

MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
February 8, 2023, 8:30 a.m.

Due to the current state of emergency related to the spread of COVID-19 and pursuant to Government Code Section 54953(e), MWDOC will be holding this Board and Committee meeting by Zoom Webinar and will be available by either computer or telephone audio as follows:

Computer Audio: You can join the Zoom meeting by clicking on the following link:

<https://zoom.us/j/8828665300>

Telephone Audio: (669) 900 9128 fees may apply

(877) 853 5247 Toll-free

Webinar ID: 882 866 5300#

A&F Committee:

Director Dick, Chair

Director Thomas

Director Crane

Staff: H. De La Torre, J. Berg, C. Harris,

K. Davanaugh, H. Chumpitazi

Ex Officio Member: Director Yoo Schneider

MWDOC Committee meetings are noticed and held as joint meetings of the Committee and the entire Board of Directors and all members of the Board of Directors may attend and participate in the discussion. Each Committee has designated Committee members, and other members of the Board are designated alternate committee members. If less than a quorum of the full Board is in attendance, the Board meeting will be adjourned for lack of a quorum and the meeting will proceed as a meeting of the Committee with those Committee members and alternate members in attendance acting as the Committee.

ROLL CALL

PUBLIC COMMENTS - Public comments on agenda items and items under the jurisdiction of the Committee should be made at this time.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING -- Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – January 2023
 - b. Disbursement Approval Report for the month of February 2023
 - c. Disbursement Ratification Report for the month of January 2023
 - d. GM Approved Disbursement Report for the month of January 2023

- e. Consolidated Summary of Cash and Investment – December 2022
 - f. OPEB and Pension Trust Fund statements
- 2. FINANCIAL REPORT
 - a. Combined Financial Statements and Budget Comparative for the Period Ending December 31, 2022
 - b. Quarterly Budget Review

ACTION ITEM

- 3. AUTHORIZE CONTRACT FOR INFORMATION TECHNOLOGY (IT) CONSULTANT FOR IT SUPPORT SERVICES
- 4. REVISIONS TO MWDOC'S RESERVE POLICY & DISTRIBUTION OF ADDITIONAL FUNDS

DISCUSSION ITEMS

- 5. MWDOC'S FIRST DRAFT BUDGET FOR FISCAL YEAR 2023-24
- 6. PROPOSAL TO REVISE THE DISTRICT'S HOLIDAY SCHEDULE
- 7. UPDATE REGARDING THE 2022 ORANGE COUNTY RELIABILITY STUDY

INFORMATION ITEMS – (THE FOLLOWING ITEMS ARE FOR INFORMATIONAL PURPOSES ONLY – BACKGROUND INFORMATION IS INCLUDED IN THE PACKET. DISCUSSION IS NOT NECESSARY UNLESS REQUESTED BY A DIRECTOR.)

- 8. SOLE SOURCE AGREEMENT WITH WHITTINGHAM PUBLIC AFFAIRS ADVISORS
- 9. SEMI-ANNUAL DIRECTORS ACTIVITIES REPORT
- 10. SEMI-ANNUAL OVERTIME REPORT
- 11. ANNUAL AUTO ALLOWANCE REPORT
- 12. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology
- 13. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

OTHER ITEMS

- 14. REVIEW ISSUES REGARDING DISTRICT ORGANIZATION, PERSONNEL MATTERS, EMPLOYEE BENEFITS FINANCE AND INSURANCE

ADJOURNMENT

NOTE: At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

**Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
January 2023**

ITEM 1a

WATER REVENUES


<u>Date</u>	<u>From</u>	<u>Description</u>	<u>Amount</u>
1/03/2023	Serrano Water District	November 2022 Water deliveries	167,338.24
1/05/2023	City of Fountain Valley	November 2022 Water deliveries	7,715.58
1/06/2023	City of Brea	November 2022 Water deliveries	13,699.11
1/06/2023	City of La Habra	November 2022 Water deliveries	7,734.33
1/06/2023	City of San Clemente	November 2022 Water deliveries	609,997.37
1/06/2023	Laguna Beach County Water District	November 2022 Water deliveries	152,716.66
1/09/2023	El Toro Water District	November 2022 Water deliveries	355,594.87
1/09/2023	Santa Margarita Water District	November 2022 Water deliveries	1,741,913.81
1/09/2023	Santa Margarita Water District (ID9)	November 2022 Water deliveries	425,862.83
1/09/2023	South Coast Water District	November 2022 Water deliveries	369,363.27
1/11/2023	City of Garden Grove	November 2022 Water deliveries	479,030.59
1/12/2023	City of Orange	November 2022 Water deliveries	35,792.76
1/12/2023	City of Seal Beach	November 2022 Water deliveries	10,726.29
1/12/2023	City of Westminster	November 2022 Water deliveries	143,521.85
1/12/2023	Yorba Linda Water District	November 2022 Water deliveries	316,651.77
1/13/2023	East Orange Co Water District	November 2022 Water deliveries	703,259.49
1/13/2023	Golden State Water Company	November 2022 Water deliveries	748,443.38
1/13/2023	Irvine Ranch Water District	November 2022 Water deliveries	1,019,356.93
1/13/2023	Moulton Niguel Water District	November 2022 Water deliveries	1,859,606.83
1/13/2023	Orange County Water District	November 2022 Water deliveries	4,873,964.43
1/23/2023	City of Fountain Valley	December 2022 Water deliveries	7,715.58
1/23/2023	City of Newport Beach	December 2022 Water deliveries	675,343.43
1/23/2023	Trabuco Canyon Water District	December 2022 Water deliveries	129,972.49
1/27/2023	City of Brea	December 2022 Water deliveries	14,613.51
1/27/2023	City of Huntington Beach	December 2022 Water deliveries	1,086,888.10

TOTAL WATER REVENUES \$ 15,956,823.50

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
January 2023

MISCELLANEOUS REVENUES

<u>Date</u>	<u>From</u>	<u>Description</u>	<u>Amount</u>
1/03/2023	WePay	2/9/2023 Water Policy dinner registrations	2,365.66
1/09/2023	Moulton Niguel Water District	2/9/2023 Water Policy dinner registrations	1,700.00
1/31/2023	Hazen and Sawyer	2/9/2023 Water Policy dinner registrations	940.00
1/03/2023	Metropolitan Water District	9/16/2022 OC Water Summit sponsorship	2,020.00
1/23/2023	Joan Finnegan	Feb-Dec 2022 COBRA Vision insurance	263.43
1/03/2023	Keith Lyon	January 2023 Retiree Health insurance	184.29
1/03/2023	Karl Seckel	January 2023 Retiree Health insurance	184.29
1/13/2023	Steve Hedges	Jan-Mar 2023 Retiree Medical premium	140.34
1/18/2023	Igoe and Company	COBRA Health and Vision insurance	263.26
1/31/2023	Keith Lyon	February 2023 Retiree Health insurance	184.29
1/20/2023	US Bank Custodial Account	American Express National Bank Interest payment	3,377.53
1/25/2023	US Bank Custodial Account	Capital One and Discover Bank Interest payment	6,931.50
1/03/2023	US Bank Custodial Account	Morgan Stanley Interest payment	4,500.12
1/17/2023	US Bank Custodial Account	Sallie Mae Bank Interest payment	1,009.72
1/31/2023	US Bank	Monthly interest	121.18
1/26/2023	El Toro Water District	Late payment penalty for September 2022 Water deliveries	3,597.63
1/26/2023	Marcia Scully	Reimbursement for 12/14/2022 CRWUA Conference dinner for two MET guests	100.00
1/31/2023	Irvine Ranch Water District	November 2022 Smartimer and Rotating Nozzle rebate program	459.95
1/09/2023	Moulton Niguel Water District	November 2022 Smartimer, Turf Removal and Spray to Drip rebate program	97,678.34
1/09/2023	City of Fountain Valley	November 2022 Turf Removal and Spray to Drip rebate program	555.00
1/12/2023	City of Westminster	November 2022 Turf Removal and Spray to Drip rebate program	555.00
1/13/2023	City of Brea	November 2022 Turf Removal and Spray to Drip rebate program	333.00
1/13/2023	City of San Clemente	November 2022 Turf Removal and Spray to Drip rebate program	4,811.31
1/13/2023	City of Tustin	November 2022 Turf Removal and Spray to Drip rebate program	888.00
1/13/2023	Laguna Beach County Water District	November 2022 Turf Removal and Spray to Drip rebate program	1,475.50
1/31/2023	Irvine Ranch Water District	November 2022 Turf Removal and Spray to Drip rebate program	17,482.28
1/03/2023	Laguna Beach County Water District	November 2022 So Cal Watersmart rebate program	65.00
1/23/2023	South Coast Water District	Dedicated Irrigation Meters Measurement Program FY 2022-24	40,000.00
1/09/2023	City of Orange	Water Loss Control Shared Services FY 2022-23	419.00
1/20/2023	City of Seal Beach	Water Loss Control Shared Services FY 2022-23	2,186.00
1/26/2023	El Toro Water District	Water Loss Control technical assistance CY 2022 - E Source	10,120.00
1/27/2023	City of Fullerton	Jul-Dec 2022 School Billing	4,414.49
TOTAL MISCELLANEOUS REVENUES			\$ 209,326.11
TOTAL REVENUES			\$ 16,166,149.61


 Harvey De La Torre, Interim General Manager


 Hilary Chumipitzi, Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2023**

ITEM 1b

Vendor/ Invoice	Description	Amount to Pay
Core Disbursements:		
ACCO Engineered Systems Inc		
20358460	12/1/22-2/28/23 HVAC Preventative Maintenance	1,882.00
Total		1,882.00
Ace Print Agency-Francisco Flores		
3951	500 Business cards for staff member	92.44
Total		92.44
Ackerman Consulting-Richard C Ackerman		
1360	January 2023 Legal and regulatory specialized consulting services	3,500.00
Total		3,500.00
Aleshire & Wynder LLP		
72724	11/16-12/31/22 Legal Services	375.00
73434	January 2023 Legal Services	37.50
Total		412.50
Alta FoodCraft		
12263991	1/4/23 Coffee and tea supplies	39.75
12268358	February 2023 Coffee and tea supplies	125.00
Total		164.75
Best Best and Krieger LLP		
55401-DEC22	December 2022 Legal Services	14,980.26
954944	December 2022 State Advocacy Agreement services	8,000.00
Total		22,980.26
Black & Veatch		
1389384	December 2022 Hydraulic Model Work with SCWD	870.00
Total		870.00
CDM Smith		
90170601	January 2023 Services for water resource planning	11,931.50
Total		11,931.50
Green Thumb (Indoor Plant Care) LLC		
20230180	February 2023 Indoor plant service	305.50
Total		305.50

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2023**

Vendor/ Invoice	Description	Amount to Pay
Dopudja & Wells Consulting Inc		
1194	December 2022 Consulting services on MET Strategic Issues and Priorities	6,490.00
Total		6,490.00
Gladwell Governmental Svcs Inc		
5057	Records Retention Legal Review, Update & Advice for FY2022-23	100.00
Total		100.00
Hashtag Pinpoint Corporation		
1704	January 2023 Social Media consultation and services	7,913.00
Total		7,913.00
Lee Jacobi		
22823	December 2022-February 2023 Retiree medical premium	930.84
Total		930.84
Jill Promotions		
11604	100 Water Filter Straws for promotional item	2,500.16
Total		2,500.16
Means Consulting-Edward G Means III		
MWDOC-1110	January 2023 MET issues & strategic guidance to staff	1,187.50
Total		1,187.50
Multiplier/Maven's Notebook		
638	Maven's Notebook annual sponsorship renewal	2,500.00
Total		2,500.00
National Water Resources Association		
2023	2023 Annual membership renewal	525.00
Total		525.00
Natural Resource Results LLC		
4214	January 2023 Federal legislative advocacy services	8,000.00
Total		8,000.00
NDS		
812253	1/6/23 Board packet delivery service	160.92
812312	1/13/23 Board packet delivery service	160.92
812475	1/27/23 Board packet delivery service	134.72
Total		456.56

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2023**

Vendor/ Invoice	Description	Amount to Pay
Office Solutions		
I-02081165	1/12/23 Office supplies	350.99
I-02082071	1/13/23 Office supplies	227.66
I-02082346	1/17/23 Office supplies	95.04
I-02087322	1/31/23 Office supplies	402.22
I-02087408	1/31/23 Office supplies	718.57
Total		<u>1,794.48</u>
Orange County Water District		
25013	December 2022 Postage, shared office & maintenance expense	18,548.73
Total		<u>18,548.73</u>
Paul Redvers Brown Inc		
DOC016	January 2023 MWDOC Facilitated Member Agency Discussions Project services	435.00
Total		<u>435.00</u>
PeopleSpace		
INV71446	Design and labor to reconfigure workstation	925.32
Total		<u>925.32</u>
Mary Snow		
22823	December 2022-February 2023 Retiree medical premium	510.30
Total		<u>510.30</u>
Soto Resources-Joey C Soto		
GA-JAN-71	January 2023 Grant Research and Acquisition Assistance	3,250.00
Total		<u>3,250.00</u>
Total Core Expenditures		<u>98,168.34</u>
 Choice Expenditures:		
Building Block Entertainment Inc		
3588-2	January 2023 Choice Elementary School Program grades K-2	9,975.00
Total		<u>9,975.00</u>
Orange County Dept of Education		
94SI2462	December 2022 Choice School Programs for grades 3-8	14,233.09
Total		<u>14,233.09</u>

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2023**

Vendor/ Invoice	Description	Amount to Pay
Orange County Water District		
25013	December 2022 Postage for Water Use Efficiency rebate programs	91.68
Total		91.68
Total Choice Expenditures		24,299.77
 Other Funds Expenditures:		
EcoTech Services Inc		
2520	December 2022 Landscape Design and Landscape Maintenance Assistance Program	4,774.80
2538	January 2023 Landscape Design and Landscape Maintenance Assistance Program	5,065.00
Total		9,839.80
Mission RCD		
3344	January 2023 Field inspection and verification for Water Use Efficiency rebate programs	12,826.75
Total		12,826.75
Office Solutions		
I-02079320	1/6/23 Training supplies for WEROC	54.35
Total		54.35
County of Orange		
SC13757	1/1/23-3/31/23 WEROC Radio System operations and maintenance costs	621.00
Total		621.00
The Plant Nerd		
7709	January 2023 Landscape Design and Landscape Maintenance Assistance Program	31,350.00
Total		31,350.00
Total Other Funds Expenditures		54,691.90
 Total Expenditures		 177,160.01

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of January 2023**

Item 1c

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
Charles Busslinger				
1/31/2023	EFT	120922	December 2022 Business expense	118.85
Total				118.85
Corodata Records Management Inc				
1/31/2023	EFT	RS4868082	December 2022 Records Storage Fees	58.67
Total				58.67
Home Depot Credit Services				
1/13/2023	141683	3625200	11/30/22 Office supplies	50.81
Total				50.81
Al Nederhood				
1/31/2023	EFT	121622	December 2022 Business expense	185.99
Total				185.99
Petty Cash				
1/31/2023	141816	SEP-DEC22	September-December 2022 Petty Cash reimbursement	93.31
Total				93.31
Spectrum Business				
1/13/2023	141689	343564011023	January 2023 Telephone expense for one fax line	39.99
1/05/2023	141672	375210123022	January 2023 Telephone and internet expense	1,425.39
Total				1,465.38
Jeffery Thomas				
1/31/2023	EFT	121622	November-December 2022 Business expense	793.71
Total				793.71
US Bank				
1/13/2023	141690	0208/4192/8910-DEC22	11/23/22-12/22/22 Cal Card Charges	17,953.23
Total				17,953.23
Verizon Wireless				
1/05/2023	141673	9923696308	December 2022 4G Mobile broadband unlimited service	114.03
Total				114.03
Total Core Disbursements				20,833.98

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of January 2023**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Choice Disbursements:				
Joseph Berg				
1/31/2023	EFT	121322	December 2022 Business expense	143.22
Total				143.22
US Bank				
1/13/2023	141690	8910-DEC22	11/23/22-12/22/22 Cal Card Charges	300.00
Total				300.00
US Bank Voyager Fleet Systems				
1/13/2023	EFT	8694349932252	11/25-12/24/22 Fuel for Water Loss Control Shared Services vehicles	519.68
Total				519.68
Total Choice Disbursements				962.90
Other Funds Disbursements:				
AT&T				
1/13/2023	141679	19271288	December 2022 Telephone expense for WEROC Primary & N. EOC	467.91
Total				467.91
Metropolitan Water District				
1/31/2023	EFT	13123 10973	November 2022 Water deliveries	15,400,596.10
Total				15,400,596.10
Petty Cash				
1/31/2023	141816	SEP-DEC22	September-December 2022 Petty Cash reimbursement	(80.00)
Total				(80.00)
Santa Margarita Water District				
1/31/2023	EFT	113022	November 2022 SCP Operation Surcharge	21,810.32
Total				21,810.32
Santiago Aqueduct Commission				
1/31/2023	141817	113022	November 2022 SAC Pipeline Operation Surcharge	2,651.40
Total				2,651.40
Spray to Drip Rebate				
1/30/2023	141804	S2D5-C-IRWD-44434-18933	Westpark Maintenance District (Irvine)	1,135.50
1/30/2023	141708	S2D5-C-SC-46648-18626	Bay Cliff Village North (San Clemente)	7,626.00
1/30/2023	141758	S2D5-R-BREA-46431-18630	T. Machock	743.50
1/30/2023	141745	S2D5-R-HB-47117-18776	J. James	160.50
1/30/2023	141781	S2D5-R-MESA-46659-18633	J. Rozak	1,658.50

