upcoming Integrated Water Resources Plan (IRP) – Implementation Phase. Included in those discussions are multiple uncertainties including:

- Colorado River Water Users response to the Bureau of Reclamation's announcement for the need to reduce an additional 2-4 Million AFY of demand,
- Pure Water Southern California recycling project,
- Sites Reservoir Project,
- Delta Conveyance Project, and potential for a new reservoir to maximize SWP benefits to Metropolitan.

Salinity Control Study for the Colorado River Basin

Water management efforts in the Colorado River Basin are currently focused on future water supplies. A number of changes to water management in the Basin will likely result from the renegotiation of the Colorado River Compact and the Bureau of Reclamation's announcement for the need to reduce an additional 2-4 Million Acre-Feet per year of demand from the Colorado River Basin system. The likely outcomes of these management changes will be less water supplies for urban water users, and changes to the amounts and types of agriculture in the Basin. Currently most of the salinity controls in the Basin are focused on agriculture. Working with Metropolitan, the Colorado River Salinity Control Forum, and Southern California Salinity Coalition; Engineering is recommending initiation of a joint 'Reconnaissance Study' to look at the future of salinity control in the Basin, and to identify the future salinity controls needed for a future with climate change and changed agriculture practices in the Basin.

Emergency Use of East OC Feeder #2

In FY'2022/23 MWDOC worked with MET staff to develop a scope of work that meets MET's and the State's water quality and operating strategy requirements to introduce local water supplies into the MET system consistent with MET Administrative Code 4519 - Emergency Deliveries of Member Agency Water Supplies in Metropolitan's System.

Currently a more detailed technical analysis of the feasibility and likely costs to connect Santa Ana's East Station to East Orange County Feeder #2 is under development by Moulton Niguel Water District. Should MNWD wish to proceed, MWDOC will continue to assist in the development of the necessary protocols and procedures. It is anticipated that this remains a 2-3 year effort.

MET Shutdown Planning

Continue coordination of a number of shutdowns this year including:

- Orange County Feeder
- Diemer
- Second Lower Feeder
- Colorado River Aqueduct

Administration Building Remodel Project

In FYE'23 Engineering provided Project Management support to HR & Administration Department for design services to remodel of the Breakroom/Kitchen and atrium.

- Design is currently in progress with completion of the design phase in June 2023.
- For FYE'24, should the Board approve the remodel, Engineering will provide construction management support for the project.
- Additionally, the Administration Building roof continues to develop new leaks despite repeated repairs to the roof over the past 5 years. Assessments of the condition of the roof are in progress. Should the roof require replacement, Engineering will provide construction management support to bring an item to the Board for consideration of contract award in FYE'24.

Primary WEROC EOC Project

In FYE'23, Engineering provided support to WEROC for completion of the design phase of a new Primary EOC building. Final design and construction cost estimates were completed in January 2023.

Should the Board approve the project, Engineering will provide construction management support for the project.

Hire a Principal Engineer

Fills the currently vacant Engineering position and supports succession planning.

Metropolitan (MET) Issues and Water Policy (Cost Center 23)

The Metropolitan (MET) Issues and Water Policy Department leads the District on Metropolitan issues and policy, as well as water supply and demand program coordination and analysis. Over the years, this department of four full time employees (FTE) has also become the primary clearinghouse on local, regional, state, and federal water policy issues. It ensures all key policy issues are analyzed and thoroughly evaluated for the MWDOC Board of Directors, our MWDOC-MET Delegation and MWDOC's member agencies. As it relates to Metropolitan issues, the Department represents and advocates for Orange County on local resource projects and programs, water costs and rates, regional storage, water supply reliability management, demand management programs, water use efficiency programs, and water policy implementation.

The Department also provides analysis and advocacy for Orange County on water policy issues that extend beyond the scope of Metropolitan. Broader water policy issues covered include the State-wide water conservation regulations, Urban Water Management Plans, Water Shortage Contingency Plans, progress and development of the Delta Conveyance

Project, Colorado River issues, and the development of additional regional and local resource projects, such as Pure Water Southern California.

Department routine functions include:

- Support for the MWDOC-MET Delegation in promoting Orange County objectives;
- To act as the District's liaison for Metropolitan information and water policy issues;
- Collaboration with Metropolitan staff on the development and management of programs and policies;
- Collaboration with other fellow Metropolitan member agencies on Metropolitan water policy issues;
- Support and advocate on behalf of our member agencies for issues such as Local Resources Program (LRP) applications and certifications, shutdown coordination, and Metropolitan water use programs (e.g., Coastal Pumping and Transfer Program);
- Coordination and monitoring of water supply management projects and programs such as replenishment deliveries (e.g., Conjunctive Use Program (CUP) and In-lieu programs) and Metropolitan and MWDOC's Water Supply Allocation Plan for times of drought;
- Coordination and monitoring of Water Supply Allocation Plans;
- Development of countywide water supply and demand projections;
- Development of Water Reliability Studies and Reports (e.g., Urban Water Management Plan and Water Shortage Contingency Plans);
- Assessment and calculation of MWDOC's annual water rates and charges (e.g., Readiness to Serve, Capacity Charge, and Groundwater Service Charge).

In addition, the Department also provides internal support to other departments, such as water policy and water management review on legislative matters, water use efficiency rules and regulations, and public outreach efforts.

The Department also provides critical involvement with WEROC in relation to Metropolitan and MWDOC member agency's emergency planning and operations. The Department plays an essential role at both the WEROC Emergency Operation Center (EOC) and as liaisons at the County's Operational Area (OA) emergency operation center to aid in County water and wastewater representation during a disaster.

Some Key Initiatives for WEROC in FYE'24

Metropolitan's Business Model and Long-Term Financial Planning

As part of the Metropolitan General Manager's Strategic Priorities and direction provided during the 2023 Metropolitan Board Visioning Retreat, Metropolitan will engage in reviewing its Business Model and its Long-Term Financial Plan.

This analysis will include its impacts to Metropolitan's future Rates and Charges as well as assess whether modifications to Metropolitan's rate structure are needed. In addition, there may be Cost of Service Assessment on Metropolitan's Pure Water Southern California full-scale operation and financial configuration.

MWDOC staff goals include:

- Fully engage in this process and evaluate the Business Model or adjustments to future rates and charges may impact MWDOC and our member agencies.

- Ensure Metropolitan considers the predictability of rate requirements, strategies to ensure cost-effectiveness, and how member agencies rely upon Metropolitan financial forecasts to inform their own resource and financial planning.
- Evaluate the development of a policy framework to facilitate the in-lieu “exchange” of water supplies among member agencies from different local projects, such as the Doheny Desalination project.
- Seek input from the MWDOC Board, MWDOC-MET Directors, and member agencies on the development of these efforts.

Metropolitan’s Integrated Resource Planning Implementation Plan (Phase 2)

Following the Metropolitan Board adoption of the 2020 IRP Regional Needs Assessment Report (Phase I), Metropolitan will begin a collaborative IRP implementation phase to identify specific actions informed by the needs assessment findings, and in alignment with the Climate Action Plan. This phase seeks to bring together imported and local supplies, storage, and demand management plans & activities into one strategic approach. It also expects to monitor core supply conditions, drivers of changes (i.e., population growth, water demands, economic conditions, etc.) as well as track the performance of Metropolitan’s policies, actions, and programs through a set of metrics to assess whether future actions need to adapt.

MWDOC staff goals include:

- Ensure the outcome of these Post-IRP Plans promote a balance reliability portfolio of core water supply development, storage enhancement, local supply development and water use efficiency.
- Encourage a clear and efficient implementation strategies to achieve MET’s 2020 IRP reliability goals (For example, clear understandable IRP metrics that guide the Board in policy discussions).
- Seek improvements in water supply reliability for our service area and reinforces our partnership with our member agencies in developing local supplies.
- Seek input from the MWDOC Board, MWDOC-MET Directors, and member agencies on the development of these Post-IRP implementation plans.

Colorado River Issues

With deteriorating Colorado River supply and focused attention on California’s water use, Metropolitan is preparing for potential limitations to its core supplies from both the Colorado River in 2023. As such, Metropolitan is not expecting to divert a full Colorado River Aqueduct. Metropolitan is working to manage its available Colorado River supply and maintain prudent use of Intentionally Created Surplus (ICS).

California and Metropolitan will continue discussions on the Colorado River Lower Basin’s interim guidelines between the Basin states, tribes, Mexico and the federal government to address the necessary reductions in Colorado River water use. As well, Metropolitan will evaluate alternatives to be modeled in the Bureau of Reclamation’s Supplemental Environmental Impact Statement for the inclusion in the Interim Guidelines for operation of lakes Powell and Mead.

MWDOC staff goals are to:

- Monitor Drought Contingency Plan shortage reductions and water saving contributions.
- Monitor and attend key meetings and discussions on the Colorado River issues.
- Advocate for suitable Colorado River salinity control measures and actions
- Encourage and advocate that Metropolitan maintains accessibility and reliability of its core Colorado River supplies, as forecasted in its 2020 IRP.
- Support Metropolitan in maintaining value from its ICS storage during all hydrologic conditions on the Colorado River.

SWP Delta Conveyance & Infrastructure Improvement Activities

Completion of the Environmental work, preferred alignment and Record of Decision (ROD) on the Delta Conveyance Project is in-progress. Following the environmental planning document release in mid-2022, activity will continue of Project development. In addition, Metropolitan is currently engaged with the State and other water agencies in further expansion and investments in surface storage projects and groundwater water banking program along the California Aqueduct. In light of current drought conditions, Metropolitan is providing significant capital improvement investments in the SWP dependent areas of the Metropolitan system for operational flexibility.

MWDOC staff goals are to:

- Financially analyze the cost/benefit of MET's participation in the DCP, as well as its cost impact to MWDOC and the member agencies.
- Encourage Metropolitan's engagement and investment in further access to storage, in particular its involvement with Sites Reservoir.
- Advocate for Metropolitan staff to renegotiate its current storage and banking programs along the SWP to improve its "take" capacity.
- Support the prioritization of improving the operational flexibility of the SWP dependent areas of the Metropolitan system to ensure a balance reliability to all member agencies.

Pure Water Southern California

In partnership with the Sanitation Districts of LA County, Metropolitan is developing Pure Water Southern California that will purify up to 150 MGD of recycled water to be delivered to groundwater basins and industrial sites throughout the west and central part of LA County as well as Orange County; with the potential to be delivered to two Metropolitan treatment Plants (as Direct Potable Reuse, DPR). Prior to full scale Board approval, Metropolitan will conduct a Cost of Service Assessment to analyze the project's cost as well as how it will be configured in its rate structure.

MWDOC staff goals are to:

- Advocated & supported the preparation of environmental documentation and technical studies for the program.
- Ensure the option remains available for Orange County to ultimately receive water from the Pure Water Southern California; either directly or indirectly.
- Evaluate and analyze the project's full-scale operational and financial configuration once it presented to the Metropolitan Board for consideration.

- Support continued financial partnerships of Southern Nevada Water Authority (SNWA) and the Central Arizona Project (CAP) in the program, including a potentially water exchange program.

Metropolitan's Drought Resilience & Planning

As a result of the critically low initial SWP "Table A" allocations, low levels in Lake Mead, and impending payback obligation on both the SWP and Colorado River, Metropolitan must prepare for potential limitations. Metropolitan has begun planning for potential implementation of its Water Supply Allocation Plan (WSAP) as well as has plans to review and update their Water Surplus and Drought Management (WSDM) Plan. WSDM modifications can include the prioritization of "put and take" of MET storage, the location of storage and other water management actions under surplus and drought conditions.

MWDOC staff goals are to:

- Ensure proper signals that result in fair and equitable distribution of water to the Metropolitan service area during times of drought allocation and system constraints.
- Engage in the planning and update process of the WSAP. The WSAP was last updated in 2014.
- Ensure the WSAP maintains equity among Member Agencies, while minimizing impacts to the region
- Engage in the analysis of modification to Metropolitan's WSDM Plan. The WSDM Plan was last updated in 1999.
- Promote a balance distribution of "put and take" supplies to ensure a regional reliability and operational flexibility.

Water Use Efficiency (WUE) Department (Cost Centers 35, 62 & 70)

The Water Use Efficiency Department consists of both Core and Choice budgets and focuses primarily on two programs: Water Use Efficiency Program and Water Loss Control Shared Services Program. Both programs benefit from the Metropolitan Water District of Southern California's Conservation Credits Program; a program that provides financial incentives to member agencies to implement water use efficiency programs. This funding is focused on programs that provide the broadest benefits throughout the service area and enhance developing long-term programs such as water loss control. In light of our current drought situation and new grant awards outside funding for WUE programs is projected to be \$13.6 million for FYE'24. This exceptional increase in funding is associated with rebates (MET + local matching funds), increased DWR and Prop 1, Round 2 grant funding.

Water Use Efficiency

Water Use Efficiency mandates continue to evolve from the 20% by 2020 framework adopted in 2009 to the new efficiency standards-based approach. Providing the technical and policy expertise and program support along with securing funds for water use efficiency efforts is a priority for MWDOC. MWDOC has been providing this function since 1991. In partnership with our member agencies, MWDOC and MET will continue to implement a comprehensive portfolio of water use efficiency programs that include

incentives and educational programs to all customer sectors. Emphasis will be on landscape water saving opportunities as irrigation accounts for more than 50% of urban water use in Orange County. MWDOC will maximize access to Conservation Credits Program funding from MET and grant funding from the California Department of Water Resources (DWR) and US Bureau of Reclamation (BOR).

Some Key Initiatives for Water Use Efficiency in FYE'24

- Staff will continue to provide legislative and regulatory process leadership. California's new Long Term Water Use efficiency framework will require significant research to better understand and inform stakeholders and policy makers as the final standard setting occurs. This research may be focused locally or through partnerships beyond Orange County such as the California Water Efficiency Partnership and Alliance for Water Efficiency. Also, it is anticipated that new legislative proposals will be introduced. Staff will actively work to shape proposals in a way that benefits our member agencies.
- Metropolitan WUE policy development will be a main focus for the department especially in helping to prepare agencies for compliance with new state mandates. Staff will advocate for Program refinements at MET that ensure Orange County program needs are met and continue to evolve.
- Staff will participate in the update or establishment of device, appliance or fixture water use standards contained in the Cal Green Plumbing Code, Public Utilities Commission, and EPA WaterSense Program.
- MWDOC will continue to promote the Water Savings Incentive and Recycled Water Retrofit Programs including the addition of supplemental grant funding whenever available.
- MWDOC will continue to use the Droplet rebate administration platform for both Turf Removal and Spray-to-Drip rebate processing including electronic signatures.
- Staff will provide Landscape Design and Maintenance Assistance for Turf Removal Rebate Program participants.
- Staff will provide leadership for the California Water Efficiency Partnership Board and committees.
- MWDOC will work to secure program funding from outside sources.
- Continue to work with member agencies to obtain irrigated area measurements of dedicated irrigation meters for incorporation into the new water use efficiency standards framework.

Water Loss Control Shared Services

Since 2016, MWDOC has been coordinating a water loss control program for our Member Agencies. This program has moved beyond water loss technical assistance such as audits into shared services activities including meter testing and distribution system leak detection. Orange County is now a state leader in terms of leak detection experience and data. This has allowed MWDOC to provide hard data to state regulatory agencies to influence developing regulations. MWDOC's expertise has also been beneficial in workgroups addressing the numerous water use efficiency legislative and regulatory proposals. Implementation of Water Loss Control Shared Services per the business plan adopted by the Board in December 2018 will continue and expand. These

services will be provided through a combination of Core services currently funded by MWDOC and Choice services funded by participating agencies. Core services that are currently funded by MWDOC include Water Balance Validation, Leak Detection Equipment lending, and state-wide water loss policy monitoring and development. The Choice Shared Services will include Customer Meter Accuracy Testing, Distribution System Leak Detection, Suspected Leak Investigations and Distribution System Pressure Surveys. These Choice services will be provided by the combination of field staff and contracted services.

New for FYE'24

- Through an RFP process, hire and manage a consultant that will be made available to member agencies to develop Commercial, Industrial and Institutional Best Management Implementation Plans as required by SB 606 and AB 1668, the new water use efficiency framework. These services will be available as a Choice service funded by agencies accessing these services.

Looking toward the next 3 – 5 years, staff anticipates continued focus on three main areas. These include Member Agency compliance assistance with the new water use efficiency mandates, implementation of water loss control shared services and technical assistance programs, and legislative and regulatory process leadership.

Water Emergency Response (WEROC) (Cost Center 25)

MWDOC provides the administrative umbrella for the Water Emergency Response Organization of Orange County (WEROC). The services and support provided by WEROC are intended to be an extension of Member Agency staffing in their preparedness efforts, and a resource during emergencies and recovery. WEROC staff works with its member agencies on emergency plans and standard operating procedure development and review; state and federal required trainings for grant eligibility and disaster readiness; disaster exercise development; grant identification and application; and response and recovery coordination.