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of January 2023**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Spray to Drip Rebate-Continued				
1/30/2023	141719	S2D5-R-O-46608-18671	Q. Chau	509.50
1/30/2023	141721	S2D5-R-SC-46946-18729	T. Chernack	591.00
1/30/2023	141742	S2D5-R-SM-47039-18780	B. Hilyard	2,500.00
1/30/2023	141735	S2D5-R-SOCO-46766-18663	A. Gale	261.50
1/30/2023	141717	S2D5-R-TUST-46642-18625	T. Busch	853.50
1/30/2023	141736	S2D5-R-TUST-48139-19050	T. Goeden	1,686.50
1/30/2023	141771	S2D5-R-YLWD-46403-18555	S. Nathan	319.50
1/30/2023	141788	S2D6-C-MESA-46715-19301	The Creekside Business Condo Assc (Costa Mesa)	4,328.50
1/30/2023	141753	S2D6-R-BP-49190-19377	K. Lee	600.00
1/30/2023	141800	S2D6-R-BREA-49198-19338	C. Wagner	159.50
1/30/2023	141798	S2D6-R-ETWD-49531-19528	A. Venanzi	1,127.25
1/30/2023	141793	S2D6-R-ETWD-49591-19503	T. Tran	672.75
1/30/2023	141725	S2D6-R-HB-47086-19461	A. Cruz	150.50
1/30/2023	141734	S2D6-R-HB-47268-19480	C. Frieder	232.00
1/30/2023	141730	S2D6-R-HB-48611-19183	E. Durow	285.86
1/30/2023	141802	S2D6-R-IRWD-48693-19176	A. Watanabe	384.00
1/30/2023	141724	S2D6-R-IRWD-48724-19192	C. Constantin	498.40
1/30/2023	141767	S2D6-R-MESA-47673-19224	S. Mooney	579.00
1/30/2023	141737	S2D6-R-MESA-49073-19336	N. Haeger	570.00
1/30/2023	141760	S2D6-R-O-47246-19076	I. Makelin	291.28
1/30/2023	141806	S2D6-R-O-48259-19283	R. Yamamoto	1,096.50
1/30/2023	141703	S2D6-R-O-48494-19131	S. Arnold	2,146.00
1/30/2023	141739	S2D6-R-SC-48237-19065	S. Harrington	1,449.34
1/30/2023	141713	S2D6-R-SM-46843-19112	S. Bell	497.90
1/30/2023	141695	S2D6-R-SM-47594-19066	S. Alfaro	458.00
1/30/2023	141778	S2D6-R-SM-49290-19361	P. Roecker	93.00
1/30/2023	141808	S2D6-R-TUST-47385-19364	K. Zeich	265.00
1/30/2023	141706	S2D6-R-YLWD-48653-19352	R. Barry	249.50
1/31/2023	141823	S2D6-R-TC-49412-19428	S. Nelson	409.36
Total				34,589.14
Turf Rebate				
1/30/2023	141789	TR15-C-HB-4463-44977	The Seagate Community Assn (Huntington Beach)	32,958.15
1/30/2023	141796	TR15-C-IRWD-44434-46444	University Community Assn (Sandburg Way)	8,200.00
1/30/2023	141797	TR15-C-IRWD-44434-46452	University Community Assn (Goldenglow & University)	1,918.00
1/30/2023	141711	TR15-C-MNT-45960-45868	Beacon Hill Planned Comm Assc (Mt Vernon, Laguna Niguel)	4,416.00
1/30/2023	141766	TR15-C-SOCO-46776-45829	Monarch Beach Master Association (Dana Point)	12,908.00
1/30/2023	141784	TR15-R-BP-47652-46241	A. Schindler	2,880.00
1/30/2023	141728	TR15-R-BREA-46871-45500	K. Dinh	12,315.00
1/30/2023	141716	TR15-R-EOCWD-42946-41599	R. Bowman	8,502.00
1/30/2023	141741	TR15-R-ETWD-13557-45450	A. Hasan	4,312.00
1/30/2023	141754	TR15-R-FV-46884-45515	K. Lisack	1,377.00
1/30/2023	141792	TR15-R-FV-47264-45879	N. Tran	1,206.00
1/30/2023	141786	TR15-R-FV-47447-46041	A. Sinha	1,782.00
1/30/2023	141705	TR15-R-FV-47870-46448	G. Ballard	4,404.00


**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of January 2023**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Turf Rebate-Continued				
1/30/2023	141726	TR15-R-GG-46597-45235	R. Davis	9,092.68
1/30/2023	141791	TR15-R-GG-47318-45920	H. Tran	2,444.70
1/30/2023	141746	TR15-R-HB-47117-45729	J. James	963.00
1/30/2023	141733	TR15-R-HB-47247-45842	C. Eyraud	4,200.00
1/30/2023	141748	TR15-R-IRWD-43043-41705	D. Khubbar	3,628.00
1/30/2023	141790	TR15-R-IRWD-46386-45023	K. Tjong	2,375.00
1/30/2023	141752	TR15-R-IRWD-46516-45158	J. Lee	13,860.00
1/30/2023	141805	TR15-R-LH-47888-46464	C. Wolf	2,346.00
1/30/2023	141698	TR15-R-MESA-44289-45402	C. Allen	4,053.44
1/30/2023	141712	TR15-R-MESA-46249-44881	M. Becerra	3,567.56
1/30/2023	141799	TR15-R-MESA-46898-45536	D. Vozenilek	4,440.00
1/30/2023	141750	TR15-R-MNT-46065-44692	C. Krupchak	3,096.00
1/30/2023	141732	TR15-R-MNT-47923-46500	D. Everett	5,112.00
1/30/2023	141720	TR15-R-O-46608-45249	Q. Chau	3,057.00
1/30/2023	141761	TR15-R-O-47246-45840	I. Makelin	1,032.00
1/30/2023	141702	TR15-R-O-47935-46511	H. Arnold	7,272.00
1/30/2023	141783	TR15-R-O-48007-46574	V. Schilpp	3,930.00
1/30/2023	141759	TR15-R-SC-422-41519	J. Macri	1,887.00
1/30/2023	141769	TR15-R-SC-44704-43343	D. Morgan	882.00
1/30/2023	141722	TR15-R-SC-46946-45567	T. Chernack	1,773.00
1/30/2023	141757	TR15-R-SC-48082-46641	M. Losness	2,991.00
1/30/2023	141700	TR15-R-SM-42253-40983	J. Anderson	975.00
1/30/2023	141762	TR15-R-SM-45989-44620	J. McAdam	1,794.00
1/30/2023	141743	TR15-R-SM-47039-45649	B. Hilyard	15,000.00
1/30/2023	141729	TR15-R-SM-47401-45999	E. Dryden	1,605.00
1/30/2023	141785	TR15-R-TC-47516-46099	S. Shamlou	2,181.00
1/30/2023	141718	TR15-R-TUST-46642-45280	T. Busch	3,888.00
1/30/2023	141809	TR15-R-TUST-47385-45986	K. Zeich	1,590.00
1/30/2023	141744	TR15-R-WEST-47132-45741	P. Hounsell	1,701.00
1/30/2023	141770	TR15-R-WEST-47149-45753	M. Mullins	3,807.00
1/30/2023	141709	TR16-C-IRWD-45960-46795	Bayview Court HOA (Newport Beach)	9,990.00
1/30/2023	141710	TR16-C-IRWD-45960-46805	Bayview Court HOA (Newport Beach)	13,762.68
1/30/2023	141801	TR16-R-BREA-49198-47727	C. Wagner	957.00
1/30/2023	141794	TR16-R-ETWD-49591-48104	T. Tran	2,668.00
1/30/2023	141795	TR16-R-FV-47877-46455	G. Truong	1,752.00
1/30/2023	141731	TR16-R-HB-48611-47136	E. Durow	1,956.00
1/30/2023	141701	TR16-R-HB-49375-47896	M. Anderson	3,372.00
1/30/2023	141773	TR16-R-IRWD-48442-46979	A. Nguyen	3,475.00
1/30/2023	141803	TR16-R-IRWD-48693-47220	A. Watanabe	1,555.00
1/30/2023	141775	TR16-R-IRWD-48872-47396	J. Podrow	1,295.00
1/30/2023	141776	TR16-R-IRWD-49033-47554	E. Reed	2,340.00
1/30/2023	141747	TR16-R-IRWD-49085-47611	L. Jeromin	2,095.00
1/30/2023	141704	TR16-R-IRWD-49316-47834	A. Balian	1,455.00
1/30/2023	141787	TR16-R-IRWD-49406-47922	J. Sisson	934.96
1/30/2023	141756	TR16-R-LH-48403-46944	L. Lopez	4,413.00
1/30/2023	141768	TR16-R-MESA-47673-46257	S. Mooney	2,619.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of January 2023**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Turf Rebate-Continued				
1/30/2023	141749	TR16-R-MESA-48495-47029	A. King	1,581.00
1/30/2023	141738	TR16-R-MESA-49073-47599	N. Haeger	3,018.00
1/30/2023	141765	TR16-R-MNT-48307-46855	M. Mitrovich	3,384.00
1/31/2023	141824	TR16-R-MNT-49040-47562	D. Ross	1,320.00
1/30/2023	141782	TR16-R-MNT-49357-47876	V. Samiian	1,092.00
1/30/2023	141807	TR16-R-O-48259-46824	R. Yamamoto	6,522.00
1/30/2023	141763	TR16-R-O-48522-47059	C. McElrea	2,757.00
1/30/2023	141727	TR16-R-O-48629-47155	A. Demarco	2,484.00
1/30/2023	141777	TR16-R-O-49347-47871	S. Robertson	3,666.00
1/30/2023	141740	TR16-R-SC-48237-46792	S. Harrington	3,459.00
1/30/2023	141714	TR16-R-SM-46843-45475	S. Bell	1,371.00
1/30/2023	141696	TR16-R-SM-47594-46183	S. Alfaro	1,092.00
1/30/2023	141764	TR16-R-SM-48737-47256	M. Mei	1,464.00
1/30/2023	141755	TR16-R-SM-49127-47719	T. Litschewski	1,497.00
1/30/2023	141779	TR16-R-SM-49290-47805	P. Roecker	501.00
1/30/2023	141723	TR16-R-TC-48700-47229	J. Cherney	1,407.97
1/30/2023	141697	TR16-R-TC-48709-47236	S. Alkowni	3,258.00
1/30/2023	141699	TR16-R-TC-48842-47364	S. Alvanos	2,415.00
1/30/2023	141715	TR16-R-TUST-48726-47248	C. Beuermann	792.00
1/30/2023	141707	TR16-R-YLWD-48653-47180	R. Barry	1,497.00
1/30/2023	141774	TR16-R-YLWD-48890-47416	D. Paul	7,830.00
1/30/2023	141751	TR16-R-YLWD-49029-47550	S. Large	2,445.00
Total				<u>321,214.14</u>
US Bank				
1/13/2023	141690	6066-DEC22	11/23/22-12/22/22 Cal Card Charges	1.95
Total				<u>1.95</u>
Verizon Wireless				
1/05/2023	141673	9923696308	December 2022 4G Mobile broadband unlimited service	76.02
Total				<u>76.02</u>
Total Other Funds Disbursements				<u>15,781,326.98</u>
Total Disbursements				<u><u>15,821,563.01</u></u>


Harvey De La Torre, Interim General Manager


Hilary Chumoitazi, Treasurer

Cal Card Charges
Statement Date: December 22, 2022
Payment Date: January 13, 2023

Date	Description	Amount
R. Hunter Card:		
11/20/2022	American Water Works Association membership for J. Berg	311.00
12/01/2022	ACWA Fall Conference in Indian Wells, CA from November 29-December 1, 2022 - Accommodations for Director McVicker, Director Nederhood, Director Thomas, H. De La Torre, A. Heide, and H. Baez	3,495.96
12/01/2022	ACWA Fall Conference from November 29-December 1, 2022 in Indian Wells, CA - Accommodations for D. Micalizzi	171.26 ¹
12/05/2022	Colorado River Water Users Association Annual Conference from December 12-16, 2022 in Las Vegas, NV - Airfare for D. Micalizzi	217.97
12/06/2022	Colorado River Water Users Association Annual Conference from December 12-16, 2022 in Las Vegas, NV - Accommodations for Director Nederhood, A. Heide, Director Thomas, H. Baez, M. Baum-Haley and H. De La Torre	2,169.06
12/08/2022	Director Tamaribuchi's dinner	1,578.85
12/09/2022	Colorado River Water Users Association Annual Conference from December 12-16, 2022 in Las Vegas, NV - Airfare for A. Heide	212.96
12/10/2022	Correction to Invoice 1145332 from September 2022 Notary Services for District Secretary	0.28
12/14/2022	Colorado River Water Users Association Annual Conference from December 12-16, 2022 in Las Vegas, NV - Meal on 12/14/22 for A. Heide, H. De La Torre, M. Baum-Haley, H. Baez and twelve guests	828.04 ²
12/15/2022	2023 Multi-State Salinity Coalition Annual Salinity Summit from February 22- 24, 2023 in Las Vegas, NV - Registration for C. Busslinger	245.00
12/15/2022	2023 Multi-State Salinity Coalition Annual Salinity Summit from February 22-24, 2023 in Las Vegas, NV - Airfare for C. Busslinger	148.97
12/15/2022	Colorado River Water Users Association Annual Conference from December 12-16, 2022 in Las Vegas, NV - Dinner on 12/15/22 for H. De La Torre, H. Baez, A. Heide and M. Baum-Haley	167.56
Total:		9,546.91
Public Affairs Card:		
11/23/2022	Boy Scouts merit badge pamphlet	13.03
11/28/2022	Resolution for Stephen Arakawa's retirement	158.41
12/02/2022	12/2/22-1/1/23 Zoom Video Communications fee with audio licenses	174.93
12/03/2022	December 2022 Public Storage Unit for Public Affairs	485.00
12/06/2022	Translation services for WEEA Water and Energy career brochures	155.17
12/08/2022	CAPIO Demystifying Communication Strategies for Diverse Communities webinar on December 12, 2022 - Registration for T. Baca	30.00
12/09/2022	UPS Shipping for calendar contest	24.76
12/15/2022	CAPIO membership renewal for T. Baca	275.00
12/21/2022	Printing WEEA Water and Energy career brochures for community events	63.62
Total:		1,379.92

Cal Card Charges
Statement Date: December 22, 2022
Payment Date: January 13, 2023

Date	Description	Amount
C. Harris Card:		
9/28/2022	Reverse entry FedEx shipment on 9/28/22	(20.98)
11/15/2022	KnowBe4 Security awareness training software subscription renewal	1,287.00
11/17/2022	Alchemer annual basic license for Water Use Efficiency surveys and outreach	300.00
11/18/2022	11/17/22 Entry door service provided by ASSA Abloy	769.29
11/24/2022	10/25/22-11/24/22 Web hosting service for MWD0C website	15.67
11/28/2022	12/1/22 Office supplies	6.52
11/29/2022	Harrison Assessments for new hired staff	1,350.00
11/30/2022	11/30/22 Office supplies	144.56
11/30/2022	Costco Return credit for chair mats on order 287648293	(123.95)
12/02/2022	Deposit for service to update Water Billing Access file to be compatible with Office 365 x64	513.00
12/05/2022	Nameplate for Director Crane	32.67
12/07/2022	12/7/22 Office supplies	87.24
12/09/2022	12/9/22 Staff holiday luncheon	2,354.00
12/14/2022	FedEx shipment on 12/8/22	11.02
12/15/2022	HDMI cables, network cables and earbuds	600.36
Total:		7,326.40

WEROC Card:

12/28/2022	Form Swift application trial period for form templates	1.95
Total:		1.95

¹ Reservation was cancelled - hotel issued credit 1/5/23

² Received \$100.00 reimbursement for two MET guests

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the Month of January 2023

Item 1d

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
LastPass US LP				
1/31/2023	EFT	IN60001419543	12/13/22-12/12/24 Password manager subscription	6,739.20
Total				6,739.20
US Geological Survey				
1/31/2023	141819	122122	9/16/22 OC Water Summit speaker Dr. Laurel Larsen travel reimbursement	323.46
Total				323.46
Total Core Disbursements				7,062.66
Choice Disbursements:				
Total Choice Disbursements				-
Other Funds Disbursements:				
Total Other Funds Disbursements				-
Total Disbursements				7,062.66


Harvey De La Torre, Interim General Manager


Hilary Chumpitazi, Treasurer

⁽¹⁾ For disbursements that did not make the cut-off of previous month's Disbursement Approval report. Disbursements are approved by GM for payment and need A & F Committee ratification.