WEROC also maintains two emergency operation centers, its own response plans, and trained staff. In providing these services, WEROC continues to be a strong leader for regional water and wastewater emergency coordination and response.

The WEROC program continues to move projects forward while supporting water and wastewater agencies. WEROC staff continues to develop and provide the resources, tools, and trainings targeted at enhancing Member Agency preparedness and resilience.

Some Key Initiatives for WEROC in FYE'24

Enhance Response Readiness

Maintain WEROC and OC water and wastewater agencies in a state of readiness to respond to emergency situations. This priority is the foundation to build upon agency resiliency and is on-going. One major component is the implementation of the WEROC Assessment Report action items focusing on key aspects including training, exercises, and updating emergency plans as part of the revision and review schedule in coordination with member agencies.

WEROC Emergency Operation Center Phase 2

Continue to seek funding from other mechanisms such as grants or appropriation requests.

Cyber Security

Implementation and training on the Regional Cyber Security Coordination Annex as part the WEROC EOP.

- Train agencies on the plan
- Conduct one regional workshop/tabletop on the plan specific
- Continue quarterly Cyber Security Working Group meetings

Planning and Operational Procedures

Update and revision of WEROC Hazard or Functional Specific Annexes or Standard Operating Procedures in line with the WEROC Integrated Preparedness Plan and revision schedule.

Finish Development and Implementation of the Logistics Plan

The Logistics Plan will incorporate how personnel, supplies, and equipment are requested, procured, tracked, and supported within the WEROC Organization. This will begin the incorporation of the Regional Fuel Project.

Training & Test Exercises

Maintain the training and test exercise programs to improve the state of readiness, capabilities and resiliency of member agencies by Increase training on basic emergency management.

WEROC Emergency Water Distribution Plan

Finalize and implement Emergency Water Distribution Plan by working with the County, cities and water agencies by region to establish the responsibilities, process and procedures based on outcomes of testing the plan during the May 23 Operational Area Exercise.

WEROC Map Atlas

Update the WEROC Map Atlas. These maps contain critical information for both water and wastewater. Additionally, jurisdiction areas are divided into the Public Safety Power Shutoff Zones. Project will include incorporation of hardcopy and GIS layers. These maps were updated in 2017 and infrastructure and water system oversight in some areas have changed.

Orange County Regional Water and Wastewater Hazard Mitigation Plan

Establish a contract for the update of the Orange County Regional Water and Wastewater Hazard Mitigation Plan. This is a choice contract. The last revision 20 water and wastewater agencies participated in the project. This plan is valid and approved by FEMA until March 2, 2025.

Communication - Public Affairs Department (Cost Centers 32 & 63)

The MWDOC Public Affairs Department's (Department) mission is to promote opportunities and resources that will have a beneficial regional impact, highlight the District's projects and activities, and increase public understanding of important water issues. Although there are several objectives, transparency is paramount.

In the race to post first, accuracy is often compromised or, in some circumstances, abandoned as individuals are forced to consume information. When public confidence in the government is at an all-time low, water providers are under immense pressure to demonstrate their worth, dependability, and relevance. By delivering value to stakeholders across a wider variety of tools and channels to meet them where they are—online, at community events, in schools, on social media, and through a variety of other channels—we can better understand their needs.

The Department continues to elevate the District's profile while fostering credibility and public trust. Thanks to established partnerships and programs that have a long-lasting, significant influence on stakeholders, MWDOC holds a prominent leadership position as the go-to voice for Orange County water issues.

Some Key Initiatives for Public Affairs in FYE'24

Drought: Education, Resources, Campaign, and Calls-to-Action

As drought intensifies and water supply conditions worsen throughout the state, water suppliers are being asked by State officials to offer their customers more information, resources, and support in hopes of extending California's limited water supply voluntarily. *With much of the state experiencing significant precipitation to start the winter, including record rainfall in Orange County, drought messaging becomes much more challenging as the general public has just witnessed months of storms and floods.* Agencies like the Department of Water Resources (DWR) and The Metropolitan Water District of Southern California (Metropolitan) have each invested millions in public outreach campaigns over the last year. However, the campaigns include broad, blanket messages and don't speak specifically to resources or water-saving actions that target individual communities in any given service area. *Working in coordination with MWDOC member agencies through the Public Affairs Workgroup (PAW), the MWDOC Public Affairs (PA) team will launch an "OC Water" branded drought campaign and continue developing, packaging, and distributing reflective, action-oriented outreach materials for every Orange County service area.* The campaign will include plug-and-play collateral like an updated media toolkit with new drought-related messages, outreach materials like social media posts and newsletter articles, and targeted communications tactics to achieve countywide water reduction goals.

Overall, drought will be a primary topic of discussion in presentations, at community and special events, and across all print and electronic media channels. New marketing strategies like media buys and out-of-home advertising will be explored and implemented. Community engagement opportunities and new partnerships will be examined and considered, and real Orange County customers will be interviewed to create engaging video content and news articles.

Media Engagement – Relationships Matter

Drought has brought more media attention to water issues, particularly over the past year. During this time, MWDOC has maintained a strong voice on conservation and reliability and will continue to emphasize these stories in the press. However, the media landscape is changing. Many longtime reporters covering Orange County or environmental issues have retired. *In FY 23-24, MWDOC PA will work to forge new connections and partnerships with journalists that will secure MWDOC's place as a trusted regional voice for water issues. To help accomplish this staff seeks to renew a past membership with The Radio & Television News Directors Association (RTNDA).*

Additionally, story placement has become dramatically pay-to-play. Placing Op-eds in the newspaper has become increasingly difficult, and editorial boards have grown more elusive on environmental issues. Paid advertorials are the only guaranteed way to ensure articles make it to both electronic and traditional print. *An increased budget for drought campaign advertising and digital and traditional media buys will be necessary to achieve the desired reach and results, as mandates for conservation are sure to be amplified.*

The Evolving Orange County Audience

It has become increasingly important in internal and external communications for organizations to prioritize Diversity, Equity, and Inclusion (DE&I) initiatives. In FY 23-24, MWDOC PA will actively participate in various learning opportunities and on a statewide communications task force to effectively incorporate best DE&I communications practices in all outreach efforts.

Orange County is home to a [diverse mix of people](#) from various cultures, backgrounds, and perspectives, and language can significantly impact the quality and intent of our messages. In FY 23-24, educational, marketing, and campaign materials will be translated into multiple languages, and an intentional effort will be made to connect with community partners to grow MWDOC's capacity to engage diverse communities. Inclusive communication across all platforms makes information, education, and resources more accessible for all Orange County community members. This enables them to confidently participate in informed discussions and find programs and resources that contribute to water saving and water stewardship objectives. *To this end, additional reproduction expenses have been budgeted for translated materials.*

Cultivating New and Existing Partnerships

There are countless benefits to forging productive partnerships, and MWDOC PA has been highly effective in securing strategic partners across multiple programs and initiatives. Long-standing partnerships like the Wyland Foundation, California Environmental Literacy Initiative, and Metropolitan, to name a few, have increased access to new audience groups, amplified credibility and reach, bridged the gaps in expertise, resources, and equipment, and unified a community voice. *In FY 23-24, investments in county and statewide partnerships will continue to be a priority. Co-branded campaigns like Streams of Hope will return, and new endeavors, like family engagement workshops, will be employed to involve new and established partners in regional campaigns and strategies like drought and environmental literacy.*

Pocket Park Educational Microsite – Bringing Visitors back to MWDOC.com

In April 2022, MWDOC PA, the Wyland Foundation, and the City of Westminster broke ground on a water-efficient pocket park. Designed by student volunteers from the Saddleback College Department of Horticulture and Landscape Design, the water-smart park incorporates water-saving landscape design techniques and materials that can be easily replicated at homes and businesses across Orange County. *In FY 23-24, MWDOC PA and project partners will launch an educational microsite that drives park visitors to a plethora of resources that live on the MWDOC website, including MWDOC rebates, drought-tolerant plant lists, free landscape designs, and interactive activities for children and families.*

Water Education Initiatives

Choice School Programs: K-12 Water Education

In FY 23-24, MWDOC PA will continue to advance environmental literacy and good water stewardship through the MWDOC K-12 Choice School Programs, guiding students toward a deeper understanding of how personal, community, economic, and civic decisions affect the water resources Orange County depends on. Additionally, MWDOC PA and program contractors will develop and introduce activities that encourage family participation, expanding the potential for critical water education. They will also examine solutions to current challenges like [declining student enrollment statewide](#), ensuring equitable access to programming for alternative and ACCESS schools, and addressing a steady rise in virtual academies.

Water Energy Education Alliance (WEEA or Alliance)

Since assuming leadership of WEEA in 2020, membership has tripled to include over 60 professional organizations, new commanding coalitions have formed across the Alliance, and desperately needed [recruitment materials](#) have been developed and distributed statewide. Additionally, through partnerships with the [Centers of Excellence for Labor Market Research](#) and others, critical industry workforce data has been gathered to help water agencies confidently prepare for the dreaded “Silver Tsunami,” a mass exodus of industry workers who are now eligible for retirement. In FY 23-24, MWDOC PA will continue its momentum, working with community colleges to build and bolster their training programs and to support teacher trainings that enable educators to confidently integrate water topics into lesson plans and encourage water career exploration.

Scouting Programs

Over the coming months, MWDOC PA will return to hosting Girl and Boy Scout clinics in person. *To date, 10 MWDOC member agencies have confirmed their interest in co-hosting both popular programs, a significant increase compared to past years.* In FY 23-24, both programs will be thoroughly vetted and enhanced to best align with education, water use reduction, and community engagement goals established in worsening drought conditions and since the COVID-19 pandemic shutdown.

Ricky the Rambunctious Raindrop

Prior to the COVID-19 triggered lockdowns and quarantines of 2020, MWDOC’s mascot, Ricky the Rambunctious Raindrop (Ricky) was making regular appearances

at member agency events as well as special public events and activities throughout the County. *The Ricky costume is showing signs of wear and will soon need to be repaired, serviced, and eventually replaced. Funds will be allocated to do so.* Additionally, on the other side of the pandemic, requests for Ricky appearances are on an upward trend, and as Ricky always needs a 'prudent companion,' it is becoming increasingly challenging to meet the demand.

It should be noted that *since the departure of one member of the PA team in 2020, the department has been running without one part-time employee, which was authorized by the Board in the previous Fiscal Year.* Rather than recruiting for the departed employee, management opted to promote that part-time employee to fill that critical full-time vacancy. At the time, with no Metropolitan Inspection Trips or in-person special events, this was feasible, and that hire has proven to be successful.

New for FYE'24

MWDOC PA will continue to enhance and expand upon its award-winning programs, initiatives, platforms, and partnerships. Reducing water use and water waste through drought awareness, education, and outreach is a top priority, as is providing high-quality water education and resources to Orange County water users of all ages and backgrounds.

Keeping the momentum moving will require additional time and resources. With Metropolitan Inspection Trips restarting this past fall and the world one more year removed from quarantine, increased requests are coming in for MWDOC participation in community engagement events. More than half of the weekends in the upcoming calendar year will likely have staff working overtime. This approach is not sustainable.

Therefore, at least one full-time employee is needed in the Department to reasonably accommodate these commitments without further overextending the current PA staff.

Governmental Affairs Department (Cost Center 31)

Governmental Affairs (GA) continues to work at the local, state and national levels with our member agencies, regional partners (three cities, Metropolitan, MET Member Agencies), organizations, delegations, regulatory agencies and bureaus to advance Orange County's agenda. Central to this effort are policy, legislative, and regulatory developments & opportunities.

This department will rely on our local, state, and federal advocates to track, monitor, and assist in educational outreach. In addition, our Grants Program continues to be an asset for our member agencies and provide helpful information and tools for them, along with MWDOC to obtain funding for various programs and infrastructure. New member outreach will be critical in 2023 as 34% of the Assembly and 25% of the Senate are brand new to the legislature, including six new members in the Orange County delegation. There are also be five new appointees to the Assembly Water, Parks & Wildlife Committee, as well as other key committees.

Priorities for FYE'24

- Actively engage on issues, legislative and regulatory, that will affect the Delta Conveyance Project
- Actively pursue funding for the WEROC EOC at both the federal and state levels

- Actively engage and advocate for federal funding for the Army Corps of Engineers, the Bureau of Reclamation, the EPA, and WIFIA Programs
- Actively engage on a potential State Infrastructure Bond proposal
- Advocate for changes in the IRS Code to provide tax parity for water rebates
- Monitor and engage on agency actions related to the Colorado River drought and the 2026 guidelines
- Actively engage on anticipated federal drought legislation
- Advocate for cost effective reliability and local resources projects that benefit Orange County
- Engage on regulations implementing the Low Income Rate Assistance, or “LIRA”, program
- Coordinate with the Met Issues Department and NRR on any action/response related to the Voluntary Agreements (VAs). Implementation of the VAs will require an act of Congress to give Reclamation authority to place a surcharge on CVP water to generate funding to implement that habitat and flow requirements in the VAs.
- Outreach efforts with Orange County’s delegation on the federal, state and local level

Some Key Initiatives for Governmental Affairs in FYE’24

Delta Conveyance Project

In the last year, the Newsom Administration has shown renewed interest in the Delta Conveyance Project and even seems to show some enthusiasm for it. The water industry advocates have not yet been called on to advocate for the project as it moves through the regulatory process, but opposition can arise at any time and from more than just the Legislature. GA will continue to monitor activity on the Delta Conveyance in the Capitol and across the relevant state agencies and engage whenever advocacy is needed to support the project.

WEROC Funding

GA, working closely with our advocates at NRR and B&K will pursue funding in the FY24 appropriations process or through FEMA grant programs (federal), and through a possible member’s request via the state budget. This will be challenging due to a budget deficit and cuts, but serious attempts will be pursued.

Low Income Rate Assistance Program (LIRA)

SB 222 (Dodd), which would have created a statewide LIRA program was vetoed, but the reason given in the Governor’s veto message was a lack of an identified funding source. The issue remains politically very popular, and the veto message practically invites running the bill again and funding it with a water tax. Should this proposal return, our efforts to defeat a water tax will be in coordination with member agencies as well as statewide coalitions.

Additional Assistance

With many GA priorities in the near future on the federal, state and local levels, staff is proposing two consultants to assist with strategic guidance on major policy issues as well as local outreach and engagement at LAFCO. GA is proposing:

- An “as needed” time and materials contract with Paul Jones at Doupja & Wells to support and advise the Governmental Affairs Department on federal and state advocacy issues and programs. A short-term contract is already in place for the remainder of FYE 23, and we are proposing to extend this at a cost not to exceed \$60,000 for FY 2023/24.
- Assistance related to local/county issues and opportunities for engagement that may arise including, but not limited to the Board of Supervisors, LAFCO, city councils, special districts, and regional interest groups. A four-month contract with Whittingham Public Affairs is scheduled to begin in March 2023, and GA is proposing to extend this through FY 2023/24 at a cost of \$90,000.

Administration Department (Cost Centers 11, 12, 13, &19)

The Administrative Department is comprised of Board Administration, General Administration, Personnel and Overhead. The Administration Department provides support to the entire District to ensure operations run smoothly and efficiently. Fundamental activities include:

- Staff attendance, preparation and compilation of Board and Committee Agendas and minutes.
- Ensure compliance with the District Administrative Code, Contracts Manual and publication of required legal notices and coordination of all Public Records requests.
- The oversight and maintenance of the Electronic Records Management System for the District; ensure that all required documents are retained in accordance with the retention schedule and legal requirements as well as train staff on policies related to accessing, storing and transmitting electronic records;
- The oversight and maintenance of the District’s Database Management System in an effort to provide a centralized database for staff in improving efficiencies;
- Personnel activities include recruitment, screening, selection, employee orientation, benefits and compensation administration, employee documentation, performance management, research and surveys, employee training and development;
- Oversight of the Safety and Risk Management and the District’s Workers Compensation, Liability and Property Insurance Programs;
- Oversight of all items related to building facilities management.

Some Key Initiatives for Administrative Department in FYE’24

- Coordinate with Director of Engineering and assist with building remodel improvements to kitchen area and removal of existing shade structure/trellis.
- Replace current tile roof. The current roof is the original roof since the mid-1970’s
- In ensuring the District’s compensation and benefits are competitive, staff will complete an RFP process to hire an outside consultant to complete a Benchmark Study. The last study was completed in 2021. The next study will be initiated in fall of 2023 and completed by Spring 2024.
- The District’s 401a and 457 Plans and funds should be reviewed by an outside advisor that can be responsible for the investment selection, monitoring and replacement of investment options. Hiring a qualified Financial Advisor takes the critical fiduciary responsibilities off the shoulders of the Plan Fiduciary (The Board) and allows the Board to delegate the specified fiduciary duties to registered

investment advisors and trust companies. This also ensures the Plans offerings are prudent and reasonably priced. Staff would initiate an RFP process for a Financial Advisor to review and advise on the District's Deferred Compensation and 401 Plans. The Financial Advisor would review the current plans and fees and determine whether it would be in the District's best interest to solicit an RFP for new 457 and 401a Plan providers, assess whether to have both plans under one provider and assist with the process.