Municipal Water District of Orange County
Consolidated Summary of Cash and Investment
 December 31, 2022

Item 1e

Street Address:
 18700 Ward Street
 Fountain Valley, California 92708

Mailing Address:
 P.O. Box 20895
 Fountain Valley, CA 92728-0895

(714) 963-3058
 Fax: (714) 964-9389
 www.mwdoc.com

Megan Yoo Schneider, P.E.
President

Bob McVicker, P.E., D.WRE
Vice President

Al Nederhood
Director

Larry D. Dick
Director

Karl W. Seckel, P.E.
Director

Sat Tamaribuchi
Director

Jeffrey M. Thomas
Director

Robert J. Hunter
General Manager

MEMBER AGENCIES

City of Brea
 City of Buena Park
 East Orange County Water District
 El Toro Water District
 Emerald Bay Service District
 City of Fountain Valley
 City of Garden Grove
 Golden State Water Co.
 City of Huntington Beach
 Irvine Ranch Water District
 Laguna Beach County Water District
 City of La Habra
 City of La Palma
 Mesa Water District
 Moulton Niguel Water District
 City of Newport Beach
 City of Orange
 Orange County Water District
 City of San Clemente
 Santa Margarita Water District
 City of Seal Beach
 Serrano Water District
 South Coast Water District
 Trabuco Canyon Water District
 City of Tustin
 City of Westminster
 Yorba Linda Water District

District investments and cash balances are held in various funds designated for certain purposes as follows:

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$3,738,505	23.94%
Grant & Project Cash Flow	1,500,000	9.60%
Election Expense	461,678	2.96%
Building Repair	436,542	2.80%
OPEB	297,147	1.90%
Total Designated Reserves	6,433,872	41.20%
General Fund	\$8,836,055	56.58%
Water Fund	1,535,582	9.83%
Conservation Fund	(1,688,459)	(10.81%)
WEROC Fund	481,419	3.08%
Trustee Activities	18,447	0.12%
Total	\$15,616,916	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	1.03%	\$160,100	\$160,100
Short-term investment			
• LAIF	53.11%	8,295,680	8,295,680
• OCIP	26.01%	4,061,213	4,061,213
Long-term investment			
• US Government Issues	1.60%	249,923	223,178
• Corporate Bond	7.68%	1,200,000	1,075,829
• Certificates of Deposit	10.57%	1,650,000	1,585,562
Total	100.00%	\$15,616,916	\$15,401,562

The average number of days to maturity/call as of December 31, 2022 equaled 129 and the average yield to maturity is 2.315%. During the month, the District's average daily balance was \$27,343,798.56. Funds were invested in US Bank Checking Account, Negotiable Certificate of Deposits, Corporate Bonds, US Government Issues, Local Agency Investment Funds (LAIF) and Orange County Investment Pool (OCIP) during the month of December 2022.

The (\$215,354) difference between the book value and the market value on December 31, 2022 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.


 Harvey De La Torre
Interim General Manager


 Hilary Chumpitazi
Treasurer



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

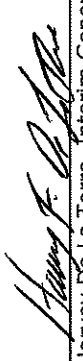
Portfolio Management - Portfolio Summary December 30, 2022

12/30/2022	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,650,000.00	1,585,562.00	1,650,000.00	10.68	859	2.762
Corporate Bond	1,200,000.00	1,075,829.50	1,200,000.00	7.76	462	1.518
US Government Issues	250,000.00	223,177.50	249,922.84	1.62	57	0.860
Local Agency Investment Funds	8,295,679.92	8,295,679.92	8,295,679.92	53.67	1	2.164
Orange County Investment Pool	4,061,212.94	4,061,212.94	4,061,212.94	26.27	1	2.766
Total Investments	15,456,892.86	15,241,461.86	15,456,815.70	100.00	129	2.315

Cash						
Cash	160,099.88	160,099.88	160,099.88		1	0.00
Total Cash and Investments	15,616,992.74	15,401,561.74	15,616,915.58		129	2.315

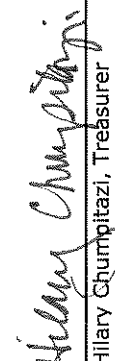
Total Earnings	Month Ending December	Fiscal Year to Date
Current Year	52,948.65	224,735.07
Average Daily Balance	27,343,798.56	
Effective Rate of Return	2.315%	

We certify that this report reflects the cash and investments of the Municipal Water District of Orange County and is in conformity with the Government Code requirements and the District Investment Policy and Guidelines in effect at the time of investment. The Investment Program herein shown provides sufficient cash flow liquidity to meet the next six month's estimated expenditure. The source for the market values are from U.S. Bank. Per Resolution 2059 there are no compliance exceptions to report.



 Harvey De La Torre, Interim General Manager

 Date 02/02/2023



 Hilary Chumbitazi, Treasurer

 Date 02/02/2023

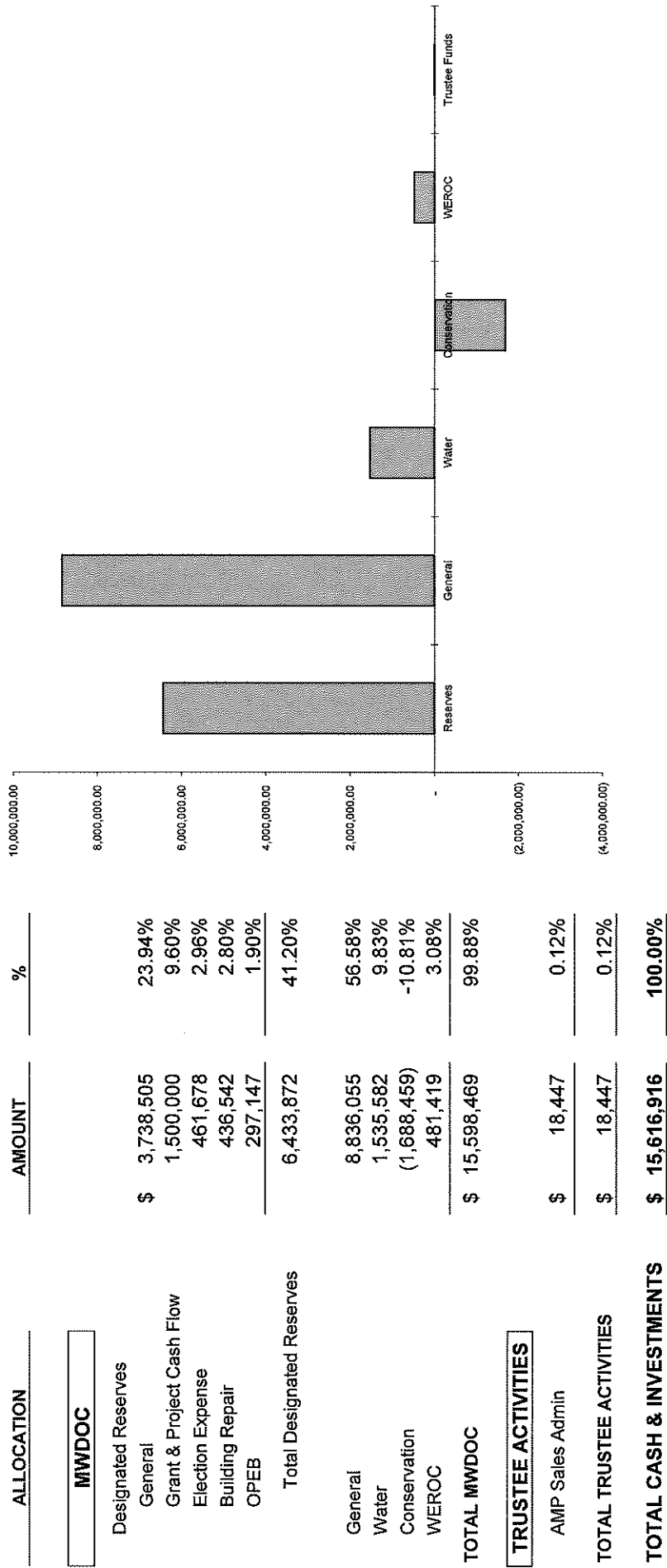
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
December 30, 2022

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Negotiable Certificate Of Deposit									
American Express Bank	02589ADE9	7/20/2022	200,000.00	189,866.00	200,000.00	3.350	3.350	1,662	7/20/2027
Capital One Bank	14042TBQ9	8/7/2019	250,000.00	240,932.50	250,000.00	2.250	2.250	585	8/7/2024
Capital One NA	14042RMJ7	7/24/2019	250,000.00	240,952.50	250,000.00	2.200	2.200	571	7/24/2024
Discover Bank	254573RV0	7/25/2018	250,000.00	248,520.00	250,000.00	3.300	3.300	206	7/25/2023
Goldman Sachs Bank	38148PT98	8/8/2018	250,000.00	248,430.00	250,000.00	3.350	3.350	220	8/8/2023
Sallie Mae Bank	7954507A7	7/14/2021	200,000.00	176,826.00	200,000.00	1.000	1.000	1,291	7/14/2026
Toyota Financial SGS Bank	89235MPD7	9/27/2022	250,000.00	240,035.00	250,000.00	3.650	3.650	1,726	9/22/2027
Sub Total			1,650,000.00	1,585,562.00	1,650,000.00	2.762	2.762	859	
US Government Issues									
FHLB	3130ALGR9	3/1/2021	250,000.00	223,177.50	249,922.84	0.850	0.860	57	2/26/2026
Sub Total			250,000.00	223,177.50	249,922.84	0.850	0.860	57	
Corporate Bond									
Bank of America Corp	06048WK41	12/7/2020	250,000.00	218,655.00	250,000.00	0.850	0.800	1,060	11/25/2025
Citigroup Global Markets	17328WFZ6	9/16/2020	250,000.00	220,092.50	250,000.00	1.000	1.000	75	9/16/2025
JP Morgan Chase	48128GV56	8/18/2020	250,000.00	224,037.50	250,000.00	0.800	0.800	596	8/18/2025
Morgan Stanley Fin LLC	61766YKH3	6/29/2022	200,000.00	190,272.00	200,000.00	4.500	4.500	546	6/29/2027
Societe Generale	83369MD25	8/19/2020	250,000.00	222,772.50	250,000.00	1.000	1.088	50	8/19/2025
Sub Total			1,200,000.00	1,075,829.50	1,200,000.00	1.510	1.518	462	
Total Investments			3,100,000.00	2,884,569.00	3,099,922.84	2.123	2.127	641	
Total Earnings			Month Ending December			Fiscal Year To Date			
Current Year			5,616.60			31,999.15			

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
December 30, 2022

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds									
LAIF LGIP	LAIF	6/30/2010	8,295,679.92	8,295,679.92	8,295,679.92	2.164	2.164	1	N/A
Sub Total			8,295,679.92	8,295,679.92	8,295,679.92	2.164	2.164	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	4,061,212.94	4,061,212.94	4,061,212.94	2.766	2.766	1	N/A
Sub Total			4,061,212.94	4,061,212.94	4,061,212.94	2.766	2.766	1	
Total Investments			12,356,892.86	12,356,892.86	12,356,892.86	2.362	2.362		
Cash									
Petty Cash Cash	CASH	7/1/2010	500.00	500.00	500.00	0.000	0.000	1	N/A
US Bank Cash	CASHUSBANK	7/25/2018	159,599.88	159,599.88	159,599.88	0.000	0.000	1	N/A
Total Cash			160,099.88	160,099.88	160,099.88	0.000	0.000	1	
Total Cash and Investments			12,516,992.74	12,516,992.74	12,516,992.74	2.362	2.362	1	
Total Earnings									
Current Year			47,332.05		Fiscal Year To Date				
									192,735.92

**Municipal Water District of Orange County
Cash and Investments at December 31, 2022**



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS Post-Employment Benefits TrustAccount Report for the Period
12/1/2022 to 12/31/2022

Hilary Chumpitazi
Accounting Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708

Account Summary

Source	Balance as of 12/1/2022	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 12/31/2022
OPEB	\$2,467,889.24	\$0.00	-\$66,062.97	\$1,799.52	\$0.00	\$0.00	\$2,400,026.75
PENSION	\$1,074,208.06	\$0.00	-\$28,755.49	\$783.28	\$0.00	\$0.00	\$1,044,669.29
Totals	\$3,542,097.30	\$0.00	-\$94,818.46	\$2,582.80	\$0.00	\$0.00	\$3,444,696.04

Investment Selection

Source	
OPEB	Moderate HighMark PLUS
PENSION	Moderate HighMark PLUS

Investment Objective

Source	
OPEB	The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.
PENSION	The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	-2.68%	4.62%	-14.67%	1.63%	3.45%	5.49%	10/26/2011
PENSION	-2.68%	4.62%	-14.64%	1.59%	-	-	7/31/2018

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

Item 2

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2022 THRU DECEMBER 31, 2022**

**Municipal Water District of Orange County
Combined Balance Sheet
As of December 31, 2022**

	<u>Amount</u>
<u>ASSETS</u>	
Cash in Bank	160,099.88
Investments	15,456,815.70
Accounts Receivable	25,200,717.01
Accounts Receivable - Other	682,444.23
Accrued Interest Receivable	149,433.87
Prepays/Deposits	401,146.06
Leasehold Improvements	7,001,517.44
Furniture, Fixtures & Equipment	885,094.81
Less: Accumulated Depreciation	<u>(3,795,773.24)</u>
TOTAL ASSETS	<u><u>46,141,495.76</u></u>
<u>LIABILITIES AND FUND BALANCES</u>	
<u>LIABILITIES</u>	
Accounts Payable	25,278,849.98
Accounts Payable - Other	182.00
Accrued Salaries and Benefits Payable	595,318.17
Other Liabilities	931,901.12
Unearned Revenue	<u>1,063,950.05</u>
TOTAL LIABILITIES	<u><u>27,870,201.32</u></u>
<u>FUND BALANCES</u>	
<u>Unrestricted Fund Balances</u>	
<u>Designated Reserves</u>	
General Operations	3,738,505.00
Grant & Project Cash Flow	1,500,000.00
Election Expense	461,678.00
Building Repair	436,542.00
OPEB	<u>297,147.00</u>
Total Designated Reserves	<u>6,433,872.00</u>
General Fund	5,811,879.95
General Fund Capital	83,747.32
WEROC	<u>286,584.21</u>
Total Unrestricted Fund Balances	<u>12,616,083.48</u>
<u>Excess Revenue over Expenditure</u>	
Operating Fund	5,907,865.20
Other Funds	<u>(252,654.24)</u>
TOTAL FUND BALANCES	<u><u>18,271,294.44</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>46,141,495.76</u></u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2022 thru December 31, 2022

	<u>Month to Date</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Encumbrance</u>	<u>Budget Remaining</u>
REVENUES						
Retail Connection Charge	0.00	8,885,401.25	8,885,401.25	100.00%	0.00	0.00
Ground Water Customer Charge	0.00	367,806.00	367,805.72	100.00%	0.00	(0.28)
Water Rate Revenues	0.00	9,253,207.25	9,253,206.97	100.00%	0.00	(0.28)
Interest Revenue	54,818.07	229,398.70	145,971.00	157.15%	0.00	(83,427.70)
Subtotal	54,818.07	9,482,605.95	9,399,177.97	100.89%	0.00	(83,427.98)
Choice Programs	81,356.60	1,281,377.16	1,328,113.87	96.48%	0.00	46,736.71
MWD Revenue - Shared Services	49,130.00	49,130.00	0.00	0.00%	0.00	(49,130.00)
Miscellaneous Income	997.48	1,594.86	3,000.00	53.16%	0.00	1,405.14
School Contracts	5,967.92	31,821.50	429,838.00	7.40%	0.00	398,016.50
Delinquent Payment Penalty	3,597.63	3,597.63	0.00	0.00%	0.00	(3,597.63)
Transfer-In from Reserve	0.00	0.00	457,061.00	0.00%	0.00	457,061.00
Subtotal	141,049.63	1,367,521.15	2,218,012.87	61.66%	0.00	850,491.72
TOTAL REVENUES	195,867.70	10,850,127.10	11,617,190.84	93.40%	0.00	767,063.74