- In an effort to assist with the Board Strategic Planning Process, the District will hire a facilitator.

MWDOC Building Improvements

Administration, Engineering, and WEROC staff have worked together to coordinate multiple improvement projects at the MWDOC Administration Building that were completed in December 2021. The remaining areas to be renovated include the Kitchen/lunchroom and the removal of the trellis in the atrium due to termite damage. We anticipate that the work in the courtyard will require California Building Code (CBC) Title 24/ADA compliance since the courtyard is not accessible, thus will require the installation of a ramp. CBC requires that all spaces be accessible to within a maximum 20% of the construction cost of a project. In addition, the last item to be evaluated is the roof. With recent rains, there have been several leaks in the office. Therefore, staff is budgeting funds to repair the roof in FYE'24.

Finance & Information Technology (Cost Centers 41 & 45)

The Finance department includes Accounting and Information Technology (IT). The Department provides support to MWDOC through payroll, accounts payable/receivable, fixed assets, investments, grant funding, reconciliations and technology. Staff provides support to WEROC for disaster recovery at both the District office and the Emergency Operation Center. Finance and IT's priorities are Financial Stewardship and Auditing & Controls, which is demonstrated by receiving an unmodified opinion from our annual audit process. Finance also provides monthly accounting to our Member Agencies through monthly billing of water deliveries, in-lieu credits, LRP payments, conservation rebates and choice programs.

IT provides uninterrupted service for our phones and computers with firewall protection to prevent threats, viruses and hackers from penetrating our system. As well as, providing & maintaining properly working office equipment. Modifications and support are needed to maintain current practices.

Some Key Initiatives for Finance & IT in FYE'24

- Hire a new IT employee
- Staff to assist and provide direction to our IT consultant to evaluate the District's IT needs and efficiency improvements
- Maintain functional operations and support while staff works both remotely and in the office; in addition provide support for the hybrid format of Board and Committee meetings
- Continue with CrowdStrike for cyber intrusion protection
- Continue with IT's PC/Printer refresh program and security updates which, exchanges out equipment after it's useful like to prevent the loss of any data;

- Begin converting desktop PC's to laptops as replacements are needed to save costs in our hybrid environment
- Continue with ongoing professional training;
- IT system security and back up testing;
- Support the District with any future financing needs.

7. Core/Choice Programs for FY 2023-24

As noted above, the Choice Programs for FYE'24 are offered in both the Public Affairs and Water Use Efficiency Departments. The programs include:

- **School Program** - As discussed above the School Program represents a continuum of options from kindergarten through high school. Substantial efforts are underway with Orange County teachers and State organizations to integrate critical water messages within the required curriculum structure with the goal of increasing the utility and acceptance of our programs. Also included are programs focusing on career path recruitment and training.
- **Water Use Efficiency** - Will continue to access MET's WUE funding and grants from other sources for implementation programs for OC.
- **Water Loss Control Shared Services** – This program was developed in conjunction with our Member Agencies and continues significant expansion with increase funding through MET.

8. Water Rates and Charges

MWDOC's revenue funding for its Core Budget derives from the Retail Meter Service Charge and the Groundwater Customer Charge. The rate structure was initially developed as part of the 2016 rate study and was implemented by the MWDOC Board of Directors for FY 2016-17. The rate structure was reevaluated in 2021 with modification to the groundwater customer charge's methodology. This 2021 rate structure is what is used for the FYE'24 budget and rates.

Proposed New Rates

Based on the Proposed Budget and the current rate structure:

- **For FYE'24 the proposed Retail Meter Service Charge is \$14.25 per meter; and**
- **For FYE'24 the proposed Groundwater Customer Charge is \$391,100.**

All other charges cover the cost of water supply including MET water purchases and MET associated charges (i.e., Readiness-to-Serve (RTS) and Capacity Charge). The proposed Total Water Purchases expense for FYE'24 is budgeted at \$199,967,525.

Attachments:

Attachment A - MWDOC detailed Draft Budget for FYE'24

Attachment B - Budget Schedule

Attachment C - Comment Letters



Annual Budget for Fiscal Year 2023-24

Second Draft

MWDOC's mission is:

To provide reliable, high-quality supplies from MWD and other sources to meet present and future needs, at an equitable and economical cost, and to promote water use efficiency for all of Orange County

Exhibit A2
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CORE FUND

	FY 2022-2023 ADOPTED BUDGET	FY 2022-2023 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2023-2024 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2022-2023 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 3,835,412	\$ 3,450,473	\$ (384,939)	\$ 4,282,781	\$ 832,308	\$ 447,369
Employee Benefits	1,260,901	1,074,831	(186,069)	1,268,158	193,327	7,257
Director Compensation	275,041	273,077	(1,965)	275,041	1,965	-
Director Benefits	132,976	49,875	(83,101)	104,447	54,572	(28,530)
MWD Representation	157,166	142,432	(14,734)	117,875	(24,557)	(39,292)
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-
Overhead Reimbursement	(333,099)	(328,848)	4,251	(427,762)	(98,913)	(94,663)
Health Insurance Coverage for Retirees	94,554	68,794	(25,760)	84,847	16,053	(9,707)
Audit Expense	35,000	27,000	(8,000)	36,500	9,500	1,500
Automotive & Toll Road Expenses	14,400	6,800	(7,600)	9,575	2,775	(4,825)
Conference Expense - Staff	56,205	26,677	(29,528)	52,532	25,855	(3,673)
Conference Expense - Directors	23,905	20,130	(3,775)	24,865	4,735	960
Outside Consulting Expense	410,000	205,000	(205,000)	342,000	137,000	(68,000)
Insurance Expense	140,000	171,736	31,736	182,976	11,240	42,976
Legal Expense - General	235,750	185,687	(50,064)	241,000	55,314	5,250
Maintenance Expense	157,400	154,888	(2,512)	181,860	26,972	24,460
Membership / Sponsorship	145,847	153,303	7,456	191,002	37,699	45,155
CDR Participation	57,462	57,460	(2)	59,758	2,298	2,296
Miscellaneous Expense	60,120	48,762	(11,358)	127,300	78,538	67,180
Postage / Mail Delivery	10,900	10,505	(395)	11,275	770	375
Professional Fees	916,475	991,390	74,915	1,191,325	199,935	274,850
Rents & Leases	1,800	1,699	(101)	1,800	101	-
Outside Printing, Subscription & Books	85,000	83,846	(1,154)	94,000	10,154	9,000
Office Supplies	35,000	20,983	(14,017)	27,000	6,017	(8,000)
Building Repair & Maintenance	22,056	18,962	(3,094)	25,200	6,238	3,144
Computer Maintenance	7,000	7,000	-	5,000	(2,000)	(2,000)
Business Expense	2,500	900	(1,600)	2,000	1,100	(500)
Software Support & Expense	148,408	154,615	6,207	151,518	(3,097)	3,110
Computers and Equipment	43,950	43,950	-	43,000	(950)	(950)
Telecommunications Expense	40,790	36,426	(4,364)	43,918	7,492	3,128
Temporary Help Expense	5,000	-	(5,000)	5,000	5,000	-
Training Expense	45,000	25,000	(20,000)	35,000	10,000	(10,000)
Tuition Reimbursement	5,000	5,000	-	5,000	-	-

(1)

(2)

Exhibit A2
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CORE FUND

	FY 2022-2023 ADOPTED BUDGET	FY 2022-2023 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2023-2024 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2022-2023 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	90,325	38,026	(52,299)	108,800	70,774	18,475
Travel & Accommodations - Directors	32,900	27,100	(5,800)	46,800	19,700	13,900
MWDOC's Contribution to WEROC: Operations	296,290	296,290	-	293,517	(2,773)	(2,773)
Election Expense	-	485,000	485,000	381,000	(104,000)	(0)
Capital Acquisition (excluding building)	81,000	161,625	80,625	25,892	(135,733)	(55,108)
Capital Acq Prior Year Carryover Dr/(Cr)	-	-	-	-	-	-
OPERATING EXPENSES	\$ 8,835,434	\$ 8,403,393	\$ (432,042)	\$ 9,858,801	\$ 1,455,408	\$ 1,023,367
MWDOC's Building Expense	\$ 246,600	\$ 149,938	\$ (96,662)	\$ 389,000	\$ 239,062	\$ 142,400
Building Expense Prior Year Carryover Dr/(Cr)	\$ 476,477	\$ -	\$ (476,477)	\$ (166,314)	\$ (166,314)	\$ (642,791)
Contribution to Election Reserve	\$ 300,728	\$ 381,000	\$ 80,272	\$ 381,000	\$ -	\$ 80,272
TOTAL EXPENSES	\$ 9,859,239	\$ 8,934,331	\$ (924,908)	\$ 10,462,487	\$ 1,528,156	\$ 603,248

REVENUES:						
Retail Meter Charge	\$ 8,885,401	\$ 8,885,401	\$ -	\$ 9,206,255	\$ 320,854	\$ 320,854
Ground Water Customer Charge	367,806	367,806	-	391,100	23,294	23,294
Interest Revenue	145,971	255,574	109,603	319,410	63,836	173,439
Miscellaneous Income	3,000	3,000	-	3,000	-	-
TOTAL REVENUES	\$ 9,402,178	\$ 9,511,781	\$ 109,603	\$ 9,919,765	\$ 407,984	\$ 517,587

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (457,061)	\$ 577,450	\$ 1,034,511	\$ (542,722)	\$ (1,120,173)	\$ (85,662) ⁽³⁾

(1) Total FY2023-2024 Salaries & Wages includes \$131,270 for intern support

(2) Total FY2023-2024 Benefits includes \$12,712 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 12.47% for Classic employees and 7.68% for PEPRAs employees. A further assumption is that medical, dental and vision insurance rates will decrease by 4% for FY23-24.

(3) Based on FY22-23 projections and FY23-24 MWDOC designated reserve target, designated reserves will be essentially fully funded in a few years.

Exhibit A3
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CHOICE FUNDS

	FY 2022-2023 ADOPTED BUDGET	FY 2022-2023 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2023-2024 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2022-2023 BUDGET	
OPERATING EXPENSES:							
Salaries & Wages	\$ 593,718	\$ 606,460	\$ 12,742	\$ 740,385	\$ 133,925	\$ 146,667	(1)
less for Recovery from Grants	(20,000)	(30,874)	(10,874)	(20,000)	10,874	-	
Employee Benefits	180,931	158,207	(22,724)	212,653	54,446	31,722	(2)
Director Compensation	-	-	-	-	-	-	
Director Benefits	-	-	-	-	-	-	
MWD Representation	-	-	-	-	-	-	
Overhead Reimbursement	333,099	328,848	(4,251)	427,762	98,913	94,663	
Health Insurance Coverage for Retirees	-	-	-	-	-	-	
Audit Expense	-	-	-	-	-	-	
Automotive & Toll Road Expenses	1,200	500	(700)	800	300	(400)	
Vehicle Expense	7,343	7,343	-	12,000	4,657	4,657	
Conference Expense - Staff	-	-	-	-	-	-	
Conference Expense - Directors	-	-	-	-	-	-	
Outside Consulting Expense	-	-	-	-	-	-	
Insurance Expense	-	-	-	-	-	-	
Legal Expense - General	-	-	-	-	-	-	
Maintenance Expense	-	-	-	-	-	-	
Membership / Sponsorship	-	-	-	-	-	-	
Miscellaneous Expense	12,000	10,000	(2,000)	9,000	(1,000)	(3,000)	
Postage / Mail Delivery	400	350	(50)	400	50	-	
Professional Fees	599,781	599,781	-	627,100	27,319	27,319	
Rents & Leases	-	-	-	-	-	-	
Outside Printing, Subscription & Books	-	-	-	-	-	-	
Office Supplies	-	-	-	-	-	-	
Supplies - Water Loss Control	4,000	4,000	-	4,000	-	-	
Computer Maintenance	-	-	-	-	-	-	
Software Support & Expense	2,300	2,416	116	2,200	(216)	(100)	
Telecommunications Expense	2,900	2,664	(236)	2,520	(144)	(380)	
Computers and Equipment	-	-	-	-	-	-	
Temporary Help Expense	-	-	-	-	-	-	
Training Expense	8,000	-	(8,000)	1,000	1,000	(7,000)	
Tuition Reimbursement	-	-	-	-	-	-	

Exhibit A3
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CHOICE FUNDS

	FY 2022-2023 ADOPTED BUDGET	FY 2022-2023 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2023-2024 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2022-2023 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	-	-	-	-	-	-
Travel & Accommodations - Directors	-	-	-	-	-	-
Capital Acquisition	32,280	10,535		-	(10,535)	(32,280)
Subtotal Expenses	\$ 1,757,952	\$ 1,700,230	\$ (35,977)	\$ 2,019,820	\$ 319,590	261,867.68
TOTAL EXPENSES	\$ 1,757,952	\$ 1,700,230	\$ (57,722)	\$ 2,019,820	\$ 319,590	\$ 261,868

REVENUES:						
Choice Revenue	\$ 1,757,952	\$ 1,700,230	\$ (57,722)	\$ 2,019,820	\$ 319,590	\$ 261,868
TOTAL REVENUES	\$ 1,757,952	\$ 1,700,230	\$ (57,722)	\$ 2,019,820	\$ 319,590	\$ 261,868

- (1) Total FY2023-2024 Salaries & Wages includes \$131,270 for intern support
- (2) Total FY2023-2024 Benefits includes \$12,712 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 12.47% for Classic employees and 7.68% for PEPRA employees. A further assumption is that medical, dental and vision insurance rates will decrease by 4% for FY23-24.

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2022-2023 ADOPTED BUDGET	FY 2022-2023 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2023-2024 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2022-2023 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 4,429,130	\$ 4,056,933	\$ (372,197)	\$ 5,023,166	\$ 966,233	\$ 594,036
less for Recovery from Grants	(20,000)	(30,874)	(10,874)	(20,000)	10,874	-
Employee Benefits	1,441,831	1,233,038	(208,793)	1,480,811	247,773	38,980
Director Compensation	275,041	273,077	(1,965)	275,041	1,965	-
Director Benefits	132,976	49,875	(83,101)	104,447	54,572	(28,530)
MWD Representation	157,166	142,432	(14,734)	117,875	(24,557)	(39,292)
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-
Overhead Reimbursement	-	-	-	-	-	-
Health Insurance Coverage for Retirees	94,554	68,794	(25,760)	84,847	16,053	(9,707)
Audit Expense	35,000	27,000	(8,000)	36,500	9,500	1,500
Automotive & Toll Road Expenses	15,600	7,300	(8,300)	10,375	3,075	(5,225)
Vehicle Expense - Water Loss Control	7,343	7,343	-	12,000	4,657	4,657
Conference Expense - Staff	56,205	26,677	(29,528)	52,532	25,855	(3,673)
Conference Expense - Directors	23,905	20,130	(3,775)	24,865	4,735	960
Outside Consulting Expense	410,000	205,000	(205,000)	342,000	137,000	(68,000)
Insurance Expense	140,000	171,736	31,736	182,976	11,240	42,976
Legal Expense - General	235,750	185,687	(50,064)	241,000	55,314	5,250
Maintenance Expense	157,400	154,888	(2,512)	181,860	26,972	24,460
Membership / Sponsorship	145,847	153,303	7,456	191,002	37,699	45,155
CDR Participation	57,462	57,460	(2)	59,758	2,298	2,296
Miscellaneous Expense	72,120	58,762	(13,358)	136,300	77,538	64,180
Postage / Mail Delivery	11,300	10,855	(445)	11,675	820	375
Professional Fees	1,516,256	1,591,171	74,915	1,818,425	227,254	302,169
Rents & Leases	1,800	1,699	(101)	1,800	101	-
Outside Printing, Subscription & Books	85,000	83,846	(1,154)	94,000	10,154	9,000
Office Supplies	35,000	20,983	(14,017)	27,000	6,017	(8,000)
Supplies - Water Loss Control	4,000	4,000	-	4,000	-	-
Building Repair & Maintenance	22,056	18,962	(3,094)	25,200	6,238	3,144
Computer Maintenance	7,000	7,000	-	5,000	(2,000)	(2,000)
Business Expense	2,500	900	(1,600)	2,000	1,100	(500)
Software Support & Expense	150,708	157,031	6,323	153,718	(3,313)	3,010
Computers and Equipment	43,950	43,950	-	43,000	(950)	(950)
Telecommunications Expense	43,690	39,090	(4,600)	46,438	7,348	2,748
Temporary Help Expense	5,000	-	(5,000)	5,000	5,000	-
Training Expense	53,000	25,000	(28,000)	36,000	11,000	(17,000)
Tuition Reimbursement	5,000	5,000	-	5,000	-	-