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2022 thru December 31, 2022

	<u>Month to Date</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Encumbrance</u>	<u>Budget Remaining</u>
<u>EXPENSES</u>						
Salaries & Wages	364,853.50	2,223,692.71	4,429,129.50	50.21%	0.00	2,205,436.79
Salaries & Wages - Grant Recovery	(1,051.42)	(2,851.35)	(20,000.00)	(14.26)%	0.00	(17,148.65)
Director's Compensation	22,592.67	134,246.30	275,041.20	48.81%	0.00	140,794.90
MWD Representation	11,460.05	69,087.73	157,166.40	43.96%	0.00	88,078.67
Employee Benefits	93,558.81	693,520.30	1,441,831.24	48.10%	0.00	748,310.94
Employee Benefits - Grant Recovery	(200.27)	(568.93)	0.00	0.00%	0.00	568.93
CalPers Unfunded Liability Contribution	0.00	207,000.00	207,000.00	100.00%	0.00	0.00
Director's Benefits	8,545.76	52,552.43	132,976.50	39.52%	0.00	80,424.07
Health Insurance for Retirees	12,027.21	39,224.85	94,554.00	41.48%	0.00	55,329.15
Training Expense	30.28	2,721.18	53,000.00	5.13%	0.00	50,278.82
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Personnel Expenses	511,816.59	3,418,625.22	6,780,698.84	50.42%	0.00	3,362,073.62
Engineering Expense	18,650.00	88,267.46	410,000.00	21.53%	156,096.07	165,636.47
Legal Expense	15,355.26	66,933.81	235,750.00	28.39%	168,066.19	750.00
Audit Expense	10,000.00	27,000.00	35,000.00	77.14%	4,500.00	3,500.00
Professional Services	68,563.35	434,270.50	1,516,256.00	28.64%	546,888.66	535,096.84
Professional Fees	112,568.61	616,471.77	2,197,006.00	28.06%	875,550.92	704,983.31
Conference - Staff	245.00	9,887.00	56,205.00	17.59%	0.00	46,318.00
Conference - Directors	0.00	5,169.00	23,905.00	21.62%	0.00	18,736.00
Travel & Accom. - Staff	5,802.90	20,189.50	90,325.00	22.35%	0.00	70,135.50
Travel & Accom. - Directors	3,237.00	6,269.49	32,900.00	19.06%	0.00	26,630.51
Travel & Conference	9,284.90	41,514.99	203,335.00	20.42%	0.00	161,820.01
Membership/Sponsorship	586.00	134,634.01	145,847.00	92.31%	0.00	11,212.99
CDR Support	14,365.50	28,731.00	57,462.00	50.00%	28,731.00	0.00
Dues & Memberships	14,951.50	163,365.01	203,309.00	80.35%	28,731.00	11,212.99
Business Expense	74.58	628.44	2,500.00	25.14%	0.00	1,871.56
Office Maintenance	18,921.13	90,298.46	151,400.00	59.64%	8,907.85	52,193.69
Building Repair & Maintenance	3,741.21	8,304.94	22,056.00	37.65%	6,373.85	7,377.21
Storage Rental & Equipment Lease	58.67	350.22	1,800.00	19.46%	449.78	1,000.00
Office Supplies	1,769.19	10,153.67	35,000.00	29.01%	2,627.05	22,219.28
Supplies - Water Loss Control	1,554.42	3,346.45	4,000.00	83.66%	0.00	653.55
Postage/Mail Delivery	882.56	4,728.60	11,300.00	41.85%	1,396.98	5,174.42
Subscriptions & Books	0.00	203.40	1,000.00	20.34%	0.00	796.60
Reproduction Expense	2,220.32	11,416.70	84,000.00	13.59%	4,679.28	67,904.02
Maintenance - Computers	600.36	4,559.53	7,000.00	65.14%	0.00	2,440.47
Software Purchase	12,539.70	64,613.59	95,093.00	67.95%	1,049.58	29,429.83
Software Support	528.67	25,672.07	55,615.00	46.16%	0.00	29,942.93
Computers and Equipment	712.87	21,442.41	43,950.00	48.79%	0.00	22,507.59
Maintenance Expense	0.00	0.00	6,000.00	0.00%	0.00	6,000.00
Automotive Expense	815.14	2,081.99	13,500.00	15.42%	0.00	11,418.01
Vehicle Expense	519.68	6,127.83	7,343.00	83.45%	0.00	1,215.17
Toll Road Charges	0.00	100.00	2,100.00	4.76%	0.00	2,000.00
Insurance Expense	15,286.02	91,358.99	140,000.00	65.26%	0.00	48,641.01
Utilities - Telephone	1,579.41	17,859.17	43,690.00	40.88%	684.18	25,146.65
Bank Fees	0.00	780.58	2,600.00	30.02%	0.00	1,819.42
Miscellaneous Expense	7,411.13	20,286.30	69,520.00	29.18%	2,035.00	47,198.70
MWDOC's Contrb. to WEROC	24,690.83	148,145.02	296,290.00	50.00%	0.00	148,144.98
Depreciation Expense	7,951.27	47,707.83	0.00	0.00%	0.00	(47,707.83)
Other Expenses	101,857.16	580,166.19	1,095,757.00	52.95%	28,203.55	487,387.26
Election Expense	0.00	0.00	300,728.00	0.00%	0.00	300,728.00
Capital Acquisition	7,948.85	100,537.94	113,280.00	88.75%	50,291.96	(37,549.90)
Building Expense	0.00	21,580.78	723,077.00	2.98%	16,376.00	685,120.22
TOTAL EXPENSES	758,427.61	4,942,261.90	11,617,190.84	42.54%	999,153.43	5,675,775.51
NET INCOME (LOSS)	(562,559.91)	5,907,865.20	0.00	0.00%	(999,153.43)	(4,908,711.77)

**Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
July 1, 2022 thru December 31, 2022**

	<u>Month to Date</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Budget Remaining</u>
<u>WATER REVENUES</u>					
Water Sales	8,583,788.70	94,207,019.90	157,620,717.70	59.77%	63,413,697.80
Readiness to Serve Charge	1,014,375.00	6,086,251.45	11,142,354.00	54.62%	5,056,102.55
Capacity Charge CCF	449,265.00	2,695,589.86	5,396,060.00	49.95%	2,700,470.14
SCP/SAC Pipeline Surcharge	25,282.95	182,472.31	318,000.00	57.38%	135,527.69
Interest Revenue	0.00	0.00	4,547.00	0.00%	4,547.00
TOTAL WATER REVENUES	10,072,711.65	103,171,333.52	174,481,678.70	59.13%	71,310,345.18
<u>WATER PURCHASES</u>					
Water Sales	8,583,788.70	94,207,019.90	157,620,717.70	59.77%	63,413,697.80
Readiness to Serve Charge	1,014,375.00	6,086,251.31	11,142,354.00	54.62%	5,056,102.69
Capacity Charge CCF	449,265.00	2,695,590.00	5,396,060.00	49.95%	2,700,470.00
SCP/SAC Pipeline Surcharge	25,282.95	182,472.31	318,000.00	57.38%	135,527.69
TOTAL WATER PURCHASES	10,072,711.65	103,171,333.52	174,477,131.70	59.13%	71,305,798.18
EXCESS OF REVENUE OVER EXPENDITURE	0.00	0.00	4,547.00	0.00%	4,547.00

**Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Use Efficiency
July 1, 2022 thru December 31, 2022**

	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
Spray To Drip Conversion			
Revenues	182,113.70	434,927.51	41.87%
Expenses	228,519.78	434,927.51	52.54%
Excess of Revenues over Expenditures	(46,406.08)	0.00	
Member Agency Administered Pass-Thru			
Revenues	0.00	255,000.00	0.00%
Expenses	0.00	255,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	0.00	1,000.00	0.00%
Expenses	0.00	1,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	21,498.61	60,000.00	35.83%
Expenses	18,650.00	60,000.00	31.08%
Excess of Revenues over Expenditures	2,848.61	0.00	
CII Rebate Program			
Revenues	399.00	2,000.00	19.95%
Expenses	399.00	2,000.00	19.95%
Excess of Revenues over Expenditures	0.00	0.00	
Turf Removal Program			
Revenues	2,986,370.73	6,061,364.00	49.27%
Expenses	3,344,228.66	6,061,364.00	55.17%
Excess of Revenues over Expenditures	(357,857.93)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	57,320.26	321,700.00	17.82%
Expenses	73,382.52	321,700.00	22.81%
Excess of Revenues over Expenditures	(16,062.26)	0.00	
Recycled Water Program			
Revenues	0.00	50,000.00	0.00%
Expenses	0.00	50,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
WSIP - Industrial Program			
Revenues	0.00	32,645.00	0.00%
Expenses	0.00	32,645.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Land Design Program			
Revenues	189,062.50	331,303.00	57.07%
Expenses	214,882.90	331,303.00	64.86%
Excess of Revenues over Expenditures	(25,820.40)	0.00	
Pressure Regulation Program			
Revenues	21,675.00	26,960.50	80.40%
Expenses	21,675.00	26,960.50	80.40%
Excess of Revenues over Expenditures	0.00	0.00	
Rotating Nozzle			
Revenues	6.17	1,750.00	0.35%
Expenses	0.00	1,750.00	0.00%
Excess of Revenues over Expenditures	6.17	0.00	
Dedicated Irrigation Meters Measurement Project (DIMM)			
Revenues	0.00	966,624.00	0.00%
Expenses	0.00	966,624.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Use Efficiency
July 1, 2022 thru December 31, 2022

	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
Total WUE Projects			
Revenues	3,458,445.97	8,545,274.01	40.47%
Expenses	<u>3,901,737.86</u>	<u>8,545,274.01</u>	<u>45.66%</u>
Excess of Revenues over Expenditures	(443,291.89)	0.00	
 WEROC			
Revenues	417,796.04	565,941.00	73.82%
Expenses	<u>397,268.21</u>	<u>565,941.00</u>	<u>70.20%</u>
Excess of Revenues over Expenditures	20,527.83	0.00	



Memorandum

DATE: February 08, 2022

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

FROM: Harvey De La Torre

SUBJECT: Quarter ending December 2022 Fiscal YTD Financials Actual versus Budget

The following reports are attached:

- Revenues and Expenditures Actual versus Budget for the General Fund
- Revenues and Expenditures Actual versus Budget Detailed Comparative Report for the General Fund
- Revenues and Expenditures Actual versus Budget for Water Funds
- Revenues and Expenditures Actual versus Budget for Other Funds
- Revenues and Expenditures Actual versus Budget for the Water Use Efficiency Projects

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget Summary Report
Fiscal Year to Date ending December 2022 (Unaudited)
(\$000 Omitted)
General Fund and Reserve Fund

GENERAL FUND

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
<u>REVENUES</u>			
Water Rate revenues:			
Retail Connection Charge	8,885	8,885	100.00%
Ground Water Customer Charge	368	368	100.00%
Subtotal	<u>9,253</u>	<u>9,253</u>	<u>100.00%</u>
Other Revenues:			
Interest Income ⁽¹⁾	229	146	157.15%
Choice Programs ⁽²⁾	1,331	1,328	100.18%
School Contracts	32	430	7.40%
Other Income	5	3	173.08%
Transfer in from Reserve ⁽³⁾	0	457	0.00%
Subtotal	<u>1,597</u>	<u>2,364</u>	<u>67.56%</u>
TOTAL REVENUES	<u><u>10,850</u></u>	<u><u>11,617</u></u>	<u><u>93.40%</u></u>
<u>EXPENSES</u>			
Personnel Expenses (including Directors)	3,419	6,781	50.42%
Professional Services ⁽⁴⁾	461	1,551	29.74%
Outside Engineering ⁽⁴⁾	88	410	21.53%
Legal Expense	67	236	28.39%
Travel & Conference ⁽⁵⁾	42	203	20.41%
Dues and Memberships	163	203	80.35%
General & Admin Expense	580	1,396	41.51%
Building Repair & Expense ⁽⁶⁾	22	723	2.98%
Capital Acquisition ⁽⁶⁾	101	113	88.75%
TOTAL EXPENSES	<u><u>4,942</u></u>	<u><u>11,617</u></u>	<u><u>42.54%</u></u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>5,909</u></u>		

RESERVE FUND

Beginning Balance	7,305
Nov 2021 - draw from FY 2020-21 Reserves	(871)
TOTAL RESERVE FUND⁽⁷⁾	<u><u>6,434</u></u>

(1) Interest rates rising quickly

(2) Choice Programs are funded at beginning of year

(3) Transfer in from Reserves is moved at year-end

(4) Projects in process

(5) Travel and Conferences are scheduled throughout the fiscal year

(6) Building and Capital are scheduled to occur throughout the fiscal year

(7) Reserve Fund will be revised July 2023

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending December 2022 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge	8,885,401	8,885,401	100.00%
Ground Water Customer Charge	367,806	367,806	100.00%
Water Rate Revenues	9,253,207	9,253,207	100.00%
Choice Programs	1,281,377	1,328,114	96.49%
MWD Revenue - Shared Services	49,130	0	0.00%
Interest Revenue	229,399	145,971	157.15%
Miscellaneous Income	5,192	3,000	173.08%
School Contracts	31,822	429,838	0.00%
Transfer in from Reserve	0	457,061	0.00%
Other Revenues	1,596,920	2,363,984	67.55%
TOTAL REVENUES	10,850,127	11,617,191	93.40%

OPERATING EXPENSES			
Salaries & Wages	2,223,693	4,429,130	50.21%
less Recovery's	(2,851)	(20,000)	14.26%
Directors' Compensation	134,246	275,041	48.81%
MWD Representation	69,088	157,166	43.96%
Employee Benefits	693,520	1,441,831	48.10%
less Recovery's	(569)	0	0.00%
CALPERS Unfunded Liability Contribution	207,000	207,000	100.00%
Directors Benefits	52,552	132,977	39.52%
Health Insurances for Retirees	39,225	94,554	41.48%
Training Expense	2,721	53,000	5.13%
Tuition Reimbursement	0	5,000	0.00%
Temporary Help Expense	0	5,000	0.00%
Personnel Expenses	3,418,625	6,780,699	50.42%
Engineering Expense	88,267	410,000	21.53%
Legal Expense	66,934	235,750	28.39%
Audit Expense	27,000	35,000	77.14%
Professional Services	434,271	1,516,256	28.64%
Professional Fees	616,472	2,197,006	28.06%
Conference-Staff	9,887	56,205	17.59%
Conference-Directors	5,169	23,905	21.62%
Travel & Accom.-Staff	20,190	90,325	22.35%
Travel & Accom.-Directors	6,269	32,900	19.05%
Travel & Conference	41,515	203,335	20.42%
Membership/Sponsorship	134,634	145,847	92.31%
CDR Support	28,731	57,462	50.00%
Dues & Memberships	163,365	203,309	80.35%

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending December 2022 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	628	2,500	25.12%
Maintenance Office	90,298	151,400	59.64%
Building Repair & Maintenance	8,305	22,056	37.65%
Storage Rental & Equipment Lease	350	1,800	19.44%
Office Supplies	10,154	35,000	29.01%
Supplies - Water Loss Control	3,346	4,000	83.65%
Postage/Mail Delivery	4,729	11,300	41.85%
Subscriptions & Books	203	1,000	20.30%
Reproduction Expense	11,417	84,000	13.59%
Maintenance-Computers	4,560	7,000	65.14%
Software Purchase	64,614	95,093	67.95%
Software Support	25,672	55,615	46.16%
Computers and Equipment	21,442	43,950	48.79%
Maintenance Expense	0	6,000	0.00%
Automotive Expense	2,082	13,500	15.42%
Vehicle Expense	6,128	7,343	83.45%
Toll Road Charges	100	2,100	4.76%
Insurance Expense	91,359	140,000	65.26%
Utilities - Telephone	17,859	43,690	40.88%
Bank Fees	781	2,600	30.04%
Miscellaneous Expense	20,286	69,520	29.18%
MWDOC's Contribution to WEROC	148,145	296,290	50.00%
Depreciation Expense	47,708	0	0.00%
Election Expense	0	300,728	0.00%
MWDOC Building Expense	21,581	723,077	2.98%
Capital Acquisition	100,538	113,280	88.75%
Other Expenses	702,285	2,232,842	31.45%
TOTAL EXPENSES	4,942,262	11,617,191	42.54%
EXCESS OF REVENUES OVER EXPENSES	5,907,865	0	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Revenues and Expenditures
Fiscal Year to Date ending December 2022 (Unaudited)
Water Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>Water Revenues</u>			
Water Sales	94,207,020	157,620,718	(63,413,698)
Readiness to Serve Charge	6,086,251	11,142,354	(5,056,103)
Capacity Charge CCF	2,695,590	5,396,060	(2,700,470)
SCP/SAC Pipeline Surcharge	182,472	318,000	(135,528)
Interest ⁽¹⁾	-	4,547	(4,547)
Total Water Revenues	<u>103,171,334</u>	<u>174,481,679</u>	<u>(71,310,345)</u>
 <u>Water Purchases</u>			
Water Sales	94,207,020	157,620,718	(63,413,698)
Ready to Serve Charge	6,086,251	11,142,354	(5,056,103)
Capacity Charge CCF	2,695,590	5,396,060	(2,700,470)
SCP/SAC Pipeline Surcharge	182,472	318,000	(135,528)
Total Water Purchases	<u>103,171,334</u>	<u>174,477,132</u>	<u>(71,305,798)</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>-</u>	 <u>4,547</u>	 <u>(4,547)</u>

⁽¹⁾ Interest for disbursed Tier 2 Funds

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2022 (Unaudited)
Other Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>WEROC</u>			
Revenues	417,796	565,941	(148,145)
Expenditures	397,268	565,941	(168,673)
Excess of Revenues over Expenditures	<u>20,528</u>	<u>0</u>	<u>20,528</u>

WUE Projects (details on next page)

Revenues	3,458,446	8,545,274	(5,086,828)
Expenditures	3,901,738	8,545,274	(4,643,536)
Excess of Revenues over Expenditures	<u>(443,292)</u>	<u>0</u>	<u>(443,292)</u>

Footnote:

- 1) The excess of expense over revenue is waiting for reimbursement.
- 2) USBR (Federal) Grant is billed in October and April with funds being received one month later.
- 3) DWR is billed quarterly to county and takes a few months to a year to receive funds.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2022 (Unaudited)
Water Use Efficiency Projects

	Actual	Variance %	Fiscal Year Budget	% of Budget	Projected Final FY Budget
<u>Spray to Drip Conversion</u>					
Revenues	182,114		434,928	41.87%	434,928
Expenditures	228,520		434,928	52.54%	434,928
Excess of Revenues over Expenditures	(46,406)	-25%			

Actual Variance: All reporting current. Payments to Program Participants slightly ahead of Grant (DWR & USBR), Metropolitan (on water bill), and Retail Water Agencies reimbursements.

Budget Variance: Program activity is higher than previous fiscal years and is on trajectory to spend projected budget.

Member Agency Administered Pass thru

Revenues	0		255,000	0.00%	255,000
Expenditures	0		255,000	0.00%	255,000
Excess of Revenues over Expenditures	0	0%			

Actual Variance: No activity that falls outside of other reported regional programs has occurred.

Budget Variance: No Member Agency Administered (MAA) pass through funding is anticipated this year as all MAA funding is allocated to programs implemented regionally.

ULFT Rebate Program

Revenues	0		1,000	0.00%	1,000
Expenditures	0		1,000	0.00%	1,000
Excess of Revenues over Expenditures	0	0%			

Actual Variance: This tracks MWDOC member agencies activities to provide supplemental funding to increase activity in their service territories.

Budget Variance: Program consistently has low participation.

HECW Rebate Program

Revenues	21,499		60,000	35.83%	60,000
Expenditures	18,650		60,000	31.08%	60,000
Excess of Revenues over Expenditures	2,849	13%			

Actual Variance: This tracks MWDOC member agencies activities to provide supplemental funding to increase activity in their service territories.

Budget Variance: EGIA device rebates have seen lower than average activity this fiscal year.

CII Rebate Program

Revenues	399		2,000	19.95%	2,000
Expenditures	399		2,000	19.95%	2,000
Excess of Revenues over Expenditures	0	0%			

Actual Variance: This tracks MWDOC member agencies activities to provide supplemental funding to increase activity in their service territory.

Budget Variance: EGIA device rebates have seen lower than average activity this fiscal year.

Notes:

- 1) Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.
- 2) Fiscal year budget versus Actual
- 3) With each quarterly report the projected fiscal year end budget may be re-adjusted.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2022 (Unaudited)
Water Use Efficiency Projects

	Actual	Variance %	Fiscal Year Budget	% of Budget	Projected Final FY Budget
<u>Turf Removal Program</u>					
Revenues	2,986,371		6,061,364	49.27%	6,061,364
Expenditures	3,344,229		6,061,364	55.17%	6,061,364
Excess of Revenues over Expenditures	(357,858)	-12%			

Actual Variance: Posted revenues from Grants (DWR & USBR) lagging slightly behind expenses. All revenue reporting for reimbursement is up to date.

Budget Variance: Program activity is increasing and is on trajectory to spend projected budget.

<u>Comprehensive Landscape (CLWUE)</u>					
Revenues	57,320		321,700	17.82%	321,700
Expenditures	73,383		321,700	22.81%	321,700
Excess of Revenues over Expenditures	(16,062)	-28%			

Actual Variance: Grant funded program. Granting agencies (State) are slow to provide their funding. All reporting is current.

Budget Variance: EGIA device rebates have seen lower than average activity this fiscal year.

<u>Recycled Water Program</u>					
Revenues	0		50,000	0.00%	50,000
Expenditures	0		50,000	0.00%	50,000
Excess of Revenues over Expenditures	0	0%			

Actual Variance: Projects are currently being implemented with activity reported over the course of the fiscal year.

Budget Variance: Program is experiencing lower than average participation; however, projects are anticipated to be completed in the latter half of the fiscal year

<u>WSIP - Industrial Program</u>					
Revenues	0		32,645	0.00%	32,645
Expenditures	0		32,645	0.00%	32,645
Excess of Revenues over Expenditures	0	0%			

Actual Variance: Projects are currently being implemented with activity reported over the course of the fiscal year.

Budget Variance: Program is experiencing lower than average participation; however, projects are anticipated to be completed in the latter half of the fiscal year

<u>Land Design Program</u>					
Revenues	189,063		331,303	57.07%	331,303
Expenditures	214,883		331,303	64.86%	331,303
Excess of Revenues over Expenditures	(25,820)	-14%			

Actual Variance: All local, State, and Federal Grant reporting is current.

Budget Variance: This program is tied directly to activity in the turf program and there has been an increase in participation. Controls have been implemented to stay on budget.

Notes:

- 1) Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.
- 2) Fiscal year budget versus Actual
- 3) With each quarterly report the projected fiscal year end budget may be re-adjusted.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2022 (Unaudited)
Water Use Efficiency Projects

	Actual	Variance %	Fiscal Year Budget	% of Budget	Projected Final FY Budget
<u>Pressure Regulation Valve Program</u>					
Revenues	21,675		26,961	80.40%	26,961
Expenditures	21,675		26,961	80.40%	26,961
Excess of Revenues over Expenditures	0	0%			

Actual Variance: Expenses out ahead of grant reimbursements. All local, State, and Federal Grant reporting current.

Budget Variance: This is a pilot program that is close to wrapping up within the remainder of the fiscal year.

<u>Rotating Nozzle Program</u>					
Revenues	6		1,750	0.35%	5,000
Expenditures	0		1,750	0.00%	5,000
Excess of Revenues over Expenditures	6	0%			

Actual Variance: This tracks MWD OC member agencies activities to provide supplemental funding to increase activity in their service territories.

Budget Variance: EGIA device rebates have seen lower than average activity this fiscal year.

<u>Dedicated Irrigation Meters Measurement Project (DIMM)</u>					
Revenues	0		966,624	0.00%	966,624
Expenditures	0		966,624	0.00%	966,624
Excess of Revenues over Expenditures	0	0%			

Actual Variance:

Budget Variance: Work is in progress but has a lengthy timeline to completion. Most of the project budget activity will be invoiced close to the end of the fiscal year.

Notes:

- 1) Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.
- 2) Fiscal year budget versus Actual
- 3) With each quarterly report the projected fiscal year end budget may be re-adjusted.



ACTION ITEM
February 15, 2023

TO: Board of Directors

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

Harvey De La Torre
Interim General Manager

Staff: Hilary Chumpitazi, Accounting Manager; Vicki Osborn, Director of
Emergency Management

**SUBJECT: AUTHORIZE CONTRACT FOR INFORMATION TECHNOLOGY (IT)
CONSULTANT FOR IT SUPPORT SERVICES**

STAFF RECOMMENDATION

It is recommended that the Board of Directors: authorize the Interim General Manager to enter into a contract with Accent Computer Solutions, Inc, to provide IT support services, as outlined , in the amount of \$97,279 for a one-year term with an option to renew (less the startup cost).

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

IT has expanded and grown beyond the capability of just one staff member. In an effort to provide additional IT support services and provide assistance to the Accounting Manager with oversight, the best alternative t is to hire an IT Consultant to support and co-manage IT.

DETAILED REPORT

Technology has become a very essential part of how businesses function. The COVID-19 crisis has brought about years of change in the way companies in all sectors and regions do

Budgeted (Y/N): N	Budgeted amount:	Core X	Choice _
Action item amount: \$97,279			
Fiscal Impact (explain if unbudgeted): FYE2023 \$15k from CC41, \$22,415 from Reserves			

business. Without a doubt, technology has improved our lives in the long run, helping us connect and communicate better, work smarter and learn more. As employees and staff, we rely even more upon IT infrastructures to conduct daily business, therefore placing a higher demand on IT staff to stay apprised on fast, evolving technological practices, platforms, and systems. Likewise, as systems become more sophisticated, so do cybercriminals and hackers. Unlike non-adversarial events (e.g., natural disasters) adversarial cyber events do not necessarily have a definitive endpoint nor can one be certain that the adversary will not continue to pursue vulnerabilities in the system and organization's infrastructure. The technology, skills and capabilities of cyber adversaries are changing daily.

MWDOC's IT department has been striving to stay on top of all tasks and responsibilities but this can no longer be supported by one employee. It is in the best interest of MWDOC to bring in a consultant that can assist with all IT duties.

This consultant would oversee and assist with our IT network infrastructure, help desk requests, software implementation by applying industry best practices for efficiencies and protection. Additionally, the consultant will provide the technical expertise required for development of policies and procedures and continuing the ratification of our external IT audit.

The IT Manager (Accounting Manager) has a basic foundational understanding of IT and can assist staff to a limited scale; however, the Accounting Manager does not have a significant background or training on specific protocols, software applications or cyber security back-end infrastructure needs. The manager is only able to manage the staff and is dependent on the IT staff's knowledge and skills. There is currently no check and balances in place within the current structure to ensure a project is completed or if what is being implemented is the best recommendation for the MWDOC business model. Obtaining a consultant will provide the IT subject matter expertise required for the oversight of MWDOC IT staff. As technology continues to evolve, the consultant will provide recommendations on our existing infrastructure, processes, and procedures and training and development needs in the areas of cyber security, hardware and software improvements, and any other IT improvements that may be identified.

Based on the sensitivity of MWDOC's IT infrastructure and status, staff sent a questionnaire to our member agencies and other water districts to see how they manage their IT department. The responses produced a few consultants that staff engaged with to discuss our needs. Staff met with four different consultants and provided all four with the exact same information based on a questionnaire (RFQ). Most of them agreed that there is some consolidation and changes required with our infrastructure. End results will reduce overhead costs and risk exposure. This reduction will eventually lower the cost of their services. After receiving their quotes and suggestions staff unanimously chose one consultant.

The following is the list of consultants and their pricing.

Consultant	Services	Onboarding/ Setup Fee	Monthly Pricing
Accent Computer Solutions	All services;Unlimited support	\$ 7,483.00	\$ 7,483.00
Highroad IT	All services;Limited support at this price	\$ -	\$ 8,525.00
Synoptek	Offered to fully Outsource IT only	\$ 13,941.00	\$ 9,681.00
CDW-G	Back up "Day 2" support; pricing is per service	N/A	N/A

Staff is recommending we proceed with Accent Computer Solutions, Inc. They have more unlimited services with 24x7 On-Demand Remote and Onsite Support and longer normal service hours. Their service program also consists of Essential Cyber Security and Compliance; Backup & Disaster Recovery; Proactive Maintenance and Monitoring; Technology Planning and Advisory. They also offer Technology Upgrades and Changes for an additional cost per project.

BOARD OPTIONS

Option #1

- Authorize the Interim General Manager to enter into a contract with Accent Computer Solutions, Inc, to provide IT support services, in the amount of \$97,279 for a one year term with an option to renew (less the start-up cost).

Option #2

- Do not Authorize the Interim General Manager to enter into a contract with Accent Computer Solutions, Inc and direct staff how to proceed.

STAFF RECOMMENDATION

Option #1

- Authorize the Assistant General Manager to enter into a contract with Accent Computer Solutions, Inc, to provide IT support services, in the amount of \$97,279 for a one year term with an option to renew.



ACTION ITEM
February 15, 2023

TO: Board of Directors

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

Harvey De La Torre
Interim General Manager

Staff: Hilary Chumpitazi

SUBJECT: **Revisions to MWDOC's Reserve Policy & Distribution of Additional Funds**

STAFF RECOMMENDATION

It is recommended that the Board of Directors adopt the following revisions, as more fully described in Attachment A, to MWDOC's Administrative Code Section 2009 - Reserve Policy. Below are the proposed key revisions:

- Classify WEROC Reserves as a Restricted Reserve,
- Combine certain Designated Reserves into one "Operating Reserve" to cover emergencies, unexpected or unbudgeted expenses, and building expenses,
- Set this new "Operating Reserve" target equal to 120 days cash on hand,
- Classify OPEB Reserves as an Unrestricted Designated Reserve,
- Remove the Tier 2 Contingency Fund, and
- Describe the purpose of the Water fund, Conservation fund, and General fund shown on the Consolidated Summary of Cash and Investments

In addition, authorize staff to place all available funds in excess of the newly established reserve targets into the following categories at the following level/amounts:

- Reduce MWDOC's unfunded CalPERS liability by approximately \$1 million
- Provide a credit of \$500,000 to the member agencies in FY 2023-24
- Place the remaining funds (approximately \$1 million) into an undesignated fund for project/program that can be utilized in the near future for temporary WUE cash flow needs during this drought, local cost share for WEROC Emergency Operations Center, and/or MWDOC Project/Programs such as a groundwater storage or banking program, as directed by the Board.

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

Background

During last year's budget review, MWDOC received a number of questions and comments from its member agencies on the District's reserves, including funding targets and purpose. As a result of these inquiries, the Board and staff felt that a thorough review of its existing reserve policy was appropriate and timely.

To ensure a comprehensive review, MWDOC established a workgroup comprised of member agency managers, MWDOC staff, and an Ad Hoc committee of two MWDOC Board members (Directors Seckel and McVicker). In addition, Brian Thomas, our consultant, was called up to facilitate these discussions and provide assistance to staff in preparation of these workgroup meetings.

To address the issues raised, the workgroup discussions were phased into three parts:

1. Review and assess MWDOC's current reserves with the objective of reaching agreement on the purpose of MWDOC's reserves and identifying any changes needed in the Reserve Policy
2. Revise MWDOC's reserve targets using criteria and purpose developed by the workgroup
3. Determine the use of excess funds, if any

Workgroup Discussions & Key Observations

A total of four (4) workgroup meetings were held between June and October 2022. The first two meetings focused on the District's purpose and use of reserves, a review of all existing Restricted and Unrestricted reserves fund targets, and a breakdown of monthly revenue and expenses for the past year. The last two meetings concentrated on a review of MWDOC's total cash reserves, estimated needs of reserves, and a review of the conservation fund balance and cash flow.

There was also a thorough discussion on MWDOC's revenue stream and financial risk. With MWDOC's revenue stream relatively stable since its primary source of funding comes from member agency payments at the start of the fiscal year, the potential collective risk is less over the course of a year. This led to the workgroup's discussion of modifying and lowering MWDOC's total reserve levels, relative to the financial exposure and needs of the District. For example, it was noted it would be unlikely that all of the financial risk situations identified would happen concurrently. Therefore, it was suggested to combine certain designated reserves (i.e., General Operating, Grants & Project and Building reserves) into one operating reserve fund to cover such unanticipated expenditures and emergencies.

At the conclusion of the workgroup meetings, the following key observations were noted:

1. **Ability to reduce Designated Reserves:** MWDOC Designated Reserves can be reduced below the current levels and still leave MWDOC in a comfortable financial position.

2. **Impending impact of increased WUE activity:** Due to the current critical water supply situation, it is possible that very large WUE conservation rebates over the next several years could significantly impact MWDOC's cash flow reserve needs above and beyond what they have been over the past few years. This type of cash flow need might be categorized as a "Special Temporary Need." While a final recommendation was not developed, a cautious approach in reducing reserve funds too quickly was suggested. In addition, the member agencies discussed whether or not there was a benefit of placing this cash flow need on the member agencies directly rather than having MWDOC reserve for these needs.
3. **Use of funds to reduce pension and OPEB liabilities:** There was general concurrence that using funds above the Designated Reserves to reduce pension and OPEB liabilities benefits all member agencies and should be considered. This is considered an effective use of available cash as it increases the return on funds.
4. **Use of funds for WEROC Emergency Operations Center (EOC):** Funding of a new WEROC EOC with funds above the Designated Reserves was also discussed. However, a recommendation was not reached.
5. **Projection of cash flow needs:** During the annual budget process, projections of cash balances at the end of the budget year and two to three future years should be made, to appropriately plan for cash flow needs.
6. **Clarification of reporting:** A main objective for the workgroup was to improve the reporting of MWDOC's funds so that staff, the Board and the member agencies can track and understand the changes to reserves and fund balances being held by MWDOC from month-to-month and year-to-year. While a final recommendation was not made, staff will attempt to modify the monthly reports in a manner that more accurately describes the cash and reserve levels and the reason for any changes from month-to-month. The ultimate goal of this finding is to improve the level of trust and transparency between MWDOC and the member agencies.