(1)

(2)

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2022-2023 ADOPTED BUDGET	FY 2022-2023 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2023-2024 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2022-2023 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	90,325	38,026	(52,299)	108,800	70,774	18,475
Travel & Accommodations - Directors	32,900	27,100	(5,800)	46,800	19,700	13,900
MWDOC's Contribution to WEROC: Operations	296,290	296,290	-	293,517	(2,773)	(2,773)
Election Expense	-	485,000	485,000	381,000	(104,000)	381,000
Capital Acquisition (excluding building)	113,280	172,160	58,880	25,892	(146,268)	(87,388)
Capital Acq Prior Year Carryover Dr/(Cr)	-	-	-	-	-	-
OPERATING EXPENSES	\$ 10,593,386	\$ 10,103,623	\$ (489,764)	\$ 11,878,621	\$ 1,774,998	\$ 1,285,234
MWDOC's Building Expense	\$ 246,600	\$ 149,938	\$ (96,662)	\$ 389,000	\$ 239,062	\$ 142,400
Building Expense Prior Year Carryover Dr/(Cr)	\$ 476,477	\$ -	\$ (476,477)	\$ (166,314)	\$ (166,314)	\$ (642,791)
Contribution to Election Reserve	\$ 300,728	\$ 381,000	\$ 80,272	\$ 381,000	\$ -	\$ 80,272
TOTAL EXPENSES	\$ 11,617,191	\$ 10,634,561	\$ (982,630)	\$ 12,482,307	\$ 1,847,746	\$ 865,116

REVENUES:						
Retail Meter Charge	\$ 8,885,401	\$ 8,885,401	\$ -	\$ 9,206,255	\$ 320,854	\$ 320,854
Ground Water Customer Charge	367,806	367,806	-	391,100	23,294	23,294
Interest Revenue	145,971	255,574	109,603	319,410	63,836	173,439
Miscellaneous Income	3,000	3,000	-	3,000	-	-
Choice Revenue	1,757,952	1,700,230	(57,722)	2,019,820	319,590	261,868
TOTAL REVENUES	\$ 11,160,130	\$ 11,212,011	\$ 51,881	\$ 11,939,584	\$ 727,573	\$ 779,454

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (457,061)	\$ 577,450	\$ 1,034,511	\$ (542,722)	\$ (1,120,173)	\$ (85,662) ⁽³⁾

(1) Total FY2023-2024 Salaries & Wages includes \$131,270 for intern support

(2) Total FY2023-2024 Benefits includes \$12,712 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 12.47% for Classic employees and 7.68% for PEPRA employees. A further assumption is that medical, dental and vision insurance rates will decrease by 4% for FY23-24.

(3) Based on FY22-23 projections and FY23-24 MWDOC designated reserve target, designated reserves will be essentially fully funded in a few years.

Exhibit A5
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
WATER FUND

	FY 2022-2023 ADOPTED BUDGET	FY 2022-2023 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2023-2024 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2022-2023 BUDGET
Water Revenues						
Water Sales	\$ 163,128,712	\$ 170,517,187	\$ 7,388,475	\$ 185,749,302	\$ 15,232,116	\$ 22,620,591
Local Resource Program Incentives	(5,507,994)	(4,648,785)	859,209	(4,725,194)	(76,409)	782,800
Readiness-To-Serve Charge	11,142,354	12,172,510	1,030,156	13,768,707	1,596,196	2,626,353
Capacity Charge	5,396,060	5,391,180	(4,880)	4,816,710	(574,470)	(579,350)
Interest Revenue - Tier 2 Cont.	4,547	-	(4,547)	-	-	(4,547)
SCP/SAC Pipeline Surcharge	318,000	328,000	10,000	358,000	30,000	40,000
TOTAL WATER REVENUES	\$ 174,481,679	\$ 183,760,092	\$ 9,278,413	\$ 199,967,525	\$ 16,207,433	\$ 25,485,846
Water Expenses						
Water Purchases	\$ 163,128,712	\$ 170,517,187	\$ 7,388,475	\$ 185,749,302	\$ 15,232,116	\$ 22,620,591
Local Resource Program Incentives	(5,507,994)	(4,648,785)	859,209	(4,725,194)	(76,409)	782,800
Readiness-To-Serve Charge	11,142,354	12,172,510	1,030,156	13,768,707	1,596,196	2,626,353
Capacity Charge	5,396,060	5,391,180	(4,880)	4,816,710	(574,470)	(579,350)
Tier 2 Surcharge	-	-	-	-	-	-
SCP/SAC Pipeline Surcharge	318,000	328,000	10,000	358,000	30,000	40,000
TOTAL WATER EXPENSES	\$ 174,477,132	\$ 183,760,092	\$ 9,282,960	\$ 199,967,525	\$ 16,207,433	\$ 25,490,393
Changes to Fund Balance:						
Tier 2 Contingency	\$ 4,547	\$ -	\$ (4,547)	\$ -	\$ -	\$ (4,547)

Exhibit A6
SUMMARY OF FUNDING AND EXPENSES
For All Water Use Efficiency Programs

	FY 2022-2023 ADOPTED BUDGET	FY 2022-2023 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2023-2024 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2022-2023 BUDGET
Funding						
Metropolitan Water District	\$ 5,643,486	\$ 6,424,752	\$ 781,266	\$ 10,067,500	\$ 3,642,748	\$ 4,424,014
USBR	780,262	827,003	46,741	939,000	111,997	158,738
DWR	367,919	817,899	449,980	1,190,980	373,081	823,061
Member Agencies	1,703,607	981,028	(722,579)	1,408,240	427,212	(295,367)
MWDOC	50,000	-	(50,000)	-	-	(50,000)
TOTAL OUTSIDE FUNDING	\$ 8,545,274	\$ 9,050,682	\$ 505,408	\$ 13,605,720	\$ 4,555,038	\$ 5,060,446
Program Expenses Funded from Outside Sources						
Installation Verification	\$ 108,369	\$ 76,948	\$ (31,421)	\$ 105,000	\$ 28,052	\$ (3,369)
Rebate Incentives	6,242,371	8,274,625	2,032,254	11,426,720	3,152,095	5,184,349
TOTAL PROGRAMS EXPENSES	\$ 8,269,365	\$ 9,310,332	\$ 1,040,967	\$ 13,605,720	\$ 4,295,388	\$ 5,336,355

Exhibit B
Expenditures by Program

Cost Center	PROGRAM	FY 2022-2023 BUDGET FTE	FY 2023-2024 BUDGET FTE	FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
11	Administrative - Board	1.56	1.78	\$ 1,241,367	\$ 1,500,516	\$ 1,684,329
12	Administrative - General	3.97	4.58	839,870	759,856	1,064,429
13	Personnel / Staff Development	1.81	1.66	429,925	392,644	498,424
19	Overhead	4.23	4.49	1,213,523	884,634	1,232,574
21	Reliability Planning and Engineering	2.67	2.68	797,116	536,282	852,102
23	Metropolitan Issues and Water Policy	3.81	2.43	935,272	733,757	753,623
31	Governmental Affairs	0.85	0.85	471,604	482,583	637,786
35	Water Use Efficiency (Core)	1.06	1.09	484,084	529,806	450,581
32	Public Affairs	4.59	4.63	1,140,950	1,117,312	1,242,117
41	Finance	3.19	3.22	601,942	643,951	659,525
45	Information Technology	0.99	1.00	383,491	390,634	489,419
25	MWDOC's Contribution to WEROC	3.10	3.05	296,290	296,290	293,517
CORE TOTAL		31.83	31.46	\$ 8,835,434	\$ 8,268,265	\$ 9,858,426
62	Water Use Efficiency Program	4.69	5.51	831,328	866,137	1,026,012
63	School Programs	0.06	0.05	429,838	425,674	435,959
70	Water Loss Control	3.05	3.38	496,786	408,418	557,848
CHOICE TOTAL		7.80	8.94	\$ 1,757,952	\$ 1,700,230	\$ 2,019,820
CORE & CHOICE TOTAL		39.63	40.40	\$ 10,593,386	\$ 9,968,495	\$ 11,878,246
Includes:	Full-time employees	33.66	33.72	(2)		
	Part-time employees	0.00	1.71			
	Interns	2.87	1.92			
	WEROC Full-time employees	3.10	3.05			

(1)

(1) Total Operational Costs of WEROC is allocated among MWDOC, OCWD, OCSD, Anaheim, Santa Ana, Fullerton and South Orange County Wastewater Authority. Capital Expenditures are provided by MWDOC. Dollars shown are MWDOC's share only.

(2) FTE's for 2022-2023 are calculated based on 2088 hours of work for the year. FTE's for 2023-2024 are calculated based on 2080 hours worked for the year. This corresponds to the actual working days for the fiscal year which varies year to year. MWDOC and WEROC combined are budgeted to have a total of 36 full-time employees, 6 part-time employee and 4 interns. Several full-time employees are budgeted to work less than 40 hours a week which explains the fractions of an FTE for full time employees.

Municipal Water District of Orange County
2023-2024 FISCAL MASTER PLAN PROJECTIONS
(in thousands)

	Projected ACTUALS FY22-23	BUDGET FY23-24	FISCAL MASTER PLAN PROJECTIONS ¹				
			FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Beginning Designated Reserve Balance - MWDOC	\$6,434	\$ 7,382	\$ 6,377	\$ 6,294	\$ 6,086	\$ 5,734	\$ 5,231
less OPEB Reserve	297	297	297	297	297	297	297
Adjusted Reserve Balance	6,137	7,085	6,080	5,997	5,789	5,437	4,934
Revenues							
Water Rate Revenues:							
Retail Meter Agency Charge	8,885	9,206	9,529	9,720	9,913	10,106	10,301
Ground Water Customer Charge	368	391	406	422	438	454	472
Subtotal	9,253	9,597	9,935	10,142	10,350	10,560	10,772
Other Revenues:							
Choice Revenues	1,700	2,020	2,097	2,177	2,260	2,347	2,436
Interest Earnings	256	319	221	266	318	377	443
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	1,959	2,342	2,321	2,446	2,581	2,727	2,882
Total Revenues	11,212	11,940	12,256	12,588	12,931	13,287	13,654
Expenses							
Core Expenses	8,242	9,833	10,209	10,598	11,003	11,424	11,860
Choice Expenses	1,700	2,020	2,097	2,177	2,260	2,347	2,436
Capital Acquisitions (not including building)	172	26	20	20	20	20	20
Total Expenses w/o Building & Election	10,114	11,879	12,326	12,796	13,284	13,790	14,316
Revenue Over Expenses w/o Building & Election	1,098	61	(70)	(208)	(352)	(503)	(662)
ELECTION Reserve Beginning Balance	462	358	739	-	-	-	-
Annual Election Reserve Contribution	381	381	-	-	-	-	-
Annual Election Expense	485	-	871	-	653	-	653
Election Reserve Ending Balance	358	739	-	-	-	-	-
BUILDING Reserve Beginning Balance	437	729	1,025	1,028	1,018	1,008	998
Annual Building Reserve Contribution	442	685	13	-	-	-	-
Annual Building Expense	150	389	10	10	10	10	10
Building Reserve Ending Balance	729	1,025	1,028	1,018	1,008	998	988
CASH FLOW Reserve Beginning Balance	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Annual Cash Flow Reserve Contribution	-	-	-	-	-	-	-
Cash Flow Reserve Ending Balance	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Ending General Fund & Cash Flow Reserves	\$ 5,998	\$ 4,316	\$ 4,969	\$ 4,771	\$ 4,429	\$ 3,936	\$ 3,284
Document does not reflect MWDOC's irrevocable trust towards OPEB liability							
MWDOC Water Rates							
Total Retail Customer Meters	646,211	646,053	646,000	648,000	650,000	652,000	654,000
Connection Charge	\$ 13.75	\$ 14.25	\$ 14.75	\$ 15.00	\$ 15.25	\$ 15.50	\$ 15.75
Fixed Charge %		100%	100%	100%	100%	100%	100%
Rate Increase Proposal:							
Connection Charge	\$	0.50	\$ 0.50	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25

1 Assumptions for FMP:

five year rolling average Inflation rate: 3.82% per year

Rate of return on Investment of portfolio: 2.10% per year

Working Capital and Interest Revenue Projections

	FISCAL MASTER PLAN PROJECTIONS				
	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Working Capital:					
Designated Reserve Fund	6,377	6,294	6,086	5,734	5,231
Average Revenue from Agencies	4,967	5,071	5,175	5,280	5,386
WUE use of fund	(200)	(200)	(200)	(200)	(200)
Water Payment Float	7,288	7,313	7,338	7,363	7,388
Average Working Capital	18,432	18,478	18,399	18,177	17,805
Interest rate	1.20%	1.44%	1.73%	2.07%	2.49%
Interest Revenue Projections:					
Interest income - General	221	266	318	377	443
Total Interest Revenue Projections	221	266	318	377	443

Exhibit D

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Proposed District Participation Costs
Fiscal Year 2023-24**

	Budget FY 2022-2023	Projected FY 2022-2023 Actuals	Budget FY 2023-24	Approval included in Budget Approval
Required Participation or Service				
LAFCO	\$ 36,716	\$ 38,264	\$ 39,795	√
Subtotal Cost Center 11	\$ 36,716	\$ 38,264	\$ 39,795	
Association of Calif. Water Agencies (ACWA)	\$ 23,000	\$ 24,655	\$ 25,641	√
South OC Watershed Management Area Dues	\$ 11,250	\$ 7,987	\$ 8,300	√
Subtotal Cost Center 12	\$ 34,250	\$ 32,642	\$ 33,941	
Subtotal - Required Participation or Service	\$ 70,966	\$ 70,906	\$ 73,736	
Elective Participation				
Colorado River Water Users Association (CRWUA)	\$ 60	\$ -	\$ -	√
Subtotal Cost Center 11	\$ 60	\$ -	\$ -	
Association of California Cities- Orange County (ACCOC)	\$ 5,100	\$ 5,000	\$ 5,200	√
American Water Works Association (AWWA)	\$ 1,800	\$ 1,977	\$ 2,056	√
Association of Metropolitan Water Agencies (AMWA)	\$ 21,876	\$ 25,900	\$ 26,936	√
CA Chamber of Commerce (HR California)	\$ 580	\$ 869	\$ 904	√
California Council for Environmental and Economic Balance (CCEEB)	\$ -	\$ -	\$ 31,500	New
Cal Desal	\$ 5,100	\$ 5,000	\$ 5,200	√
California Association of Public Information Officers (CAPIO)	\$ 825	\$ 945	\$ 982	√
California Environmental Literacy Initiative	\$ 600	\$ 600	\$ 624	√
California Municipal Treasurers Association (CMTA)	\$ 175	\$ 175	\$ 182	√
California Municipal Utilities Association (CMUA)	\$ 6,480	\$ 9,286	\$ 9,657	√
California Society of Municipal Finance Officers (CSMFO)	\$ 120	\$ 120	\$ 125	√
California Special Districts Association (CSDA)	\$ 8,100	\$ 8,810	\$ 9,162	√
California Water Efficiency Partnership (CalWEP)	\$ 6,030	\$ 6,030	\$ 6,271	√
California Water, Energy and Education Alliance (CWEEA)	\$ 1,200	\$ 1,200	\$ 1,248	√
Colorado River Water Users Association (CRWUA)	\$ 100	\$ -	\$ -	√
Department of Water Resources Education Committee	\$ 1,500	\$ 1,500	\$ 1,560	√
Government Finance Officers Association (GFOA)	\$ 170	\$ 170	\$ 177	√
Indep. Special Districts of Or. Co. (ISDOC)	\$ 50	\$ 50	\$ 52	√
International Association of Business Communicators (IABC)	\$ 375	\$ 375	\$ 390	√
International Personnel Management Association (IPMA)	\$ 60	\$ 60	\$ 62	√
National Water Resources Assn., Mun. Caucus	\$ 545	\$ 545	\$ 567	√
OC Chapter-Calif. Landscape Contractors Assoc.	\$ 2,250	\$ 2,250	\$ 2,340	√
Orange County Business Council (OC Chamber)	\$ 5,250	\$ 5,000	\$ 5,200	√
Orange County Public Affairs Association (OCPAA)	\$ 625	\$ 625	\$ 650	√
Orange County Water Association (OCWA)	\$ 250	\$ 250	\$ 260	√
Public Relations Society of America/O.C. (PRSA)	\$ 1,340	\$ 1,340	\$ 1,394	√
Radio and Television News Directors Association	\$ -	\$ -	\$ 75	New
Society of Human Resources Management (SHRM)	\$ 229	\$ 229	\$ 238	√
Southern California Personnel Management Assoc. (SCPMA)	\$ 60	\$ 60	\$ 62	√
South Orange County Economic Coalition (SOCEC)	\$ 1,630	\$ 1,630	\$ 1,695	√
Southern California Water Coalition (SCWC)	\$ 1,020	\$ 1,020	\$ 1,061	√
Urban Water Institute	\$ 1,326	\$ 1,326	\$ 1,379	√
Water Environment Federation	\$ 55	\$ 55	\$ 57	√
Subtotal Cost Center 12	\$ 74,821	\$ 82,397	\$ 117,266	
Subtotal - Elective Participation	\$ 74,881	\$ 82,397	\$ 117,266	
International Association of Emergency Managers	\$ 390	\$ -	\$ 400	√
AWWA CA/NV Sec Spring 2023	\$ 196	\$ -	\$ 311	√
California Emergency Services Association	\$ 294	\$ -	\$ 239	√
WEROC Program Total	880	-	950	
GRAND TOTAL - General Fund	\$ 145,847	\$ 153,303	\$ 191,002	

Exhibit E

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Staff Registration & Travel Budget ⁽¹⁾ Fiscal Year 2023-24

Conference / Meeting	Location/Date/Staff	Registration	Travel ⁽¹⁾	Approval included in Budget Approval
Association of California Water Agencies (ACWA)	DC Conference, TBD	\$ 2,700	\$ 6,600	✓
	DC Conference, TBD	\$ 2,700	\$ 6,600	✓
	Fall Conference, Nov. 28-30, 2023, Indian Wells, Ca	\$ 3,875	\$ 5,000	✓
	Spring Conference, TBD	\$ 3,875	\$ 9,000	✓
	Region 10, TBD	\$ 150		✓
	Legislative Symposium, Sacramento, TBD	\$ 285	\$ 800	✓
Association of California Cities- Orange County (ACCOC)	Sacramento, TBD	\$ 1,200	\$ 1,600	✓
	Washington DC, TBD	\$ 1,800	\$ 4,400	✓
Association of Metropolitan Water Agencies(AMWA)	Misc. Conference TBD			✓
	Water Policy Conference TBD			✓
	Executive Mgmt Conference, TBD			✓
American Water Works Association (AWWA)	Cal Nevada Fall Conference, October, 23-26, 2023, Las Vegas, NV	\$ 1,750	\$ 2,400	✓
	North American Water Loss Conference, Denver, CO, TBD	\$ 2,000	\$ 3,600	
	ACE June 10, 2024, Anaheim, Ca	\$ 1,280	\$ 200	
	Water Infrastructure, September 10, 2023, Philadelphia, PA	\$ 1,280	\$ 6,400	
	Cal Nevada Section Annual Conference, San Diego, Ca TBD	\$ 875	\$ 1,200	✓
	Sustainable Water Management , April 1, 2024, TBD	\$ 875	\$ 1,200	✓
California Association of Public Information Officers (CAPIO)	Annual Conference, TBD	\$ 1,250	\$ 3,000	✓
California Council for Environmental And Economic Balance (CCEEB)	Annual Conference - 2 x per year	\$ 2,800	\$ 5,000	New
Cal Desal	Annual Conference, TBD	\$ 250	\$ 500	✓
California Environmental Literacy Initiative	Sacramento Ca, TBD		\$ 1,500	✓
California Employees Public Retirement System(CalPERS)	Annual Employer Education Forum, 2023, TBD	\$ 1,347	\$ 300	✓
California Municipal Utilities Association (CMUA) Capitol Days	Capital Days, Sacramento, TBD	\$ 195	\$ 800	✓
California Municipal Utilities Association (CMUA) Annual Conference	Annual Conference, TBD	\$ 600	\$ 800	✓
Colorado River Water Users Association (CRWUA)	Annual Conference, TBD	\$ 2,650	\$ 4,500	✓
California Special Districts Association (CSDA)	Legislative Days, TBD	\$ 275	\$ 800	✓
	Annual Spring Conference, TBD	\$ 500	\$ 800	✓
California Water Efficiency Partnership (CalWEP)	Membership Meetings, 1=No. Cal & 2=So. Cal		\$ 800	✓
	Board Meetings, 2=No. Cal & 2=So. Cal		\$ 500	✓
	Peer to Peer, TBD	\$ 1,250	\$ 4,000	✓
Department of Water Resources Education Committee	Sacramento, TBD		\$ 2,400	✓
Department of Water Resources (DWR)/State Water Resources Control Board (SWRCB)	Urban Advisory Group Meetings, Sacramento		\$ 1,800	✓
ESRI	GSI User Conference, July 10-14, 2023, San Diego, Ca	\$ 1,700	\$ 1,000	
Legislative Advocacy	Sacramento		\$ 3,000	✓
	Washington DC		\$ 5,000	✓
Liebert, Cassidy Whitmore	Annual Public Sector Conference, TBD	\$ 1,200	\$ 200	✓
Multi-State Salinity Coalition	Annual Salinity Summit, February 22-24, 2023, Las Vegas, NV	\$ 245	\$ 500	✓
Orange County Business Council (OCBC)	Advocacy, Sacramento, TBD	\$ 1,800	\$ 1,600	✓
	Advocacy, DC, TBD	\$ 1,800	\$ 4,400	✓
Public Relations Society of America	Annual Conference, October 15-17, 2023, Nashville, TN	\$ 900	\$ 3,600	✓
Urban Water Institute	Fall Conference, TBD	\$ 1,725	\$ 1,800	✓
	Spring Conference, TBD	\$ 1,150	\$ 1,200	
Water Smart Innovations	Annual Conference, October 1, 2023, Las Vegas NV	\$ 2,750	\$ 6,000	
Miscellaneous*		\$ 3,500	\$ 4,000	✓
General Fund Total **		\$ 52,532	\$ 108,800	
Conferences/Meetings/Trainings				
International Assoc. of Emergency Managers	Long Beach, CA Nov 6-9, 2023	\$ 2,150	\$ 200	✓
California Emergency Services Association (Fall)	Indian Wells, Ca, May 2024	\$ 1,950	\$ 2,900	✓
AWWA CA/NV Section	Fall 2023 Las Vegas, NV Oct 23-26, 2023; Spring 2024 Anaheir	\$ 1,700	\$ 1,400	✓
WEROC Program Total		\$ 5,800	\$ 4,500	
PROPOSED GENERAL FUND BUDGET		\$ 52,532	\$ 108,800	

* Includes OCWA lunch meetings, ISDOC, OCBC, SCWC, League of Cities, Misc. Assoc/Committee meetings and related business meeting expenses.

** Excludes automotive mileage.

(1) Includes all modes of travel (except automotive mileage), room accommodations, meals, and related misc. expenses.

Exhibit F

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Summary of Proposed Board Registration & Travel Budget ⁽¹⁾
Fiscal Year 2023-24**

Conference	Location/Date/Directors	Registration	Travel ⁽¹⁾	Approval included in Budget Approval
Association of California Water Agencies (ACWA)	DC Conference,	\$ 1,800	\$ 4,400	√
	DC Conference,	\$ 1,800	\$ 4,400	New
	Fall Conference November 28-30, 2023, Indian Wells, Ca	\$ 3,875	\$ 5,000	√
	Spring Conference,TBD	\$ 2,325	\$ 5,400	√
	Region 10, TBD	\$ 50		√
Association of California Cities- Orange County (ACCOC)	Sacramento, TBD	\$ 600	\$ 800	√
	Washington DC, TBD	\$ 900	\$ 2,200	√
American Water Works Association/Water Environment Federation (AWWA/WEF)	Utility Management Conference, TBD	\$ 875	\$ 1,200	√
Bond Buyers	Conference, TBD	\$ 275	\$ 300	√
California Special Districts Association (CSDA)	Legislative Days, Sacramento,	\$ 275	\$ 800	√
California Council For Environmental And Economic Balance (CCEEB)	Annual Conference - 2 x per year	\$ 2,800	\$ 5,000	New
Cal Desal	Annual Conference, TBD	\$ 1,590	\$ 2,700	√
Colorado River Water Users Association (CRWUA)	Annual Conference, December 13-15, 2023, Las Vegas NV	\$ 1,250	\$ 2,500	√
Legislative Advocacy	Sacramento		\$ 1,500	√
	Washington DC		\$ 2,500	√
Orange County Business Council (OCBC)	Advocacy Trip, Sacramento, TBD	\$ 900	\$ 2,200	√
	Advocacy Trip-DC, TBD	\$ 900	\$ 800	√
Urban Water Institute	Fall Conference,	\$ 1,725	\$ 1,800	√
	Spring Conference,TBD	\$ 1,725	\$ 1,800	√
Miscellaneous*		\$ 1,200	\$ 1,500	√
TOTAL**		\$ 24,865	\$ 46,800	

PROPOSED GENERAL FUND BUDGET

<u>\$ 24,865</u>	<u>\$ 46,800</u>
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* Includes OCWA lunch meetings, ISDOC, OCBC, SCWC, League of Cities, Misc. Assoc/Committee meetings and related business meeting expenses.

** Excludes automotive mileage.

(1) Includes all modes of travel (except automotive mileage), room accommodations, meals, and related misc. expenses.

Exhibit G

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed Total Membership that Includes Registration & Travel Costs⁽¹⁾ Fiscal Year 2023-24

Conference / Meeting	Membership	Registration	Travel	Total
American Water Works Association (AWWA)	\$ 8,935	\$ 2,056	\$ 16,200	\$ 27,191
Association of California Cities- Orange County (ACCOC)	\$ 4,500	\$ 5,200	\$ 9,000	\$ 18,700
Association of California Water Agencies (ACWA)	\$ 23,435		\$ 47,200	\$ 70,635
Bond Buyers	\$ 275		\$ 300	\$ 575
Cal Desal	\$ 1,840	\$ 5,200	\$ 3,200	\$ 10,240
California Association of Public Information Officers (CAPIO)	\$ 1,250	\$ 982	\$ 3,000	\$ 5,232
California Council for Environmental and Economic Balance (CCEEB)	\$ 5,600	\$ 31,500	\$ 10,000	\$ 47,100
California Employees Public Retirement System(CalPERS)	\$ 1,347		\$ 300	\$ 1,647
California Municipal Treasurers Association (CMTA)	\$ 795		\$ 1,600	\$ 2,395
California Special Districts Association (CSDA)	\$ 1,050	\$ 9,162	\$ 2,400	\$ 12,612
California Water Efficiency Partnership (CalWEP)	\$ 1,250	\$ 6,271	\$ 5,300	\$ 12,821
Colorado River Water Users Association (CRWUA)	\$ 3,900	\$ -	\$ 7,000	\$ 10,900
ESRI	\$ 1,700		\$ 1,000	\$ 2,700
Liebert, Cassidy Whitmore	\$ 1,200		\$ 200	\$ 1,400
Multi-State Salinity Coalition	\$ 245		\$ 500	\$ 745
Orange County Business Council (OCBC)	\$ 5,400		\$ 9,000	\$ 14,400
Public Relations Society of America	\$ 900		\$ 3,600	\$ 4,500
Urban Water Institute	\$ 6,325	\$ 1,379	\$ 6,600	\$ 14,304
Water Smart Innovations	\$ 2,750		\$ 6,000	\$ 8,750
Miscellaneous*	\$ 4,700		\$ 5,500	\$ 10,200
<hr/>				
Grand Total for Memberships with Conferences/Travel:	\$ 77,397	\$ 61,750	\$ 137,900	\$ 277,047

(1) Includes all modes of travel (except automotive mileage), room accommodations, meals, and related misc. expenses.

Exhibit H

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Schedule of Capital Expenditures
Fiscal Year 2023-2024

	Proposed Budget	Approval included in <u>Budget Approval</u>
Furniture and Fixtures- 19-8810:		
MWDOC Office Improvements (Wall Displays, artwork/kitchen remodel/appliances/furniture)	\$ 25,892	√
Subtotal 8810 Improvements	\$ 25,892	
 Building Improvements- 19-8811:		
• Kitchen Remodel/permit/plan check/Constr Mgmt.	\$ 222,686	√
Subtotal 8811 Improvements	\$ 222,686	
 New Realized Costs - Cost Center 19	<hr/> \$ 248,578	

Exhibit J
Professional / Special Services Authorized
Core Fund

Department	Consultant	Service	Budget FY 22-23	Budget FY 23-24	* Approval included in Budget Approval
Outside Consulting Expense					
Planning & Operation (21)	CDR	Population Projections (May 2024)	\$ 15,000	\$ 10,000	√
	CDM Smith	Supplemental Analysis of Water Supplies	\$ 100,000	\$ 60,000	√
	(To be determined)	On Call Work	\$ 10,000	\$ 35,000	
	Hazen, Ed Means Consulting	EOCF#2 Pilot Project	\$ 150,000	\$ 75,000	√
	(To be determined)	Salinity Control - Colorado River - High Level Scope	\$ -	\$ 50,000	
Total Planning & Operations Expenses			\$ 275,000	\$ 230,000	
Met Issues & Special Projects (23)	Ed Means Consulting	Consulting on MET issues	\$ 25,000	\$ 25,000	√
	(To be determined)	Financial & Rate Consulting	\$ 35,000	\$ -	
	Dopudja & Wells Consulting- Paul Jones	MET and Reliability Planning (IRP & Delta)	\$ 50,000	\$ 67,000	√
	(To be determined)	Financial Model for MWD	\$ 25,000	\$ 20,000	
Total MET Issues & Special Projects Expenses			\$ 135,000	\$ 112,000	
Total Outside Consulting Expense			\$ 410,000	\$ 342,000	
Legal Expenses					
Administration (11 & 13)	Best, Best & Krieger	General Legal Counsel Services	\$ 210,000	\$ 200,000	√
	Aleshire & Wynder	Legal Counsel Services Regarding San Diego CWA	\$ 15,750	\$ 16,000	√
	Best, Best & Krieger	Labor Counsel Services	\$ 10,000	\$ 25,000	√
Total Legal Expenses			\$ 235,750	\$ 241,000	
Audit Expenses					
Finance (41)	Davis Farr, LLP	Annual Financial Audit and Federal Single Audit	\$ 35,000	\$ 36,500	√
Training					
Administration (13)	Cal State University Fullerton/Municipal Resources Group/Centre for Organization Effectiveness	Staff Development/Technical Training/Leadership Training	\$ 45,000	\$ 35,000	√
Professional Fees					
Administration (12 & 13 & 19)	Economic Group Pension Services (EGPS) formerly Dissinger Associates	Pension Plan Administration	\$ 4,000	\$ 4,000	√
	TBD	Advisor to assist with review of 401a and 457 Plans and investments	\$ -	\$ 50,000	√
	TBD	Consultant to assist with Strategic Planning Workshop and Facilitation	\$ -	\$ 50,000	√
	TBD	Triennial Benchmark Salary and Benefits Study	\$ -	\$ 45,000	√
	IGOE	Cafeteria Plan Administration	\$ 700	\$ 750	√
	Gladwell Services	Records Management Consulting	\$ 1,200	\$ 600	√
	Health Equity	Health Equity	\$ 125	\$ 125	√
Governmental Affairs (31)	BBK Legislation	State Legislative Advocate	\$ 96,000	\$ 96,000	√
	Natural Resource Results	Federal Legislative Advocate	\$ 96,000	\$ 96,000	√
	Dopudja & Wells		\$ -	\$ 60,000	√
	Whittingham Public Affairs Adv.		\$ -	\$ 90,000	√
	Soto Services	Grant Research and Acquisition Assistance	\$ 42,000	\$ 39,000	√
	Ackerman	Legal and Regulatory	\$ 42,000	\$ 42,000	√
	Travel		\$ -	\$ 5,000	√
Public Affairs (32)	Stetson Engineers	Consumer Confidence Report (CCR) Technical Water Quality Advisor	\$ 50,000	\$ 55,000	√
	So Cal Water Coalition	Delta Conveyance Program Support	\$ 30,000	\$ 30,000	√
	(To be determined)	Collateral materials update and resolutions/proclamations	\$ 5,000	\$ 5,000	
	Hashtag Pinpoint	Strategic Digital Outreach Contract	\$ 95,000	\$ 120,000	√
	(To be determined)	Polling Public Sentiment Analysis	\$ 25,000	\$ -	
	(To be determined)	Education Initiatives	\$ 35,000	\$ -	
	(To be determined)	Website Research	\$ 50,000	\$ -	
	(To be determined)	Drought Campaign	\$ -	\$ 50,000	
	(To be determined)	Wyland Mayors Challenge	\$ 10,000	\$ -	
	PSAV	Special Events AV Support	\$ 51,000	\$ 40,000	√
WUE - Core (35)	(To be determined)	Advertising	\$ 20,000	\$ 40,000	
	(To be determined)	Scouts Program	\$ 7,500	\$ -	
	(To be determined)	General WUE Research	\$ 75,000	\$ 75,000	
	Water Systems Optimization	Water Loss Control Work Grp (WLC)	\$ 55,000	\$ 55,000	√
Finance & IT (41 & 45)	Water Systems Optimization	WLC Business Plan Implementation	\$ 25,000	\$ 35,000	√
	OC Data Acquisition P/S (OCDAP)	Aerial Imagery and Landscape Measurement Project	\$ 75,000	\$ -	√
	U.S. Bank	Custodial Bank fees	\$ 6,500	\$ 12,000	√
Finance & IT (41 & 45)	CalPERS	CalPERS GASB 68 Report	\$ 700	\$ 700	√
	Accent Computer Solutions, Inc	IT Consultant	\$ -	\$ 95,000	√
	(To be determined)	Financial Consulting	\$ 15,000	\$ -	
	Demsey Filliger & Assoc., LLC	OPEB Actuarial	\$ 3,750	\$ 750	√
Total Professional Fees			\$ 916,475	\$ 1,191,925	

WEROC

Department	Consultant	Service	Budget FY 22-23	Budget FY 23-24	* Approval included in Budget Approval
Professional Fees					
WEROC (25)	CDR	Mapping Project	\$ -	\$ 4,000	new
Total Professional Fees			-	4,000	

* Approval of the budget constitutes authorization for spending within the policy guidelines set out in Chapter 8, Contracts section of the Administrative code including authorization limitations. A check mark indicates final board approval of the expenditure.