January 11 A&F Committee Discussions & Member Agency feedback

From these workgroup discussions and observations, MWDOC staff and Mr. Brian Thomas presented to the MWDOC A&F Committee on January 11, 2023, the following proposed changes to the MWDOC's Reserve Policy:

- Clearly reflect all of MWDOC's funds as reported in the monthly Consolidated Statement of Cash and Investments
- Outline Restricted and Unrestricted Reserves
- Classify the WEROC fund as Restricted Reserves
- Combine certain Designated Reserves into one "Operating Reserve" to cover emergencies, unexpected or unbudgeted expenses, and building expenses
- Set this new "Operating Reserve" target equal to 120 days cash on hand
- Reduce the total Designated Reserve target fund amount

Staff noted approving these proposed changes to the reserve policy would result in MWDOC lowering its total reserve target from a 180 days to 120 days cash on hand, which would create a difference of approximately \$1.85 million in available funds as shown below:

Designated Reserves	# Days Cash	FY 2022-23 Current Reserve 180 Days Cash	FY 2022-23 Proposed Reserve 120 Days Cash	Difference in Reserves
Operations	120	\$ 5,675,047	\$ 3,819,350	\$ 1,855,697
Election Reserve	N/A	461,678	461,678	-
OPEB Reserve est.9/2018	N/A	297,147	297,147	-
TOTALS		\$ 6,433,872	\$ 4,578,175	\$ 1,855,697

In addition, there was clarity on MWDOC's monthly financials of \$5.8 million that was listed as a separate "General Fund" on the balance sheet. After accounting for liabilities and capital assets as well as project carryover and deposits, the undesignated funds available total \$714,347 as of June 30, 2022. A breakdown of this General Fund is illustrated below:

Undesignated Funds Available

General Fund (5,811,879.95+83,747.32)	\$ (5,895,627.27)
Less Net Investment in Capital Assets	4,141,177.00
add back WEROC assets	(5,259.86)
Project Carryover Funds	571,571.69
Deposits/Other Liabilities	469,065.77
Unearned Revenue - WLC	4,697.88
Undesignated Funds	\$ (714,374.79)

Adding the \$1.85 million from the change in the reserve target fund and the \$714,374 in net undesignated funds, the **total available dollars equals \$2.57 million.**

Staff suggested to the Committee that the following categories we presented as options for the Board's consideration in the potential use of such available funds:

- Reduce MWDOC's unfunded CalPERS pension or OPEB liability
- Provide credit/refunds for the member agencies
- Use for projects/programs as determined by the Board

At the conclusion of staff presentation, the following key comments were noted during the January A&F Committee discussion:

- Support for the proposed revisions to the Reserve Policy, with a few recommending 90 days instead of the proposed 120 days cash on hand for the newly proposed Operating Reserve fund target
- Support for additional funds being applied towards MWDOC's pension liability, in particular CalPERS, into a trust
- Have staff discuss with OCWD the opportunity to utilize a portion of these additional funds to purchase and/or store water into the Orange County Basin for future use by retail agencies throughout the County.
- Use a portion of these additional funds as a credit back to the member agencies; however, such a credit should be done gradually (over a number of years) and not all at once.

Staff also received the following written comments from the member agencies:

- Appreciate the workgroup process and concurred with the conclusions of the report
- The newly proposed Operating Reserve should be set closer to the 90 day cash on hand level rather than the 120 days
- *“That the Committee consider recommending to the Board approval of the proposed revisions to the reserve policy and the disposition of up to \$3.5 million of MWDOC’s expected reserves that will exist at the end of FY 22/23 in accordance with the following:*
 1. \$1 million to reduce MWDOC’s pension or OPEB liability;
 2. \$1 million to credit/refund the member agencies in FY 22/23;
 3. \$1 million to credit/refund the member agencies in FY 23/24 after WUE cash flow issues are no longer an issue; and
 4. \$500,000 for projects/program as determined by the MWDOC Board and supported by the member agencies.”

Staff Recommendations

MWDOC Reserve Policy

Based on the feedback received from the January A&F Committee, member agencies, and from our consultant, staff recommends the Board adopt the following changes to the MWDOC Reserve Policy:

- Classify WEROC Reserves as a Restricted Reserve,
- Combine certain Designated Reserves into one “Operating Reserve” to cover emergencies, unexpected or unbudgeted expenses, and building expenses,
- Set this new “Operating Reserve” target equal to 120 days cash on hand,
- Classify OPEB Reserves as a Unrestricted Designated Reserve,
- Remove the Tier 2 Contingency Fund, and
- Describe the purpose of the Water fund, Conservation fund, and General fund shown on the Consolidated Summary of Cash and Investments

These revisions to the policy achieved general consensus from the workgroup and the Committee. It provides the District with financial stabilization and flexibility, while aligning with the financial needs of the District.

Although we have received a few comments to reduce the proposed 120 days cash on hand to 90 days for the Operating Reserve. Staff finds the combination of the general operation, grants and project, and Building fund into the new operating reserve is already a 60 day reduction from its current target of 180 days, which significantly reduces the fund target close to 20% of District’s total cash and investment.

Use of Additional Funds

These proposed changes will lower the District’s total reserve fund and provide approximately \$2.57 million in available funds at the end of FY 2022-23. Based on the feedback received, staff recommends the Board authorize staff to place such additional funds into the following categories at the following level/amounts:

- Reduce MWDOC’s unfunded CalPERS liability by approximately \$1 million
 - Staff will need to work with CalPERS to determine the exact liability amount as well as payment method (i.e. 115 trust or pre-payment to CalPERS). These additional funds will help MWDOC reach or maintain the recommend fund amount of 85-90%.

- Provide a credit of \$500,000 to the member agencies in FY 2023-24
 - Similar to the Tier 2 credit, this credit will be disbursed to the member agencies at the beginning of FY 2023-24
- Place the remaining funds (approximately \$1 million) into an undesignated fund for project/program that can be utilized in the near future for temporary WUE cash flow need during this drought, local cost share for WEROC Emergency Operations Center, and/or MWDOC Project/Program such as a groundwater storage or banking program.
 - On June 15, 2022, the Board set aside up to \$1 million of reserves for a 25% local cost share in pursuit of federal funds (See Attachment C)
 - Depending on WUE activities, decisions on WEROC building expense or feedback from OCWD on creating a groundwater storage or banking program with MWDOC, will determine the exact use of such funds.
 - Consistent with the MA facilitated discussions, such use of available funds for any MWDOC project/program will be reviewed and consulted with the MWDOC member agencies.
 - If funds remain due to a lack of use, staff will come back to the Board for further direction.

ATTACHMENTS

- A. Proposed MWDOC Reserve Policy (Administrative Code Section 2009)**
- B. Existing MWDOC Reserve Policy (Administrative Code Section 2009)**
- C. June 15, 2022 Action Board Item – Homeland Security Appropriations**
Subcommittee – WEROC Emergency Operation Center – Approval of 25% Local Non-Federal Matching Funds

BOARD OPTIONS

Option #1 – Adopt the proposed revisions to MWDOC’s Administrative Code 2009 - Reserve Policy, as described in Attachment 1, **AND** authorize staff to place additional funds into the following categories at the following level/amounts:

- Reduce MWDOC’s unfunded CalPERS liability by approximately \$1 million
- Provide a credit of \$500,000 to the member agencies in FY 2023-24
- Place the remaining funds (approximately \$1 million) into an undesignated fund for project/program that can be utilized in the near future for temporary WUE cash flow needed during this drought, local cost share for WEROC Emergency Operations Center, and/or MWDOC Project/Programs such as a groundwater storage or banking program, as directed by the Board.

Option #2 – Adopt **ONLY** the proposed revisions to MWDOC’s Administrative Code 2009 - Reserve Policy, as described in Attachment 1, and defer any action on the distribution of additional funds to a later date.

Option #3 – Do not adopt any revisions to MWDOC’s Administrative Code 2009 -Reserve Policy at this time.

STAFF RECOMMENDATION

Option # 1

ATTACHMENT A

PROPOSED MWDOC RESERVE POLICY

Administrative Code Section 2009 Reserve Policy

Reserves include all cash and investments held by MWDOC. Reserves are categorized as follows:

- a. **Unrestricted – Designated** - These reserves have been established for specific purposes as Designated by the Board of Directors.
- b. **Unrestricted** - Funds in unrestricted and undesignated reserves may be used for any purpose, including funding general operations, water use efficiency programs and capital expenditures.
- c. **Restricted** - Restricted reserves are funds whose use is governed by statute or other legal restrictions such as bond covenants, contracts, etc.

Restricted

- a. WEROC Reserve - WEROC reserves include operating and capital funds held for WEROC purposes. WEROC reserves fluctuate on an as needed basis with the reserves held for unforeseen expenses and to enhance infrastructure and emergency systems. The WEROC reserve is approved by the MWDOC Board and the WEROC contracted contributors.

Unrestricted – Designated

- a. Operating Reserve - The General Operating Reserve is established to fund emergency expenditures, unbudgeted and unanticipated costs, and provide working capital if needed. MWDOC has established a target for the General Operating Reserve equal to 120 days cash on hand.
- b. Election Reserve - The Election Reserve is managed to fund seven elections every four years. The estimated cost of elections and needed reserve levels shall be updated annually as part of the budget process. If the amounts in the Election Reserve exceed the estimated costs, the Board may consider other uses that would lower the long-term costs of the District.
- c. OPEB Reserve - The Board requested staff to fully fund the OPEB liability in 2016. The Actuarial recommendation is to fund between 85%-95% of the liability and put the remaining amount in a reserve fund, as to not overfund the OPEB trust. This recommendation was implemented in September 2016 with the reserve balance of \$209,000 to equal MWDOC's Unfunded Liability at that time. The reserve will be re-evaluated every two years beginning in 2018 after each actuarial study, and funds may be transferred to the OPEB trust to stay within the funding range.

Unrestricted

- a. Water Fund - Amounts paid by MWDOC member agencies for water purchases in advance of the date payments are due to the Metropolitan Water District (pre-paid water purchases) are held in the Water Supply Fund.
- b. Conservation Fund - The Conservation Fund includes grants and member agency payments for Water Use Efficiency projects and programs. Funds from the Conservation Fund are used to meet Water Use Efficiency and conservation program costs. The Conservation Fund may have a negative balance.

- c. General Fund - The General Fund retains funds in excess of the amounts in the Restricted Reserves, Designated Reserves, Water Supply Fund and Conservation Fund. Each year as part of the annual budget, MWDOC will estimate commitments and other carryover obligations to be retained in the General Fund. Any amounts in excess of these commitments and carryover amounts may be used for any legal purpose in the following budget year, including offsetting budgeted costs, credits or refunds to MWDOC member agencies, pre-payment of pension obligations, or any other purpose as determined by the MWDOC Board of Directors.

DRAFT

(b) The Board may consider changes in the Policy of utilizing these funds to pay for the Tier 2 purchases differential based on the circumstances that are involved at such time as MWDOC purchases exceed the Tier 1 limit. The Tier 2 Contingency Fund was established within MWDOC to provide a regional mechanism to fund purchases above the Tier 1 limit such that any single MWDOC Member Agency would avoid direct exposure. Also, it avoided the need for MWDOC to allocate a Tier 1 limit to its Member Agencies. Tier 2 purchases can be triggered by a number of events in the County such as large purchases of water into Irvine Lake, large purchases of water for groundwater replenishment and large purchases of imported water due to a decrease in the OCWD Basin Production Percentage (BPP). Based upon how such circumstances arise, the Board may consider changes to this policy if they determine there is a more appropriate manner of dealing with Tier 2 costs. MWDOC's A&F Committee and Board reviewed the issues of Tiered or Melded Water Rates for Tier-1 and Tier-2 purchases from MET in November 2004, and retained the Melded Rate, with a provision for further review should OCWD's BPP fall below 60% in the future.

4. **Disposition of Excess Funds:** After the conclusion of each calendar year, the General Manager will review the year end Tier 2 Fund Balance (adjusted for certifications of non firm water purchases) and report this amount to the Board of Directors. The Board may consider issuing a credit to the member agencies. In the event credits are to be provided, the credit will be provided to each member agency either in check form or as a credit on the monthly water invoice (at the choice of the member agency).

M-6/19/02; M-6/17/15

§2009 RESERVE POLICY –

The MWDOC Reserve Policy categorizes the reserves as follows:

Unrestricted Reserves

- General Operations
- Grant & Project Cash Flow
- Election Expense
- Building Repair

Restricted Reserves

- OPEB
- Tier 2 Contingency Fund

WEROC Reserves

- Operational Reserve
- Capital Reserve

Reserve Fund Targets in Days Cash on Hand

Working Capital Reserve	
(General Operations, plus Grant & Project Cash Flow):	90-180 days
Building Repair:	10-15 days
Tier 2 Contingency Fund	40 days

The Election Expense and OPEB are designated and are maintained separately to cover specific liabilities.

Unrestricted Reserves

General Operations Reserves:

Depending upon end of year cash flow, grant payments and other factors influencing the District's cash balance the General District Reserve should increase by the inflation rate each year.

Grant & Project Cash Flow:

In the past, trailing payments for District funds advanced for water use efficiency payments from MET and Federal and State grants payments have increased. The reserve should be replenished from trailing grant payments as they occur, and from rates if needed. Cash flow reserves should be reviewed from time to time for appropriateness based on the District's current operational needs.

Election Expense:

MWDOC's election reserve shall be managed to fund seven elections every four years. Based on the year 2016 election costs we have determined that \$1.22 million (or \$174,000 per division) is sufficient to cover seven elections. This requires that \$304,000 be contributed to the election reserve annually. These estimates will be updated annually as part of the budget process. In the event the election funds are not fully utilized, the Board may consider other uses that would lower the long-term costs of the District.

Building Repair:

MWDOC Building Reserves should be kept at a minimum of \$350,000 and adjusted from time to time to reflect the improvement needs of the office facility.

Restricted Reserves

OPEB:

Staff examined the demographics of MWDOC's OPEB liability and estimated that the bulk of the liability will occur by 2023 as long term MWDOC employees who had access to lifetime medical coverage retire. The Board requested staff to fully fund the OPEB liability in 2016. The Actuarial recommendation is to fund between 85%-95% and put the remaining amount in a reserve fund, as to not overfund the OPEB trust. This recommendation was implemented in September 2016 with the reserve balance of \$209,006 to equal our current Unfunded Liability. This reserve will be re-evaluated every two years beginning in 2018 after each actuarial and funds may be transferred to the OPEB trust to stay within the funding range.

Tier 2 Contingency Fund:

MWDOC has established the Tier Two Contingency fund to pay the difference between MET's Tier One and Tier Two water rates, in the event MWDOC's water purchases from

MET exceed the Tier One block of allowable purchases. From time to time it may be necessary to increase the level of funds, or to reduce the level of funds being held by MWDOC. The MWDOC Board established the minimum fund target at approximately 40 days or \$1,000,000, due to the diminished likelihood of purchasing MET water above the Tier 1 limit.

WEROC Reserves

WEROC reserves fluctuate on an as needed basis with Operational Reserve being held for unforeseen expenses and a Capital Reserve to enhance infrastructure and emergency systems. Both reserves are approved by the MWDOC Board and the WEROC contracted contributors.

M-4/19/06; M-6/16/10; 6/1/11 (Settlement Agreement); M-6/17/15; M-6/21/17



ACTION ITEM

June 15, 2022

TO: Board of Directors

FROM: **Administration & Finance Committee**
(Directors: Seckel, Thomas, Dick)

Robert Hunter,
General Manager

Staff Contact: Vicki Osborn
Heather Baez

SUBJECT: Homeland Security Appropriations Subcommittee - WEROC Emergency Operations Center – Approval of 25% Local Non-Federal Match Funding

STAFF RECOMMENDATION

Approve the Committee recommendation.

COMMITTEE RECOMMENDATION

The item was introduced as an informational item during A&F. The Committee recommended this go to the Board Meeting as an action item recommending the Board approve MWDOC underwriting the remaining 25% local cost share requirement for non-federal funds (Option 1) to pay for the WEROC Emergency Operations Center.

SUMMARY

With Senator Padilla's office submission of the Emergency Operations Center (EOC) for the Water Emergency Response Organization of Orange County (WEROC) project to the Senate Appropriations Committee, the WEROC EOC project has made it over the first hurdle to qualify and receive Fiscal Year 2023 Homeland Security Appropriations Funding. The Senate Appropriations Committee will be submitting their earmarks this month.

With that, the Homeland Security Appropriations Subcommittee reached out to Senator Padilla's office to ensure this project meets the federal cost share limit. The maximum federal cost share for EOC projects is 75%. Meaning the remaining 25% is a local cost

Budgeted (Y/N): N/A	Budgeted amount: N/A	Core __	Choice __
Action item amount: 650,000 – 1, 000,000		Line item:	
Fiscal Impact (explain if unbudgeted): See BA in Option 1 & 2			

share. On June 4, an inquiry was made to MWDOC/WEROC if this project has funding in place for the 25% non-federal local cost share funding required for this project to be considered.

The WEROC EOC application mentions the following:

- The total estimated cost for WEROC to build a new structure that addresses the shortcomings in the site facility assessment ensuring that the EOC can continue provide critical public services is approximately \$3 million.
- This project can be successfully implemented with Federal Support funding of \$2 million.

At the A&F committee meeting on June 8, during the reserve discussion this immediate request for information was conveyed to the committee and board as it was not on the agenda due to the timing of the request from our federal partners last week. The A&F Committee recommended an action item be place on the June 15 Board Agenda.

On June 8, WEROC notified the member agencies General/Utility Managers by email of this board action item being added to the June 15 agenda. Under normal circumstances and processes, WEROC would brief the member agencies on this item at the MWDOC Managers meeting. However, due to the immediate request of information in order to qualify for the federal funding, WEROC was unable to brief agencies following the normal process.

More information will be provided on the status of this project as it progresses. Additionally, staff will continue to pursue outside non-federal local cost share funding.

BOARD OPTIONS

Option #1

- Approve MWDOC will underwrite the remaining 25% local cost share requirement for non-federal funds.

Business Analysis: MWDOC approval to fund the 25% non-federal local cost share allows this project to move forward to seek Fiscal Year 2022-23 Homeland Security Appropriations Funding. If no other non-federal share funding is obtained, the MWDOC Board will make a final decision if the 25% funding should come from MWDOC reserves.

Option #2

- The board does not approve MWDOC to fund the remaining 25% non-federal local cost share.