Exhibit J1
Professional / Special Services Authorized
Choice Funds

Department	Consultant	Service	Budget FY 22-23	Budget FY 23-24	* Approval included in Budget Approval
Training					
Water Loss Control (70)	(To be determined)	Water lost training	\$ 8,000	\$ 1,000	√
Professional Fees					
Water Loss Control (70)	USA Leak Detection	Leak Detection	\$ 20,000	\$ 20,000	√
	Westerley & McCall's	Meter Accuracy Testing	\$ 35,000	\$ 35,000	√
Water Use Efficiency (62)	Various Printers	Printing of marketing materials for all WUE programs	\$ 40,000	\$ 60,000	√
	Droplet	Web Based Rebate Processing Platform (Turf & Drip)	\$ 30,000	\$ 30,000	√
	Droplet	E-Signature Rebate Processing	\$ 7,100	\$ 7,100	√
	Mission Resource Cnsvr District	Residential Installation Verification Inspections	\$ 50,000	\$ 50,000	√
School Program (63)	Discovery Cube/Shows That	Assemblies (Elementary School)	\$ 288,310	\$ 293,400	√
	Bolsa Chica Conservancy	Assemblies (High School)	\$ 63,930	\$ 65,000	√
	Discovery Cube	Assemblies (Middle School)	\$ 65,441	\$ 66,600	√
Total Professional Fees			\$ 607,781	\$ 628,100	

* Approval of the budget constitutes authorization for spending within the policy guidelines set out in Chapter 8, Contracts section of the Administrative code including authorization limitations. A check mark indicates final board approval of the expenditure.

Total Core Expenses

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,835,412	3,450,473	4,282,781
6090	Directors Compensation - MWDOC	275,041	273,077	275,041
6095	Directors Compensation - MWD	157,166	142,432	117,875
6105	Benefits - Admin	1,260,901	1,074,831	1,268,158
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
6111	Overhead Reimbursement	(333,099)	(328,848)	(427,762)
6115	Benefits - Directors	132,976	49,875	104,447
6120	Health Insurance Coverage for Retirees	94,554	68,794	84,847
6205	Training	45,000	25,000	35,000
6210	Tuition Reimbursement	5,000	5,000	5,000
6220	Temporary Help	5,000	-	5,000
7010	Outside Consulting Services	410,000	205,000	342,000
7020	Legal - General	235,750	185,687	241,000
7030	Audit	35,000	27,000	36,500
7040	Other Professional Fees	916,475	991,390	1,191,325
7110	Conference - Employee	56,205	26,677	52,532
7115	Conference - Directors	23,905	20,130	24,865
7150	Travel & Accommodations - Employee	90,325	38,026	108,800
7155	Travel & Accommodations - Director	32,900	27,100	46,800
7210	Membership / Sponsorship	145,847	153,303	191,002
7250	CDR Participation	57,462	57,460	59,758
7305	Business Expense	2,500	900	2,000
7310	Office Maintenance	151,400	154,888	175,860
7315	Building Repair & Maintenance	22,056	18,962	25,200
7320	Rents & Leases	1,800	1,699	1,800
7330	Office Supplies	35,000	20,983	27,000
7340	Postal / Mail Delivery	10,900	10,505	11,275
7350	Subscriptions / Books	1,000	600	1,000
7360	Reproduction Expense	84,000	83,246	93,000
7410	Computer & Peripherals Maint	7,000	7,000	5,000
7430	Software Purchase	92,793	99,000	103,798
7440	Software Support	55,615	55,615	47,720
7510	Site Maintenance	-	-	-
7450	Computers and Equipment	43,950	43,950	43,000
7580	Maintenance Expense	6,000	-	6,000
7610	Automotive / Mileage	13,500	6,500	9,000
7615	Toll Road Charges	900	300	575
7620	Insurance Expense	140,000	171,736	182,976
7640	Utilities - Telephone	40,790	36,426	43,918
7650	Bank Fees	2,600	2,342	2,600
7670	Miscellaneous Expenses	57,520	46,420	124,700
8810	Capital Acquisition	81,000	26,497	25,892
	Total Expenditure	8,539,144	7,486,975	9,184,284
	MWDOC's Contribution to WEROC Oper	296,290	296,290	293,517
	MWDOC's Contribution to Election Rsrv	300,728	381,000	381,000
	MWDOC's Building Expense (8811)	246,600	149,938	389,000
	Building Prior Year Carryover Dr/(Cr)	476,477	-	(166,314)
		<u>9,859,239</u>	<u>8,314,203</u>	<u>10,081,487</u>

Total Choice Revenue and Expense

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
4215	Choice Revenue	1,757,952	1,190,854	2,019,820
4205	School Contracts	-	120,895	-
4705	Prior Year Carry Over	-	213,153	-
		-	-	-
	Choice billing over/under	-	175,328	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	Total Revenue	1,757,952	1,700,230	2,019,820

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	593,718	606,460	740,385
	S & B Reimb. DSC or Recov from Grants	(20,000)	(30,874)	(20,000)
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	180,931	158,207	212,653
6111	Overhead Reimbursement	333,099	328,848	427,762
6115	Benefits - Directors	-	-	-
6120	Health Insurance Coverage for Retirees	-	-	-
6205	Training	8,000	-	1,000
6210	Tuition Reimbursement	-	-	-
6220	Temporary Help	-	-	-
7010	Outside Consulting Services	-	-	-
7020	Legal - General	-	-	-
7030	Audit	-	-	-
7040	Other Professional Fees	182,100	182,100	202,100
	Other Professional Fees - School Programs	417,681	417,681	425,000
7110	Conference - Employee	-	-	-
7115	Conference - Directors	-	-	-
7150	Travel & Accommodations - Employee	-	-	-
7155	Travel & Accommodations - Director	-	-	-
7210	Membership / Sponsorship	-	-	-
7250	CDR Participation	-	-	-
7310	Office Maintenance	-	-	-
7320	Rents & Leases	-	-	-
7330	Office Supplies	-	-	-
7332	Supplies - Water Loss Control	4,000	4,000	4,000
7340	Postal / Mail Delivery	400	350	400
7350	Subscriptions/Books	-	-	-
7360	Reproduction Expense	-	-	-
7410	Computer & Peripherals Maint	-	-	-
7430	Software Purchase	2,300	2,416	2,200
7440	Software Support	-	-	-
7450	Computers and Equipment	-	-	-
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	-	400	400
7612	Vehicle Expense	7,343	7,343	12,000
7615	Toll Road Charges	1,200	100	400
7620	Insurance Expense	-	-	-
7640	Utilities - Telephone	2,900	2,664	2,520
7650	Bank Fees	-	-	-
7670	Miscellaneous Expenses	12,000	10,000	9,000
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	32,280	10,535	-
	Total Expenditure	1,757,952	1,700,230	2,019,820

Total Core and Choice Expenses

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	4,429,130	4,056,933	5,023,166
	S & B Reimb. DSC or Recov from Grants	(20,000)	(30,874)	(20,000)
6090	Directors Compensation - MWDOC	275,041	273,077	275,041
6095	Directors Compensation - MWD	157,166	142,432	117,875
6105	Benefits - Admin	1,441,831	1,233,038	1,480,811
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
6111	Overhead Reimbursement	-	-	-
6115	Benefits - Directors	132,976	49,875	104,447
6120	Health Insurance Coverage for Retirees	94,554	68,794	84,847
6205	Training	53,000	25,000	36,000
6210	Tuition Reimbursement	5,000	5,000	5,000
6220	Temporary Help	5,000	-	5,000
7010	Outside Consulting Services	410,000	205,000	342,000
7020	Legal - General	235,750	185,687	241,000
7030	Audit	35,000	27,000	36,500
7040	Other Professional Fees	1,098,575	1,173,490	1,393,425
	Other Professional Fees - School Programs	417,681	417,681	425,000
7110	Conference - Employee	56,205	26,677	52,532
7115	Conference - Directors	23,905	20,130	24,865
7150	Travel & Accommodations - Employee	90,325	38,026	108,800
7155	Travel & Accommodations - Director	32,900	27,100	46,800
7210	Membership / Sponsorship	145,847	153,303	191,002
7250	CDR Participation	57,462	57,460	59,758
7305	Business Expense	2,500	900	2,000
7310	Office Maintenance	151,400	154,888	175,860
7315	Building Repair & Maintenance	22,056	18,962	25,200
7320	Rents & Leases	1,800	1,699	1,800
7330	Office Supplies	35,000	20,983	27,000
7332	Supplies - Water Loss Control	4,000	4,000	4,000
7340	Postal / Mail Delivery	11,300	10,855	11,675
7350	Subscriptions / Books	1,000	600	1,000
7360	Reproduction Expense	84,000	83,246	93,000
7410	Computer & Peripherals Maint	7,000	7,000	5,000
7430	Software Purchase	95,093	101,416	105,998
7440	Software Support	55,615	55,615	47,720
7450	Computers and Equipment	43,950	43,950	43,000
7580	Maintenance Expense	6,000	-	6,000
7610	Automotive / Mileage	13,500	6,900	9,400
7612	Vehicle Expense	7,343	7,343	12,000
7615	Toll Road Charges	2,100	400	975
7620	Insurance Expense	140,000	171,736	182,976
7640	Utilities - Telephone	43,690	39,090	46,438
7650	Bank Fees	2,600	2,342	2,600
7670	Miscellaneous Expenses	69,520	56,420	133,700
8810	Capital Acquisition	113,280	37,032	25,892
	Total Expenditure	10,297,096	9,187,205	11,204,103
	MWDOC's Contribution to WEROC Oper	296,290	296,290	293,517
	MWDOC's Contribution to Election Rsrv	300,728	381,000	381,000
	MWDOC's Building Expense (8811)	246,600	149,938	389,000
		11,617,191	10,014,433	12,101,307

Administrative - Board

11

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	253,955	211,258	324,466
6090	Directors Compensation - MWDOC	275,041	273,077	275,041
6095	Directors Compensation - MWD	157,166	142,432	117,875
6105	Benefits - Admin	80,397	59,612	85,590
6115	Benefits - Directors	132,976	49,875	104,447
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services			
7020	Legal - General	225,750	177,187	216,000
7030	Audit			
7040	Other Professional Fees			50,000
7110	Conference - Employee			
7115	Conference - Directors	23,905	20,130	24,865
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director	32,900	27,100	46,800
7210	Membership / Sponsorship	36,776	38,264	39,795
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery	7,000	7,381	7,675
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computers & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage	9,000	4,500	4,500
7615	Toll Road Charges	500	200	275
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	4,500	6,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses	-	485,000	381,000
8810	Capital Acquisition			
	Total Expenditure	1,241,367	1,500,516	1,684,329

1	• Best, Best & Krieger	\$ 157,687
	• Aleshire & Wynder	\$ 19,500
		\$ 177,187
2	• Best, Best & Krieger	\$ 200,000
	• Aleshire & Wynder	\$ 16,000
		\$ 216,000
3	• Strategic plan workshop and Board Studies	\$ 50,000
4	• See Exhibit F	
5	• See Exhibit D	

MWDOC's Contribution to Election Reserve	300,728	381,000	381,000
	1,542,095	1,881,516	2,065,329

Administrative - General
12

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	356,645	364,179	458,325
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	153,562	153,674	169,007
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help	5,000		5,000
7010	Outside Consulting Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	1,200	-	50,000
7110	Conference - Employee	56,205	26,677	52,532
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	90,325	38,026	108,800
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	109,071	115,039	151,207
7250	CDR Participation	57,462	57,460	59,758
7305	Business Expense	2,500	900	2,000
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books	1,000	600	1,000
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage	4,500	2,000	4,500
7615	Toll Road Charges	400	100	300
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	2,000	1,200	2,000
8810	Capital Acquisition			
	Total Expenditure	839,870	759,856	1,064,429

1 • See Exhibit J.

2 • See Exhibit E.

2 • See Exhibit E.

2 • See Exhibit E.

3 • See Exhibit D.

3 • See Exhibit D.

Personnel / Staff Development
13

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	274,174	271,477	288,570	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	81,251	69,167	81,854	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training	45,000	25,000	35,000	1 • Staff Technical Training & Leadership Development Training
6210	Tuition Reimbursement	5,000	5,000	5,000	
6220	Temporary Help				
7010	Outside Consulting Services				
7020	Legal - General	10,000	8,500	25,000	2 • Additional funds for legal to assist with RFP and evaluation of 401/457 Plan Advisors
7030	Audit				
7040	Other Professional Fees	-	-	45,000	3 • Triennial Benchmark Study
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				4 • Employment Screening \$ 1,800
7310	Office Maintenance				• Lunch&Learns/Team Building \$ 800
7320	Rents & Leases				• EE Recognition \$ 2,500
7330	Office Supplies				• Holiday Luncheon \$ 3,700
7340	Postal / Mail Delivery				• flu Shots \$ 200
7350	Subscriptions / Books				• Job Ads/Recruiting \$ 2,800
7360	Reproduction Expense				• Workforce Development Testing \$ 2,700
7410	Computer & Peripherals Maint				• Miscellaneous \$ 3,500
7430	Software Purchase				
7440	Software Support				
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	14,500	13,500	18,000	
8810	Capital Acquisition				
	Total Expenditure	429,925	392,644	498,424	

\$ 18,000

Overhead
19

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	567,507	384,979	667,873	1 • For 13 Retirees
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				2 • EGPS \$ 4,000
6105	Benefits - Admin	178,480	115,401	192,575	• IGOE \$ 750
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000	• Health Equity \$ 125
6111	Overhead Reimbursement from Choice	(333,099)	(328,848)	(427,762)	\$ 4,875
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees	94,554	68,794	84,847	1 3 • Binding Machine \$ 800
6205	Training				• Atrium Maintenance \$ 14,100
6210	Tuition Reimbursement				• Window Cleaning \$ 2,000
6220	Temporary Help				• Carpet Cleaning \$ 2,400
7010	Outside Consulting Services				• Interior Plant Maintenance \$ 4,000
7020	Legal - General				• Furniture Cleaning \$ 3,000
7030	Audit				• OCWD Shared costs/receptionist/maintenance \$ 139,560
7040	Other Professional Fees	4,825	4,025	4,875	2 • Contingency \$ 10,000
7110	Conference - Employee				\$ 175,860
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				4 • Sewer Flush \$ 2,400
7155	Travel & Accommodations - Director				• Emergency Lighting Maintenance \$ 2,400
7210	Membership / Sponsorship				• Misc. Repairs \$ 10,600
7220	CUWA Participation				• HVAC Maintenance \$ 8,000
7240	AWWARF Participation				• Lobby Door Maintenance \$ 1,800
7250	CDR Participation				\$ 25,200
7310	Office Maintenance	151,400	154,888	175,860	3
7315	Building Repair & Maintenance	22,056	18,962	25,200	4 5 • Corodata \$ 800
7320	Rents & Leases	1,800	1,699	1,800	5 • El Toro Water District \$ 1,000
7330	Office Supplies	35,000	20,983	27,000	6 \$ 1,800
7340	Postal / Mail Delivery	3,900	3,124	3,600	7
7350	Subscriptions / Books				
7360	Reproduction Expense	6,500	5,746	6,000	6 • Coffee \$ 3,000
7410	Computer & Peripherals Maint				• Supplies \$ 24,000
7430	Software Purchase				27,000
7440	Software Support				
7450	Software Development				7 • OCWD \$ 1,500
7510	Site Maintenance				• Norco/FedEx/UPS \$ 600
7450	Computers and Equipment				• POB \$ 1,500
7580	Maintenance Expense	6,000		6,000	\$ 3,600
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense	140,000	171,736	182,601	8 • Spectrum \$ 22,200
7640	Utilities - Telephone	40,000	35,495	42,612	• Verizon \$ 1,932
7650	Bank Fees	2,600	2,342	2,600	• EE Cell Reimb. \$ 18,480
7670	Miscellaneous Expenses	4,000	3,500	4,000	\$ 42,612
8410	Overhead Reimbursement				
8610	Depreciation Expense				9 • Artwork, Kitchen(Furnishing, appliances), \$ 25,892
8810	Capital Acquisition	81,000	14,810	25,892	Office furniture \$ 25,892
	Total Expenditure	1,213,523	884,634	1,232,574	10 • Kitchen Remodel/permit/plan check/Constr Mgr \$ 39,000
	Capital Acquisition to Carryover (8810)	-	-	-	• Roof \$ 350,000
	Capitol Acq Prior Year Carryover Dr/(Cr)	-	-	-	
	MWDOC's Building Exp. (8811)	246,600	149,938	389,000	10 \$ 389,000
	Building Exp. Prior Year Carryover Dr/(Cr)	476,477	-	(166,314)	
		1,936,600	1,034,572	1,455,260	

Reliability Planning and Engineering
21

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	397,327	332,445	494,609
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	123,374	93,381	126,018
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services	275,000	110,000	230,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			375
7640	Utilities - Telephone	315	456	0
7650	Bank Fees			
7670	Miscellaneous Expenses	1,100		1,100
8810	Capital Acquisition			
	Total Expenditure	797,116	536,282	852,102

1 • See Exhibit J.