Business Analysis: The project will be unable to move forward in the Homeland Security Appropriations committee and will not be eligible to receive Homeland Security Appropriations Funding.

STAFF RECOMMENDATION

Option # 1

REVISIONS TO MWDOC'S RESERVE POLICY & USE OF ADDITIONAL FUNDS

February 8, 2023
Administration & Finance Committee

Background








- During last year's budget review, we received a number of questions and inquires on the District's Reserve funding targets and purpose
- Conducted a number of Facilitated Meetings to review and seek revisions to the District's Reserve Policy
- A Working Group was established that consisted of:
 - Ad Hoc Committee of the Board
 - Member Agency staff
 - MWDOC's Financial Consultant & Staff
- Four Meetings (June 17, July 26, Sept. 19 & Oct. 27)
- Productive Discussions

Workgroup Discussions & Key Observations



Workgroup meetings discussed and focus on:

-  District's purpose and use of reserves
-  Review of Reserve fund targets
-  Breakdown of monthly revenue and expenses
-  Review of total cash reserves
-  Estimated and Projected need of Reserves

Discussion on District's Revenue Stream & Financial Risk

-  MWD OC's revenue stream relatively stable under existing rate structure
-  Financial Risk is low
-  Combine certain designated reserves to cover unanticipated emergencies

Results and Suggestions



Based on the Workgroup's discussions, the following was suggested:

- Expand policy to clearly describe all available funds, including Restricted, Designated and Unrestricted Funds
- Combine General Operations, Grant & Project Cash Flow, and Building Reserves into one "Operations Reserve" to meet emergency costs, unbudgeted expenditures, working capital and cash flow needs
- Set this new "Operating Reserve" target equal to 120 days cash on hand
- Retain Election and OPEB Reserve
- Classify the WEROC fund as a Restricted Reserve
- Reduce the total Designated Reserves target fund amount

Changes in Reserve Description

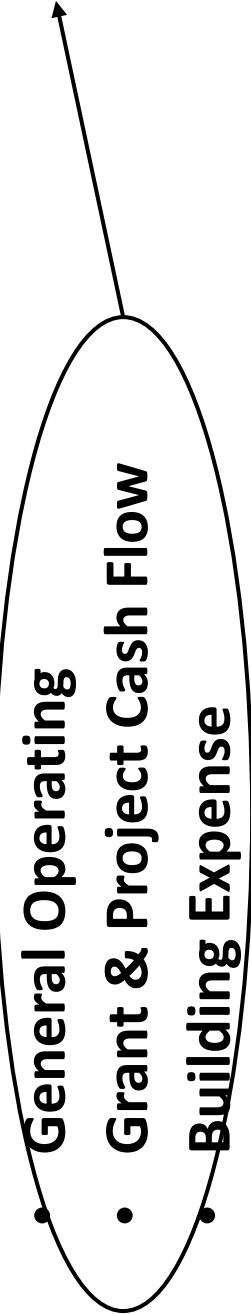


Existing Policy

- Designated Reserves
 - General Operating
 - Grant & Project Cash Flow
 - Building Expense
- Election
- Restricted Reserves
 - OPEB
 - WEROC
 - Tier 2 Contingency

Proposed Policy

- Designated Reserves
 - Operating
 - OPEB
 - Election
- Restricted Reserves
 - WEROC
- Unrestricted Funds
 - General Fund
 - Conservation Fund
 - Water Fund



Designated Reserve Change



The changes in the Designated Reserve fund target would create a difference of \$1.855 million

Designated Reserves	# Days Cash	FY 2022-23 Current Reserve 180 Days Cash	FY 2022-23 Proposed Reserve 120 Days Cash	Difference in Reserves
Operations	120	\$ 5,675,047	\$ 3,819,350	\$ 1,855,697
Election Reserve	N/A	461,678	461,678	-
OPEB Reserve est.9/2018	N/A	297,147	297,147	-
TOTALS		\$ 6,433,872	\$ 4,578,175	\$ 1,855,697








The District’s monthly financials listed a “General Fund” on the balance Sheet that needed clarity and identified undesignated funds available:

Undesignated Funds Available

General Fund (5,811,879.95+83,747.32)	\$ (5,895,627.27)
Less Net Investment in Capital Assets	4,141,177.00
add back WEROC assets	(5,259.86)
Project Carryover Funds	571,571.69
Deposits/Other Liabilities	469,065.77
Unearned Revenue - WLC	4,697.88
Undesignated Funds	\$ (714,374.79)

Availability of Funds & Potential Use



-  **From the change in the reserve target fund and the Net undesignated funds, the total available dollars total \$2.57 million**
-  **The following categories we presented as options for the potential use of such available funds:**
 -  Reduce MWD OC's unfunded CalPERS pension or OPEB liability
 -  Provide credit/refunds for the member agencies
 -  Use for projects/programs as determined by the Board

The following key comments were noted during last month's A&F Committee discussion:

- Support for the proposed revisions to the Reserve Policy
- A few recommending 90 days instead of the proposed 120 days cash on hand for the newly proposed Operating Reserve fund target
- Support for additional funds being applied towards MWD OC's pension liability, in particular CalPERS, into a trust
- Discuss with OCWD the opportunity to utilize a portion of these additional funds to purchase and/or store water into the Orange County Basin for future use by retail agencies throughout the County.
- Provide a credit back to the member agencies; however, such a credit should be done gradually (over a number of years) and not all at once

Member Agency Comments



- Appreciated the workgroup process and the concurred with the conclusions of the report
- The proposed Operating Reserve should be set closer to the 90 day cash on hand level rather than the 120 days
- If there excess reserves of up to \$3.5 million (at the end of FY 22/23), they should be distributed as followed:
 - 1) \$1 million to reduce MWDOC's pension or OPEB liability;
 - 2) \$1 million to credit/refund the member agencies in FY 22/23;
 - 3) \$1 million to credit/refund the member agencies in FY 23/24 after WUE cash flow issues are no longer an issue; and
 - 4) \$500,000 for projects/program as determined by the MWDOC Board and supported by the member agencies.

Staff recommends the Board adopt the following changes to the MWDOC Reserve Policy:

- 💧 Classify WEROB Reserves as a Restricted Reserve,
- 💧 Combine certain Designated Reserves into one “Operating Reserve” to cover emergencies, unexpected or unbudgeted expenses, and building expenses,
- 💧 Set this new “Operating Reserve” target equal to 120 days cash on hand,
- 💧 Classify OPEB Reserves as a Unrestricted Designated Reserve,
- 💧 Remove the Tier 2 Contingency Fund, and
- 💧 Describe the purpose of the Water fund, Conservation fund, and General fund shown on the Consolidated Summary of Cash and Investments

Staff Recommendations (Cont'd)



Staff recommends the Board authorize staff to place the available \$2.57 million into the following categories at the following level/amounts:

- 💧 Reduce MWD OC's unfunded CalPERS liability by approximately \$1 million
- 💧 Provide a credit of \$500,000 to the member agencies in FY 2023-24
- 💧 Place the remaining funds (approximately \$1 million) into an undesignated fund for project/program that can be utilized in the near future for temporary WUE cash flow needed during this drought, local cost share for WEROC Emergency Operations Center, and/or MWD OC Project/Programs such as a groundwater storage or banking program, as directed by the Board.

Questions



DISCUSSION ITEM

February 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 FIRST 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 first 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 FIRST draft budget for FYE 2024 include:

1. The first 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 \$17,535 (4.6%) to \$385,340. These charges are calculated under the rate structure methodology adopted by the MWDOC Board in 2021.
2. The first draft has a budget total of \$254,009,921 (revenue) including Core & Choice, water sales, outside funding, and WEROC. This is an increase of 23.4% mainly as a result of increase 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 \$11,935,766 (revenue) with an increase of \$775,636 (6.4%).

Budgeted (Y/N): N/A	Budgeted amount: N/A	Core <input checked="" type="checkbox"/> X <input type="checkbox"/>	Choice <input type="checkbox"/>
Action item amount: None		Line item:	
Fiscal Impact (explain if unbudgeted):			

4. The total revenue amount for the Core budget is \$9,913,250; an increase of \$511,072 (5.1%) 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 first draft budget includes a net planned reserves draw of \$399,496, 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. No COLA (Cost of Living Adjustment) is being proposed.
9. There is an increase (4.29 FTE) in the Part-time Employee staffing level driven by adding staff and a decrease in Interns in Choice program staffing. The slight decrease in Full-time Employees is due to the number of working hours in the year. Thus, total staffing level increases by .76 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).
11. The Capital Acquisition expenses decrease are also partially covered by a carryover credit.
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 \$179,850 (16.4%). For accounting purposes, we moved \$52,500 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 first draft budget should be considered preliminary.

Proposed new Key items that are not requested to be included by the Board; or approved in current FYE'23 budget are not incorporated in the FYE'24 Budget, pending Committee discussion, include:

- A. One (1) additional FTE added to the Public Affairs Department
- B. The addition of an IT Consultant to support and co-manage IT
- C. 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.

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.

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 \$873,626 (8.9%). The addition of building and election costs yields a Y-T-Y Core Total Expense increase of \$453,507 (4.3%).

- 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 \$384,784 (6.3%). These combined expense categories constitute 58.6% of the total core expense budget.
- Building expenses are included in the FYE'24 budget for comparatively small projects.
- The other large core expense increases in descending order are Professional Fees (\$179,850), Contribution to Election Reserve (\$80,272); Miscellaneous Expense due to reclass of expenses (\$67,180); 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 \$264,564 (13.1%) 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 initial draft MWDOC Budget. It should be noted that although staff may list or present new budgetary items, they are **not included** in this first budget draft until directed by the A&F Committee. We will incorporate such changes, comments, and suggestion in the second draft budget in March.

The first 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'23
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. Therefore, it is anticipated that this section will be revised next month as part of the 2nd draft 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 have a Cost of Living Adjustment (COLA) and a COLA is not included or proposed in this budget. As part of the budget process, 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 salary increases. As is usual for the first draft budget, this comparative information is not yet available from the other utilities but will be provided in later drafts.

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%.

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 first draft budget.

The Director per diem adjustment is determined by the lesser of the employee increase or 5.0%. This budget does not include a director per diem increase at this time.

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'23 budget year-end projections and the conceptual FYE'24 budget were discussed at the January 2023 Administration & Finance Committee meeting.

At this time MWDOC has not received any comment letters from the member agencies. However, we have received comments and written responses regarding our MWDOC reserve policy as part of its review process. Such comments are shown in the MWDOC reserve policy discussion.

6. Key Priorities & Initiatives for FYE '2024

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-Foot 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.

A new initiative 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. Staff has received one proposal and is attempting to seek a few more in assessing the roof condition, remaining life and to determine whether repairs or replacement is needed and the associated costs.

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

- Hiring an IT consultant to co-manage and support our IT
- Maintain functional operations and support while staff works both remotely and in the office and all meetings will become hybrid
- 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 \$385,340.**

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 \$228,174,915.

Attachments:

Attachment A - MWDOC detailed Draft Budget for FYE'24
Attachment B - Budget Schedule



Annual Budget for Fiscal Year 2023-24

First 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	\$ 3,612,679	\$ (222,732)	\$ 4,281,342	\$ 668,663	\$ 445,930	(1)
Employee Benefits	1,260,901	1,115,415	(145,486)	1,267,576	152,162	6,676	(2)
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)	(328,837)	4,262	(428,907)	(100,070)	(95,808)	
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)	49,732	23,055	(6,473)	
Conference Expense - Directors	23,905	20,130	(3,775)	22,065	1,935	(1,840)	
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	152,868	7,021	159,050	6,182	13,203	
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	953,975	37,500	1,096,325	142,350	179,850	
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)	39,843	3,417	(947)	
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	-	-	

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)	103,800	65,774	13,475
Travel & Accommodations - Directors	32,900	27,100	(5,800)	41,800	14,700	8,900
MWDOC's Contribution to WEROC: Operations	296,290	296,290	-	293,519	(2,771)	(2,771)
Election Expense	-	485,000	485,000	381,000	(104,000)	(0)
Capital Acquisition (excluding building)	81,000	135,004	54,004	60,000	(75,004)	(21,000)
Capital Acq Prior Year Carryover Dr/(Cr)	-	-	-	(34,058)	(34,058)	(34,058)
OPERATING EXPENSES	\$ 8,835,434	\$ 8,541,722	\$ (293,712)	\$ 9,709,060	\$ 1,167,338	\$ 873,626
MWDOC's Building Expense	\$ 246,600	\$ 106,662	\$ (139,938)	\$ 389,000	\$ 282,338	\$ 142,400
Building Expense Prior Year Carryover Dr/(Cr)	\$ 476,477	\$ (38,887)	\$ (515,364)	\$ (166,314)	\$ (127,427)	\$ (642,791)
Contribution to Election Reserve	\$ 300,728	\$ 381,000	\$ 80,272	\$ 381,000	\$ -	\$ 80,272
TOTAL EXPENSES	\$ 9,859,239	\$ 8,990,497	\$ (868,742)	\$ 10,312,746	\$ 1,322,249	\$ 453,507

REVENUES:						
Retail Meter Charge	\$ 8,885,401	\$ 8,885,401	\$ -	\$ 9,205,500	\$ 320,099	\$ 320,099
Ground Water Customer Charge	367,806	367,806	-	385,340	17,535	17,535
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	\$ 9,913,250	\$ 401,469	\$ 511,072

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (457,061)	\$ 521,284	\$ 978,345	\$ (399,496)	\$ (920,780)	\$ 57,565 (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 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	\$ 742,148	\$ 135,689	\$ 148,430	(1)
less for Recovery from Grants	(20,000)	(30,874)	(10,874)	(20,000)	10,874	-	
Employee Benefits	180,931	158,182	(22,749)	213,441	55,260	32,510	(2)
Director Compensation	-	-	-	-	-	-	
Director Benefits	-	-	-	-	-	-	
MWD Representation	-	-	-	-	-	-	
Overhead Reimbursement	333,099	328,837	(4,262)	428,907	100,070	95,808	
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)	8,000	(2,000)	(4,000)	
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	\$ 1,700,194	\$ (36,013)	\$ 2,022,516	\$ 322,323	264,564.26
TOTAL EXPENSES	\$ 1,757,952	\$ 1,700,194	\$ (57,758)	\$ 2,022,516	\$ 322,323	\$ 264,564

REVENUES:						
Choice Revenue	\$ 1,757,952	\$ 1,700,194	\$ (57,758)	\$ 2,022,516	\$ 322,323	\$ 264,564
TOTAL REVENUES	\$ 1,757,952	\$ 1,700,194	\$ (57,758)	\$ 2,022,516	\$ 322,323	\$ 264,564

(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	\$ 4,219,139	\$ (209,991)	\$ 5,023,490	\$ 804,351	\$ 594,360	(1)
less for Recovery from Grants	(20,000)	(30,874)	(10,874)	(20,000)	10,874	-	(2)
Employee Benefits	1,441,831	1,273,596	(168,235)	1,481,017	207,421	39,186	
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)	49,732	23,055	(6,473)	
Conference Expense - Directors	23,905	20,130	(3,775)	22,065	1,935	(1,840)	
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	152,868	7,021	159,050	6,182	13,203	
CDR Participation	57,462	57,460	(2)	59,758	2,298	2,296	
Miscellaneous Expense	72,120	58,762	(13,358)	135,300	76,538	63,180	
Postage / Mail Delivery	11,300	10,855	(445)	11,675	820	375	
Professional Fees	1,516,256	1,553,756	37,500	1,723,425	169,669	207,169	
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)	42,363	3,273	(1,327)	
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	-	-	

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)	103,800	65,774	13,475
Travel & Accommodations - Directors	32,900	27,100	(5,800)	41,800	14,700	8,900
MWDOC's Contribution to WEROC: Operations	296,290	296,290	-	293,519	(2,771)	(2,771)
Election Expense	-	485,000	485,000	381,000	(104,000)	381,000
Capital Acquisition (excluding building)	113,280	145,538	32,258	60,000	(85,538)	(53,280)
Capital Acq Prior Year Carryover Dr/(Cr)	-	-	-	(34,058)	(34,058)	(34,058)
OPERATING EXPENSES	\$ 10,593,386	\$ 10,241,915	\$ (351,471)	\$ 11,731,576	\$ 1,489,661	\$ 1,138,190
MWDOC's Building Expense	\$ 246,600	\$ 106,662	\$ (139,938)	\$ 389,000	\$ 282,338	\$ 142,400
Building Expense Prior Year Carryover Dr/(Cr)	\$ 476,477	\$ (38,887)	\$ (515,364)	\$ (166,314)	\$ (127,427)	\$ (642,791)
Contribution to Election Reserve	\$ 300,728	\$ 381,000	\$ 80,272	\$ 381,000	\$ -	\$ 80,272
TOTAL EXPENSES	\$ 11,617,191	\$ 10,690,690	\$ (926,500)	\$ 12,335,262	\$ 1,644,572	\$ 718,072

REVENUES:						
Retail Meter Charge	\$ 8,885,401	\$ 8,885,401	\$ -	\$ 9,205,500	\$ 320,099	\$ 320,099
Ground Water Customer Charge	367,806	367,806	-	385,340	17,535	17,535
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	1,700,194	(57,758)	2,022,516	322,323	264,564
TOTAL REVENUES	\$ 11,160,130	\$ 11,211,975	\$ 51,845	\$ 11,935,766	\$ 723,792	\$ 775,636