Metropolitan Issues and Water Policy
23

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	598,871	491,321	504,932
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	201,152	147,286	135,235
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services	135,000	95,000	112,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7045	Other Professional Fees - MET			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			456
7650	Bank Fees			
7670	Miscellaneous Expenses	250	150	1,000
8810	Capital Acquisition			
	Total Expenditure	935,272	733,757	753,623

1 • See Exhibit J.

Government Affairs
31

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	142,924	133,035	158,928
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	48,680	41,548	48,358
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	276,000	306,000	428,000
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	4,000	2,000	2,500
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	471,604	482,583	637,786

1 • NRR	\$ 96,000
• BBK	\$ 96,000
• Ackerman	\$ 42,000
• Soto	\$ 39,000
• Travel	\$ 5,000
• Dopudja & Wells	\$ 60,000
• Whittingham Public Affairs Adv.	\$ 90,000
	<u>\$ 428,000</u>

Public Affairs
32

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	513,866	518,867	564,965	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	154,008	155,970	167,577	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Outside Consulting Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	378,500	350,500	340,000	1
7047	Prof Service-Grant Recovery				
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7220	CUWA Participation				
7240	AWWARF Participation				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense	77,500	77,500	87,000	2
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone	475	475	475	
7650	Bank Fees				
7670	Miscellaneous Expenses	16,600	14,000	82,100	3
8810	Capital Acquisition				
	Total Expenditure	1,140,950	1,117,312	1,242,117	

1 Public Affairs Activities:

• Resolutions/Proclamations	\$ 5,000
• Consumer Confidence Reports	\$ 55,000
• Delta Conveyance Program Support	\$ 30,000
Subtotal	\$ 90,000

Communications Plan Activities:

• Strategic Digital Outreach	\$ 120,000
• Advertising	\$ 40,000
• Drought Campaign	\$ 50,000
• Special events(WPD, Poster Awards, A/V, Venue Support	\$ 40,000
Subtotal	\$ 250,000
Total	\$ 340,000

2 • Promotional Items, Branded Materials

• Info Items Handouts, Books, Folders	\$ 37,000
	\$ 87,000

3 • Ricki Maint and Repair

• Sponsorship Contingency Fund	\$ 5,100
• Storage Facility	\$ 4,000
• Member Agency Workshops PAW	\$ 6,000
• MWDOC Attendance@ WPD/OCWS	\$ 8,000
• Wyland Mayors Challenge	\$ 10,000
• Scouts Program	\$ 7,500
• Education Initiatives	\$ 35,000
	\$ 82,100

**Water Use Efficiency
(Core)
35**

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	186,878	242,136	209,685
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	61,206	74,670	69,897
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	230,000	208,000	165,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	5,000	6,000
8810	Capital Acquisition			
	Total Expenditure	484,084	529,806	450,581

1 • General Research	\$	75,000
• Water Loss Control Work Grp	\$	55,000
• WLC Business Plan Implement	\$	35,000
	\$	165,000

General Finance
41

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	407,817	397,176	462,570	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	132,175	133,825	146,005	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Outside Consulting Services				
7020	Legal - General				
7030	Audit	35,000	27,000	36,500	1
7040	Other Professional Fees	25,950	85,450	13,450	2
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	1,000	500	1,000	
8810	Capital Acquisition				
	Total Expenditure	601,942	643,951	659,525	

1 • Annual Audit	\$ 27,000
• Single Audit	\$ 4,500
• WUE Grant Review	\$ 5,000
	<u>\$ 36,500</u>

2 • Custodial Bank fees	\$ 12,000
• OPEB Actuarial	\$ 750
• CalPERS GASB 68 Report	\$ 700
	<u>\$ 13,450</u>

Information Technology
45

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	135,448	103,600	147,859	
6090	Directors Compensation - MWDOC				1 • See Exh J
6095	Directors Compensation - MWD				
6105	Benefits - Admin	46,616	30,297	46,042	2 • Computer, iPad, Server hardware maintenance \$ 5,000
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				3 • Various software upgrades and license \$ 103,798
6205	Training				
6210	Tuition Reimbursement				4 • Cisco Smartnet for Phone system (hardware and software)
6220	Temporary Help				• Cisco Smartnet for POE and non-POE switches
7010	Outside Consulting Services				• Cisco Smartnet for Voice Gateway/Router
7020	Legal - General				• Cisco Smartnet for Firewall \$ 5,200.00
7030	Audit				• ECS Laserfiche annual support \$ 6,100.00
7040	Other Professional Fees	-	37,415	95,000	1
7110	Conference - Employee				• Laserfiche WORM Storage Cloud backup \$ 15,000.00
7115	Conference - Directors				• Mwdoc.com Web hosting service \$ 3,300.00
7150	Travel & Accommodations - Employee				• Support for Recruiting Insight Software for HR \$ 3,500.00
7155	Travel & Accommodations - Director				• Exchange + AD monitoring software (renew in May) \$ 2,035.00
7210	Membership / Sponsorship				• Annual support for Finance AccuFund software \$ 9,695.00
7220	CUWA Participation				• Tracker Investmnet Software \$ 2,820.00
7240	AWWARF Participation				• Amazon Cloud Cam annual plan \$ 70.00
7250	CDR Participation				\$ 47,720
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				5 • Replace 2 Servers - Domain Controller \$ 15,000
7350	Subscriptions / Books				• 10 Replacement Computers with monitors or laptops for Staff \$ 15,000
7360	Reproduction Expense				• Cloud hybrid backup storage \$ 4,500
7410	Computers & Peripherals Maint	7,000	7,000	5,000	2
7430	Software Purchase	92,793	99,000	103,798	3
7440	Software Support	55,615	55,615	47,720	4
7510	Site Maintenance				• Computer replacement for Administrator (Patrick) \$ 3,000
7450	Computers and Equipment	43,950	43,950	43,000	5
7580	Maintenance Expense				• Wireless APs and wireless router hardware upgrade \$ 5,500
7610	Automotive / Mileage				\$ 43,000
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	2,070	2,070	1,000	
8810	Capital Acquisition	-	11,687	-	
	Total Expenditure	383,491	390,634	489,419	

**Water Use Efficiency
(choice)
62**

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
4215	Choice Revenue	831,328	803,364	1,026,012
4705	Prior Year Carry over			
	Choice billing over/under		62,774	-
	Total Revenue	831,328	866,137	1,026,012

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2023 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2020-2021 PROPOSED BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	388,480	425,073	485,327
6012	Salaries & Benefits - Recovery from Grants	(20,000)	(30,874)	(20,000)
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	113,498	109,565	130,001
6111	Overhead Reimbursement	215,850	229,923	276,184
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	127,100	127,100	147,100
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery	400	350	400
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	5,000	7,000
8810	Capital Acquisition			
	Total Expenditure	831,328	866,137	1,026,012

- 1 • Marketing of WUE programs \$ 60,000
 • Residential Installation Verification Inspec \$ 50,000
 • Droplet Rebate Processing & E-Signature \$ 37,100
 \$ 147,100

**School Program
(choice)
63**

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
4215	Choice Revenue	429,838	96,173	435,959
4205	School Contracts		120,895	
4705	Prior Year Carry over		213,153	
	Choice billing over/under		(4,546)	-
	Total Revenue	429,838	425,674	435,959

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2022 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2020-2021 PROPOSED BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	6,441	4,707	5,838
6105	Benefits - Admin	2,060	883	1,726
6111	Overhead Reimbursement	3,656	2,404	3,395
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7040	Other Professional Fees - School Programs	417,681	417,681	425,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8810	Capital Acquisition			
	Total Expenditure	429,838	425,674	435,959

1 • High Schools	\$ 65,000
• Elementary Schools	\$ 293,400
• Middle Schools	\$ 66,600
	<u>\$ 425,000</u>

Water Loss Control
(choice)
70

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
4215	Choice Revenue	496,786	291,317	557,848
4705	Prior Year Carry over			
	Choice billing over/under		117,101	-
	Total Revenue	496,786	408,418	557,848

		FY 2020-2021 PROPOSED BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	198,797	176,680	249,220
6012	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	65,373	47,759	80,926
6111	Overhead Reimbursement	113,593	96,521	148,183
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	8,000	-	1,000
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	55,000	55,000	55,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7332	Supplies - Water Loss Control	4,000	4,000	4,000
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase	2,300	2,416	2,200
7440	Software Support			
7450	Computers and Equipment			
7510	Site Maintenance			
7580	Maintenance Expense			
7610	Automotive / Mileage		400	400
7612	Vehicle Expense	7,343	7,343	12,000
7615	Toll Road Charges	1,200	100	400
7620	Insurance Expense			
7640	Utilities - Telephone	2,900	2,664	2,520
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	5,000	2,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition	32,280	10,535	
	Total Expenditure	496,786	408,418	557,848

**WEROC
25**

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
4320	MWDOC Contribution to Operations	296,290	296,290	293,517
4210	WEROC Contracts	269,651	269,651	293,517
4205				
4230	Reimbursements			
4240				
4410				
4805				
	TOTAL WEROC Revenue	565,941	565,941	587,035

			alloc% from
1 • OCSD	\$	57,529	10%
• SOCWA	\$	22,307	4%
• OCWD	\$	146,759	25%
• 3 Cities -- \$22,307/ea	\$	66,922	11%
	\$	293,517	

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	374,337	333,940	400,778
6012	Salaries & Benefits - Reimbursed			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	132,314	107,695	122,307
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	8,200	7,910	8,200
7040	Other Professional Fees			4,000
7110	Conference - Employee	3,200	4,090	5,800
7115	Conference - Directors			
7150	Travel & Accomodations - Employee	9,500	9,640	4,500
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship	880	934	950
7330	Office & Radio Supplies	1,000	1,000	1,000
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	250	225	100
7410	Computer & Peripherals Maint	5,060	3,800	4,000
7430	Software Purchase			
7440	Software Support	9,800	11,554	12,000
7510	Site Maintenance	700	640	700
7580	Maintenance - Generators	1,000	900	1,000
7581	Maintenance - Radios	2,000	2,551	3,000
7582	Maintenance - EOC's	2,200	2,080	2,200
7610	Automotive / Mileage	1,500	1,158	1,500
7640	Utilities - Telephone	10,000	9,900	10,000
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	8,757	3,000
7671	Miscellaneous Training	3,000	1,955	2,000
	Operations Expenditure	565,941	508,729	587,035
	Contribution to Operating Reserves			
	Total Operations Budget	565,941	508,729	587,035
	Capital Expenditures			
	TOTAL Expenditures	565,941	508,729	587,035

- 2 • Cert Meetings Exercises
- 3 • See Exhibit J
- 4 • See Exhibit E
- 5 • See Exhibit D

AMP Proceeds Agreement Administration
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		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
4020	Interest Revenue			
4050	O & M Maintenance Deposit			
4230	Reimbursement	4,567	295	1,817
4680	Miscellaneous Income			
	Prior Year Carryover			
	Total Revenue	4,567	295	1,817

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,596	220	1,492
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	971	75	325
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services			
7020	Legal - General	-	-	-
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8810	Capital Acquisition			
	Total Expenditure	4,567	295	1,817

Municipal Water District of Orange County
Fiscal Year 2022-2023 Consolidated Budget Summary

	Core & Choice	Water Fund	WUE Grants and Outside Funding	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers	Less Inter-Fund Transfers ⁽¹⁾	Consolidated Budget Total
Revenues:								
Water Sales		\$ 179,985,126				\$ 179,985,126		\$ 179,985,126
Local Resource Program Incentives		(5,507,994)				(5,507,994)		(5,507,994)
Retail Meter Charge	8,885,401					8,885,401		8,885,401
Ground Water Customer Charge	367,806					367,806		367,806
Interest Revenue	145,971	4,547				150,518		150,518
MWDOC's Contribution				296,290		296,290	(296,290)	-
Outside Fundings	-		8,545,274	269,651	4,567	8,819,493		8,819,493
Choice Revenue	1,757,952					1,757,952		1,757,952
Miscellaneous Income	3,000					3,000		3,000
Total Revenues	11,160,130	174,481,679	8,545,274	565,941	4,567	194,757,591	(296,290)	194,461,301
Expenses:								
Water Purchases	-	174,477,132				174,477,132		174,477,132
Salaries & Wages	4,429,130			374,337	3,596	4,807,063		4,807,063
less S & W Reimb. DSC or Recov from Grants	(20,000)			-		(20,000)		(20,000)
Employee Benefits	1,648,831			132,314	971	1,782,116		1,782,116
Outside Consulting Expense	410,000					410,000		410,000
Professional Fees	1,516,256		8,545,274	-		10,061,530	-	10,061,530
Contribution to Election Reserve	300,728					300,728		300,728
Legal Expense - General	235,750			-	-	235,750		235,750
Maintenance Expense	179,456			3,700		183,156		183,156
Insurance Expense	140,000			-		140,000		140,000
Membership / Sponsorship	145,847			880		146,727		146,727
Director Compensation	275,041					275,041		275,041
MWDOC Contribution to WEROC Operations	296,290					296,290	(296,290)	-
Others:								
MWD Representation	157,166					157,166		157,166
Director Benefits	132,976					132,976		132,976
Health Insurance Coverage for Retirees	94,554				-	94,554		94,554
Audit Expense	35,000				-	35,000		35,000
Automotive & Toll Road Expenses	22,943			1,500		24,443		24,443
Conference Expense - Staff	56,205			3,200		59,405		59,405
Conference Expense - Directors	23,905					23,905		23,905
CDR Participation	57,462					57,462		57,462
Business Expense	2,500					2,500		2,500
Miscellaneous Expense	72,120			6,200	-	78,320		78,320
Postage / Mail Delivery	11,300					11,300		11,300
Rents & Leases	1,800			-		1,800		1,800
Outside Printing, Subscription & Books	85,000			250		85,250		85,250
Office Supplies	39,000			1,000		40,000		40,000
Computer Maintenance	7,000			5,060		12,060		12,060
Software Support & Expense	150,708			9,800		160,508		160,508
Computers and Equipment	43,950			-		43,950		43,950
Telecommunications Expense	43,690			10,000		53,690		53,690
Temporary Help Expense	5,000					5,000		5,000
Training Expense	53,000			8,200		61,200		61,200
Tuition Reimbursement	5,000					5,000		5,000
Travel & Accommodations - Staff	90,325			9,500		99,825		99,825
Travel & Accommodations - Directors	32,900					32,900		32,900
Depreciation Expense (annualized)	-					-		-
Overhead Reimbursement	-				-	-		-
MWDOC Building Expense	723,077					723,077		723,077
Capital Acquisition	113,280			-		113,280		113,280
All Other Expenses	2,059,861	-	-	54,710	-	2,114,571	-	2,114,571
Total Expenses	11,617,191	174,477,132	8,545,274	565,941	4,567	195,210,104	(296,290)	194,913,814
EFFECT ON RESERVES / FUND BALANCE	\$ (457,061)	\$ 4,547	(2) \$ -	\$ -	\$ -	\$ (452,513)	\$ -	\$ (452,513)

1 Adjustment for MWDOC's contributions to other funds.

2 Net change to restricted reserves for Interest revenue.

Municipal Water District of Orange County
Fiscal Year 2023-2024 Consolidated Budget Summary

	Core & Choice	Water Fund	WUE Grants and Outside Funding	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers	Less Inter-Fund Transfers ⁽¹⁾	Consolidated Budget Total
Revenues:								
Water Sales		\$ 204,692,719				\$ 204,692,719		\$ 204,692,719
Local Resource Program Incentives		(4,725,194)				(4,725,194)		(4,725,194)
Retail Meter Charge	9,206,255					9,206,255		9,206,255
Ground Water Customer Charge	391,100					391,100		391,100
Interest Revenue	319,410	-				319,410		319,410
MWDOC's Contribution				293,517		293,517	(293,517)	-
Outside Fundings	-		13,605,720	293,517	1,817	13,901,054		13,901,054
Choice Revenue	2,019,820					2,019,820		2,019,820
Miscellaneous Income	3,000					3,000		3,000
Total Revenues	11,939,584	199,967,525	13,605,720	587,035	1,817	226,101,681	(293,517)	225,808,163
Expenses:								
Water Purchases	-	199,967,525				199,967,525		199,967,525
Salaries & Wages	5,023,166			400,778	1,492	5,425,436		5,425,436
less S & W Reimb. DSC or Recov from Grants	(20,000)			-		(20,000)		(20,000)
Employee Benefits	1,687,811			122,307	325	1,810,442		1,810,442
Outside Consulting Expense	342,000					342,000		342,000
Professional Fees	1,818,425		13,605,720	4,000		15,428,145	-	15,428,145
Contribution to Election Reserve	381,000					381,000		381,000
Legal Expense - General	241,000			-	-	241,000		241,000
Maintenance Expense	207,060			4,700		211,760		211,760
Insurance Expense	182,976			-		182,976		182,976
Membership / Sponsorship	191,002			950		191,952		191,952
Director Compensation	275,041					275,041		275,041
MWDOC Contribution to WEROC Operations	293,517					293,517	(293,517)	-
Others:								
MWD Representation	117,875					117,875		117,875
Director Benefits	104,447					104,447		104,447
Health Insurance Coverage for Retirees	84,847				-	84,847		84,847
Audit Expense	36,500				-	36,500		36,500
Automotive & Toll Road Expenses	22,375			1,500		23,875		23,875
Conference Expense - Staff	52,532			5,800		58,332		58,332
Conference Expense - Directors	24,865					24,865		24,865
CDR Participation	59,758					59,758		59,758
Business Expense	2,000					2,000		2,000
Miscellaneous Expense	136,300			7,200	-	143,500		143,500
Postage / Mail Delivery	11,675					11,675		11,675
Rents & Leases	1,800			-		1,800		1,800
Outside Printing, Subscription & Books	94,000			100		94,100		94,100
Office Supplies	31,000			1,000		32,000		32,000
Computer Maintenance	5,000			4,000		9,000		9,000
Software Support & Expense	153,718			12,000		165,718		165,718
Computers and Equipment	43,000			-		43,000		43,000
Telecommunications Expense	46,438			10,000		56,438		56,438
Temporary Help Expense	5,000					5,000		5,000
Training Expense	36,000			8,200		44,200		44,200
Tuition Reimbursement	5,000					5,000		5,000
Travel & Accommodations - Staff	108,800			4,500		113,300		113,300
Travel & Accommodations - Directors	46,800					46,800		46,800
Depreciation Expense (annualized)	-					-		-
Overhead Reimbursement	-				-	-		-
MWDOC Building Expense	222,686					222,686		222,686
Capital Acquisition	25,892			-		25,892		25,892
All Other Expenses	1,478,308	-	-	54,300	-	1,532,608	-	1,532,608
Total Expenses	12,101,307	199,967,525	13,605,720	587,035	1,817	226,263,403	(293,517)	225,969,885
EFFECT ON RESERVES / FUND BALANCE	\$ (161,723)	\$ - ⁽²⁾	\$ -	\$ -	\$ -	\$ (161,722)	\$ -	\$ (161,722)

1 Adjustment for MWDOC's contributions to other funds.

2 Net change to restricted reserves for Interest revenue.

MWDOC BUDGET SCHEDULE

November 2022
<ul style="list-style-type: none"> Notification to Member Agencies of start of budget process and solicitation of input
December 2022
<ul style="list-style-type: none"> MWDOC staff begins preparation of budget hours and costs on program and line-item basis Review of four month actuals and fiscal year-end projections Review budget adjustments for current fiscal year Preparation of internal, draft conceptual budget (review changes for upcoming fiscal year)
January 2023
<ul style="list-style-type: none"> Initial review of budget issues with A&F Committee for feedback (1-11-23) Initial discussion of budget issues with Member Agencies for feedback Request for Member Agencies' <u>preliminary</u> indication of participation in Choice
February 2023
<ul style="list-style-type: none"> Publish and post the FIRST DRAFT Budget in the packet for the A&F Committee (2-3-23) Review First Draft Budget with A&F Committee (2-8-23) Formally request comments from all Member Agencies <u>DRAFT</u> information completed on prior year Choice WUE program benefits to Member Agencies to serve as basis for charging agencies for the upcoming year for Choice WUE activities Member Agencies' INITIAL CONFIRMATION of participation in Choice Services by February 20. The Updated Agreement by the end of March and after the Elected Officials Meeting Discuss FIRST DRAFT Budget at Member Agency Managers' Meeting (2-16-23) Meet with Member Agencies as requested or scheduled

MWDOC BUDGET SCHEDULE

March 2023
<ul style="list-style-type: none"> Revised information completed on prior year Choice WUE benefits to Member Agencies to serve as basis of charging agencies for the upcoming year for WUE activities
<ul style="list-style-type: none"> Discuss SECOND DRAFT Budget in A&F Committee (3-8-23)
<ul style="list-style-type: none"> Review SECOND DRAFT Budget at Member Agency Managers' Meeting (3-16-23)
<ul style="list-style-type: none"> Update Choice Participation
<ul style="list-style-type: none"> Member Agencies' submit Formal Comments on the Budget (3-24-23)
April 2023
<ul style="list-style-type: none"> Conduct meeting with Elected Officials from Member Agencies to discuss budget and other topics (4-6-23)
<ul style="list-style-type: none"> THIRD DRAFT Budget and Rates presented to A&F Committee (4-12-23)
<ul style="list-style-type: none"> Member Agencies' Formal Comments presented to A&F Committee (4-12-23)
<ul style="list-style-type: none"> Board approval of FY2023-24 FINAL Budget and Rates (4-19-23)
June 2023
<ul style="list-style-type: none"> Member Agencies confirm final Choice Participation (6-9-23)
August 2023
<ul style="list-style-type: none"> Reconciliation of FY 2022-23 WUE & Choice Programs
September 2023
<ul style="list-style-type: none"> REVISED FINAL Choice Budget presented to A&F Committee (9-13-23)
<ul style="list-style-type: none"> Board approval of FY2023-24 REVISED FINAL Choice Budget (9-20-23)

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ORANGE COUNTY WATER DISTRICT

ORANGE COUNTY'S GROUNDWATER AUTHORITY

OFFICERS

President
CATHY GREEN

First Vice President
DENIS BILODEAU

Second Vice President
VAN TRAN, ESQ.

General Manager
MICHAEL R. MARKUS, P.E., D.WRE

February 6, 2023

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

SUBJECT: Water Resources Policy Issues with the Metropolitan Water District

Dear Mr. ^{Harvey}De La Torre:

To foster collaboration between our agencies, the Orange County Water District (OCWD or District) has previously transmitted letters to the Municipal Water District of Orange County (MWDOC) highlighting the groundwater policy issues that are of importance to OCWD. The District has prepared a similar letter for calendar year 2023, and we respectfully request your cooperation and assistance in addressing these issues and priorities with the Metropolitan Water District of Southern California (MWD).

The listed policy issues below have a major impact on the management of the OCWD groundwater basin and groundwater basins throughout Southern California. Given our shared service areas, we envision and would like your support for a collaborative process between OCWD, MWDOC, the cities of Anaheim, Fullerton, and Santa Ana in working on each of these issues with MWD.

With the effects of climate variability causing more extreme wet and dry year cycles on both the State Water Project (SWP) and Colorado River systems, the ability to capture and store water during very wet years both now and in the future is critical to Southern California. Groundwater production is a key in securing regional reliability and it is important that MWD continue to develop programs that allow groundwater basins access to excess water when it is available.

It is also critical that MWDOC's MWD Directors have a strong voice at MWD to help solve the challenges that face MWD today which include development of strategies regarding its rate structure, Delta Conveyance, and decreasing Colorado River supplies.

Listed below are areas OCWD would like MWDOC to pursue at MWD:

Reestablish a Permanent Treated In-lieu Groundwater Replenishment Program: An effective and efficient way to substantially enhance imported water recharge during wet periods is through treated in-lieu replenishment, which does not require the physical recharge of water. By having groundwater basin agencies reduce planned groundwater pumping and take excess treated imported water to meet demands, groundwater basins are in effect storing water supplies for future use. The treated in-lieu program that was developed for FY2017-18 under MWD's cyclic storage program is a great example of how excess imported water supplies during wet years can be efficiently brought into Southern California's groundwater basins. In wet years, the availability of a treated in-lieu replenishment program combined with traditional untreated imported surface replenishment deliveries has a multiplier effect on the amount of imported water that can be captured and stored in MWD's service area. Moreover, substantial amounts of water can be stored in a very short period of time with no additional infrastructure investment. The end result is increased resiliency under more severe hydrologic variability and augmentation of storage "put" capacity.

Although in April 2019 MWD approved a permanent cyclic in-lieu program, referred to as a "cost-offset credit", the program is marginally effective. Specifically, the program is only available under restrictive conditions and the excess water must be placed within a MWD-controlled cyclic account, rather than being available for general groundwater basin replenishment. OCWD suggests MWDOC work with other MWD member agencies, the MWD staff and Board to develop and establish a broader treated in-lieu program that is not tied to MWD's cyclic program. The program could be exercised by MWD to encourage in-lieu replenishment and storage in groundwater basins across MWD's service area during very wet years when there is supply that is surplus to MWD's base demands and storage needs. Such a program would provide both operational flexibility and an important tool for MWD in the future to help ensure that excess imported water supplies are never lost to the region.

Establish a Reduced Untreated Water Storage Rate During Surplus Supply Conditions: As noted above, encouraging the storage of water during wet conditions that can be used during dry years addresses multiple resiliency and local supply augmentation objectives. In this regard, establishing a reduced untreated water storage rate that MWD would implement at its discretion during wet conditions would incentivize increased local storage. This program would only be available when MWD was at risk of relinquishing excess imported water supplies due to storage limitations on its own system. To maximize the opportunity for capturing these supplies, MWD should also consider making the reduced untreated supply rate available for both groundwater replenishment and surface water storage. Groundwater basin agencies and those agencies with surface reservoirs near MWD untreated water lines with available capacity to take the water would receive an untreated rate reduction. Use of this stored water in future years by the agencies would offset demands for imported water and in turn allow MWD to rebuild its own storage. This program would give MWD another fundamental water management tool to facilitate the storage of excess imported water supplies during wet

periods. The program could also encourage groundwater agencies to develop and invest in recharge facilities to take this water when it is available.

Creation of a Groundwater Committee at MWD: Because groundwater issues are a key component in MWD's water reliability future, OCWD would like MWD to consider having a Groundwater Committee where ideas can be openly discussed as to how Southern California's groundwater basins can be better used, and programs developed in a manner beneficial to both MWD and the basins.

A great example of this relates to the current situation with the Colorado River. Due to severely reduced elevations in Lake Mead, the requirements of the Colorado River Drought Contingency Plan (DCP) and pending actions by the USBR to modify the 2007 Interim Operating Guidelines, there is uncertainty as to MWD's ability to withdraw water stored in its Intentionally Created Surplus (ICS) storage account in Lake Mead should elevation levels in the lake continue to fall. MWD and the Southern California region could have mitigated this uncertainty and potentially improved supply reliability in the region by storing surplus Colorado River supplies in Southern California and better utilizing unused storage space in Southern California's groundwater basins.

Obtain MWD's Approval of an Agreement for Pumping Potable Local Supplies Into MWD's Orange County Distribution System: An extensive imported water pipeline network has been constructed in Orange County to distribute MWD supplies to various agencies. Agencies in some portions of the County can receive service and benefit from multiple MWD pipelines and treatment plants. However other areas of South Orange County (SOC) rely on a single MWD pipeline and treatment plant. These SOC areas have a water reliability gap that could be closed if MWD was amenable to the usage of its facilities.

As has been demonstrated over the past few years, flows in MWD pipelines have generally declined. Substantial unused capacity exists in these pipelines which have been partially funded by Orange County rate payers. To substantially improve both system and supply reliability for the County, OCWD and MWDOC have periodically worked together to conceptually developed projects that would take advantage of the unused capacity in MWD's Orange County system to transport groundwater and/or ocean desalination water to various retail water agencies that would lack direct access to those supplies. Unfortunately, we have been unable to develop final terms and conditions with MWD for potential projects that would beneficially use these MWD facilities.

Some progress on this issue has been made insofar as the MWD Board approved a program whereby agencies can use MWD's pipelines during very limited, dire emergency conditions or events when MWD water is unavailable for conveyance.

To advance this further, OCWD would like to work with MWDOC and MWD towards negotiating an agreement to implement an emergency program for the use of certain MWD Orange County conveyance facilities. We understand MWDOC has initiated work with MWD on this issue. Because OCWD would be the supplier of the water and would


be responsible for water quality and operational issues, we would like to participate with MWDOC in discussions with MWD.

Active participation at MWD: As a final priority, OCWD would like MWDOC to actively assist us in developing a much closer working relationship with MWD. OCWD has several programs and a variety of direct interests with MWD. These programs involve large financial commitments and require coordinating OCWD's operations with MWD's operations. In previous years, OCWD's interaction with MWD staff was both encouraged and supported by MWDOC. OCWD staff was invited to MWD Member Agency managers meetings, special work group meetings discussing issues impacting groundwater basins, and the monthly MWD caucus meeting (in which we understand Rancho California Water District, a large member agency of Eastern MWD and Western MWD, currently participates). Attending these meetings allowed OCWD to directly interface with key MWD staff which led to the development of close business relationships that greatly enhanced the coordination of key programs.

Unfortunately, in recent years, just the opposite has been occurring. OCWD's direct interaction with MWD staff has been greatly reduced at MWDOC's behest. This approach can keep OCWD out of important meetings and conversations that directly impact District's operations. While we understand and support the need for MWDOC to be aware of OCWD's activities at MWD, given the size, scope, and breadth of OCWD and its activities with MWD, having MWDOC as an intermediary at times seems unfitting. As such, we respectfully request your support for reestablishing more direct, unfettered access and working relationship between OCWD and MWD.

Thank you for your consideration of these important requests. Please call me at your convenience if you would like to discuss.

Sincerely,



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

Cc: OCWD Groundwater Producers
Bcc: OCWD Board of Directors

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February 24, 2023

Mr. 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 1st Draft Budget Comments

Dear Mr. De La Torre:

The Municipal Water District of Orange County (MWDOC) is in the process of preparing its FY2023-24 rates and budget and presented the 1st draft to its Administrative and Finance Committee on February 8th and the Member Agencies on February 16th. The Orange County Water District (OCWD) would like to provide the following comments for your Board's consideration at this time:

1. The proposed MWDOC salary pool in the budget is 11.45% compared to the OCWD salary pool of 5.00%. Understanding that the MWDOC staff was using the formulaic methodology adopted by the MWDOC Board to arrive at the proposed budgeted salary pool, OCWD requests that MWDOC survey its member agencies and see what they are budgeting for salaries before adopting the proposed percent increase.
2. OCWD does not support the addition of one full-time employee to the Public Affairs Department without further justification. That department already is MWDOC's largest by headcount and uses an outside consultant (\$120,000) to augment its staff.
3. The Government Affairs staff has added two consultants (Whittingham Public Affairs Adv. and Dopudja & Wells) in this year's budget at a combined cost of \$150,000. Could you please provide a scope of work for these consultants?

Thank you for your consideration of these comments.

Sincerely,

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

Bcc: OCWD Board of Directors