EFFECT ON RESERVES:							
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (457,061)	\$ 521,284	\$ 978,345	\$ (399,496)	\$ (920,780)	\$ 57,565	(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	\$ 179,492,172	\$ 16,363,460	\$ 209,929,302	\$ 30,437,130	\$ 46,800,591
Local Resource Program Incentives	(5,507,994)	(2,273,346)	3,234,648	(716,604)	1,556,742	4,791,390
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	376,800	58,800	376,800	-	58,800
TOTAL WATER REVENUES	\$ 174,481,679	\$ 195,159,317	\$ 20,677,638	\$ 228,174,915	\$ 33,015,598	\$ 53,693,236
Water Expenses						
Water Purchases	\$ 163,128,712	\$ 179,492,172	\$ 16,363,460	\$ 209,929,302	\$ 30,437,130	\$ 46,800,591
Local Resource Program Incentives	(5,507,994)	(2,273,346)	3,234,648	(716,604)	1,556,742	4,791,390
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	376,800	58,800	376,800	-	58,800
TOTAL WATER EXPENSES	\$ 174,477,132	\$ 195,159,317	\$ 20,682,185	\$ 228,174,915	\$ 33,015,598	\$ 53,697,783
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	\$ 1,524,695	\$ 1,677,314
12	Administrative - General	3.97	4.60	839,870	778,965	1,026,558
13	Personnel / Staff Development	1.81	1.66	429,925	395,806	500,175
19	Overhead	4.23	4.36	1,213,523	1,010,109	1,203,767
21	Reliability Planning and Engineering	2.67	2.70	797,116	567,646	857,169
23	Metropolitan Issues and Water Policy	3.81	2.44	935,272	781,135	755,812
31	Governmental Affairs	0.85	0.85	471,604	492,072	638,666
35	Water Use Efficiency (Core)	1.06	1.09	484,084	533,434	451,678
32	Public Affairs	4.59	4.65	1,140,950	1,126,690	1,244,911
41	Finance	3.19	3.24	601,942	650,085	663,963
45	Information Technology	0.99	1.00	383,491	384,795	395,154
25	MWDOC's Contribution to WEROC	3.10	3.05	296,290	296,290	293,519
CORE TOTAL		31.83	31.42	\$ 8,835,434	\$ 8,541,722	\$ 9,708,685
62	Water Use Efficiency Program	4.69	5.53	831,328	866,101	1,026,488
63	School Programs	0.06	0.05	429,838	425,674	435,959
70	Water Loss Control	3.05	3.39	496,786	408,418	560,069
CHOICE TOTAL		7.80	8.97	\$ 1,757,952	\$ 1,700,194	\$ 2,022,516
CORE & CHOICE TOTAL		39.63	40.39	\$ 10,593,386	\$ 10,241,915	\$ 11,731,201
Includes:	Full-time employees	33.66	32.18	(2)		
	Part-time employees	0.00	4.29			
	Interns	2.87	1.92			
	WEROC Full-time employees	3.10	2.00			

(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	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Beginning Designated Reserve Balance - MWDOC	\$6,434	\$ 7,326	\$ 6,464	\$ 6,451	\$ 6,451	\$ 6,343	\$ 6,113
less OPEB Reserve	297	297	297	297	297	297	297
Adjusted Reserve Balance	6,137	7,029	6,167	6,154	6,154	6,046	5,816
Revenues							
Water Rate Revenues:							
Retail Meter Agency Charge	8,885	9,206	9,573	9,780	9,989	10,199	10,411
Ground Water Customer Charge	368	385	400	415	431	448	465
Subtotal	9,253	9,591	9,973	10,195	10,420	10,647	10,876
Other Revenues:							
Choice Revenues	1,700	2,023	2,100	2,180	2,263	2,350	2,439
Interest Earnings	256	319	222	269	325	390	466
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	1,959	2,345	2,325	2,452	2,591	2,743	2,909
Total Revenues	11,212	11,936	12,298	12,647	13,011	13,390	13,784
Expenses							
Core Expenses	8,407	9,683	10,053	10,437	10,836	11,250	11,679
Choice Expenses	1,700	2,023	2,100	2,180	2,263	2,350	2,439
Capital Acquisitions (not including building)	146	26	20	20	20	20	20
Total Expenses w/o Building & Election	10,252	11,732	12,173	12,637	13,119	13,619	14,139
Revenue Over Expenses w/o Building & Election	960	204	125	10	(108)	(230)	(355)
ELECTION Reserve Beginning Balance	462	358	739	-	10	-	-
Annual Election Reserve Contribution	381	381	125	10	-	-	-
Annual Election Expense	485	-	871	-	653	-	653
Election Reserve Ending Balance	358	739	-	10	-	-	-
BUILDING Reserve Beginning Balance	437	811	1,107	1,110	1,100	1,090	1,080
Annual Building Reserve Contribution	442	685	13	-	-	-	-
Annual Building Expense	68	389	10	10	10	10	10
Building Reserve Ending Balance	811	1,107	1,110	1,100	1,090	1,080	1,070
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	\$ 5,860	\$ 4,321	\$ 5,044	\$ 5,044	\$ 4,956	\$ 4,736	\$ 4,392
Document does not reflect MWDOC's irrevocable trust towards OPEB liability							
MWDOC Water Rates							
Total Retail Customer Meters	646,211	646,000	649,000	652,000	655,000	658,000	661,000
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	\$ 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

	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Working Capital:					
Designated Reserve Fund	6,464	6,451	6,451	6,343	6,113
Average Revenue from Agencies	4,986	5,098	5,210	5,323	5,438
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	18,538	18,662	18,799	18,829	18,739
Interest rate	1.20%	1.44%	1.73%	2.07%	2.49%
Interest Revenue Projections:					
Interest income - General	222	269	325	390	466
Total Interest Revenue Projections	222	269	325	390	466

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	\$ 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	√
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 Assn.	\$ 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 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	√
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	\$ 74,386	\$ 81,962	\$ 85,314	
Subtotal - Elective Participation	\$ 74,446	\$ 81,962	\$ 85,314	
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	\$ 152,868	\$ 159,050	

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, Danver, CO, TBD	\$ 2,000	\$ 3,600	
	ACE June 10, 2024, Anaheim, Ca	\$ 1,280	\$ 200	
	Water Infrastructure, September 10, 2023, Philaelpia, 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 Officials (CAPIO)	Annual Conference, TBD	\$ 1,250	\$ 3,000	✓
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(fmr: CUWCC)	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 **		\$ 49,732	\$ 103,800	
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		\$ 49,732	\$ 103,800	

* 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	
	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	✓
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**		\$ 22,065	\$ 41,800	

PROPOSED GENERAL FUND BUDGET

\$ 22,065	\$ 41,800
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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.

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

(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)	\$ 25,942	√
Subtotal 8810 Improvements	\$ 25,942	
 Building Improvements- 19-8811:		
• Kitchen Remodel/permit/plan check/Constr Mgmt.	\$ 222,686	√
Subtotal 8811 Improvements	\$ 222,686	
	<hr/>	
New Realized Costs - Cost Center 19	\$ 248,628	

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	√
	(To be determined)	Advertising	\$ 20,000	\$ 40,000	
(To be determined)	Scouts Program	\$ 7,500	\$ -		
WUE - Core (35)	(To be determined)	General WUE Research	\$ 75,000	\$ 75,000	
	Water Systems Optimization	Water Loss Control Work Grp (WLC)	\$ 55,000	\$ 55,000	√
	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	\$ -	√
Finance & IT (41 & 45)	U.S. Bank	Custodial Bank fees	\$ 6,500	\$ 12,000	√
	CalPERS	CalPERS GASB 68 Report	\$ 700	\$ 700	√
	(To be determined)	IT Consultant	\$ -	\$ -	√
	(To be determined)	Financial Consulting	\$ 15,000	\$ -	
	Demsey Filliger & Assoc., LLC	OPEB Actuarial	\$ 3,750	\$ 750	√
Total Professional Fees			\$916,475	\$ 1,096,925	

* 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	3,612,679	4,281,342
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	1,115,415	1,267,576
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
6111	Overhead Reimbursement	(333,099)	(328,837)	(428,907)
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	953,975	1,096,325
7110	Conference - Employee	56,205	26,677	49,732
7115	Conference - Directors	23,905	20,130	22,065
7150	Travel & Accommodations - Employee	90,325	38,026	103,800
7155	Travel & Accommodations - Director	32,900	27,100	41,800
7210	Membership / Sponsorship	145,847	152,868	159,050
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	39,843
7650	Bank Fees	2,600	2,342	2,600
7670	Miscellaneous Expenses	57,520	46,420	124,700
8810	Capital Acquisition	81,000	135,004	60,000
	Total Expenditure	8,539,144	7,760,432	9,068,599
	MWDOC's Contribution to WEROC Oper	296,290	296,290	293,519
	MWDOC's Contribution to Election Rsrv	300,728	381,000	381,000
	Proj Additional Election Rsrv Contribution	-	-	-
	Portion to be Funded by Gen Oper Fund	-	-	-
	Capital Acquisition to Carryover (8810)	-	-	-
	Capitol Acq Prior Year Carryover Dr/(Cr)	-	-	(34,058)
	MWDOC's Building Expense (8811)	246,600	106,662	389,000
	Building Expense to Carryover	-	-	-
	Building Prior Year Carryover Dr/(Cr)	476,477	(38,887)	(166,314)
		<u>9,859,239</u>	<u>8,505,497</u>	<u>9,931,746</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	2,022,516
4205	School Contracts	-	120,895	-
4705	Prior Year Carry Over	-	213,153	-
		-	-	-
	Choice billing over/under	-	175,292	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	Total Revenue	1,757,952	1,700,194	2,022,516

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	593,718	606,460	742,148
	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	158,182	213,441
6111	Overhead Reimbursement	333,099	328,837	428,907
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	8,000
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	32,280	10,535	-
	Total Expenditure	1,757,952	1,700,194	2,022,516

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	4,219,139	5,023,490
	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	1,273,596	1,481,017
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	1,136,075	1,298,425
	Other Professional Fees - School Programs	417,681	417,681	425,000
7110	Conference - Employee	56,205	26,677	49,732
7115	Conference - Directors	23,905	20,130	22,065
7150	Travel & Accommodations - Employee	90,325	38,026	103,800
7155	Travel & Accommodations - Director	32,900	27,100	41,800
7210	Membership / Sponsorship	145,847	152,868	159,050
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	42,363
7650	Bank Fees	2,600	2,342	2,600
7670	Miscellaneous Expenses	69,520	56,420	132,700
8810	Capital Acquisition	113,280	145,538	60,000
	Total Expenditure	10,297,096	9,460,625	11,091,115
	MWDOC's Contribution to WEROC Oper	296,290	296,290	293,519
	MWDOC's Contribution to Election Rsrv	300,728	381,000	381,000
	MWDOC's Building Expense (8811)	246,600	106,662	389,000
		11,617,191	10,205,690	11,954,262

Administrative - Board
11

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	253,955	231,645	325,073
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	63,404	85,767
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	22,065
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director	32,900	27,100	41,800
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	1,524,695	1,677,314

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	1,905,695	2,058,314

Administrative - General
12

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET		
6010	Salaries & Wages - Admin	356,645	380,679	459,669		
6090	Directors Compensation - MWDOC					
6095	Directors Compensation - MWD					
6105	Benefits - Admin	153,562	156,719	169,544		
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	1	1 • See Exhibit J.
7110	Conference - Employee	56,205	26,677	49,732	2	2 • See Exhibit E.
7115	Conference - Directors					
7150	Travel & Accommodations - Employee	90,325	38,026	103,800	2	
7155	Travel & Accommodations - Director					
7210	Membership / Sponsorship	109,071	114,604	119,255	3	3 • See Exhibit D.
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	778,965	1,026,558		

Personnel / Staff Development
13

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	274,174	273,968	289,929	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	81,251	69,838	82,247	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training	45,000	25,000	35,000	1
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
7030	Audit				
7040	Other Professional Fees	-	-	45,000	3
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	14,500	13,500	18,000	4
8810	Capital Acquisition				
	Total Expenditure	429,925	395,806	500,175	

- 1 • Staff Technical Training & Leadership Development Training
- 2 • Additional funds for legal to assist with RFP and evaluation of 401/457 Plan Advisors
- 3 • Triennial Benchmark Study

4 • Employment Screening	\$ 1,800
• Lunch&Learns/Team Building	\$ 800
• EE Recognition	\$ 2,500
• Holiday Luncheon	\$ 3,700
• flu Shots	\$ 200
• Job Ads/Recruiting	\$ 2,800
• Workforce Development Testing	\$ 2,700
• Miscellaneous	\$ 3,500
	<hr/>
	\$ 18,000

Overhead
19

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	567,507	399,674	649,194	1 • For 13 Retirees
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	178,480	117,663	187,143	2 • EGPS \$ 4,000
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000	• IGOE \$ 750
6111	Overhead Reimbursement from Choice	(333,099)	(328,837)	(428,907)	• Health Equity \$ 125
6115	Benefits - Directors				\$ 4,875
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 5 • Corodata \$ 800
7315	Building Repair & Maintenance	22,056	18,962	25,200	4 • El Toro Water District \$ 1,000
7320	Rents & Leases	1,800	1,699	1,800	5 \$ 1,800
7330	Office Supplies	35,000	20,983	27,000	6
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				8 • Spectrum \$ 18,600
7620	Insurance Expense	140,000	171,736	182,601	• Verizon \$ 1,932
7640	Utilities - Telephone	40,000	35,495	39,012	• EE Cell Reimb. \$ 18,480
7650	Bank Fees	2,600	2,342	2,600	\$ 39,012
7670	Miscellaneous Expenses	4,000	3,500	4,000	
8410	Overhead Reimbursement				9 • Wall Displays office and lobby/ Kitchen furnishings/Fixtures \$ 60,000
8610	Depreciation Expense				\$ 60,000
8810	Capital Acquisition	81,000	123,317	60,000	9
	Total Expenditure	1,213,523	1,010,109	1,237,825	10 • Kitchen Remodel/permit/plan check/Constr Mgmt. \$ 39,000
					• Roof \$ 350,000
					\$ 389,000
	Capitol Acq Prior Year Carryover Dr/(Cr)	-	-	(34,058)	
	MWDOC's Building Exp. (8811)	246,600	106,662	389,000	10
	Building Exp. Prior Year Carryover Dr/(Cr)	476,477	(38,887)	(166,314)	
		1,936,600	1,077,884	1,426,453	

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	357,292	498,712
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	123,374	99,897	126,982
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	567,646	857,169

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	528,754	506,642
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	201,152	157,230	135,714
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	781,135	755,812

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	140,575	159,618
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	48,680	43,498	48,548
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	492,072	638,666

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	526,201	567,485	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	154,008	158,013	168,326	
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	-	
7650	Bank Fees				
7670	Miscellaneous Expenses	16,600	14,000	82,100	3
8810	Capital Acquisition				
	Total Expenditure	1,140,950	1,126,690	1,244,911	

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	\$ 50,000
• Info Items Handouts, Books, Folders	\$ 37,000
	\$ 87,000

3 • Ricki Maint and Repair	\$ 6,500
• 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	244,954	210,542
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	61,206	75,480	70,136
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	533,434	451,678

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	403,296	466,065	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	132,175	133,839	146,948	
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	650,085	663,963	

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	125,641	148,414	1 • Computer, iPad, Server hardware maintenance \$ 5,000
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				2 • Various software upgrades and license \$ 103,798
6105	Benefits - Admin	46,616	39,832	46,222	
6115	Benefits - Directors				3 • Cisco Smartnet for Phone system (hardware and software)
6120	Health Insurance Coverage for Retirees				• Cisco Smartnet for POE and non-POE switches
6205	Training				• Cisco Smartnet for Voice Gateway/Router
6210	Tuition Reimbursement				• Cisco Smartnet for Firewall \$ 5,200.00
6220	Temporary Help				• ECS Laserfiche annual support \$ 6,100.00
7010	Outside Consulting Services				• Laserfiche WORM Storage Cloud backup
7020	Legal - General				• Mwdoc Website Support (LA Design Studio) \$ 15,000.00
7030	Audit				• Mwdoc.com Web hosting service \$ 3,300.00
7040	Other Professional Fees		-	-	• Support for Recruiting Insight Software for HR \$ 3,500.00
7110	Conference - Employee				• Annual support for Finance AccuFund software \$ 9,695.00
7115	Conference - Directors				• Tracker Investmnet Software \$ 2,820.00
7150	Travel & Accommodations - Employee				• Amazon Cloud Cam annual plan \$ 70.00
7155	Travel & Accommodations - Director				\$ 47,720
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				4 • 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	1 • Computer replacement for Administrator (Patrick) \$ 3,000
7430	Software Purchase	92,793	99,000	103,798	2 • Wireless APs and wireless router hardware upgrade \$ 5,500
7440	Software Support	55,615	55,615	47,720	3 \$ 43,000
7510	Site Maintenance				
7450	Computers and Equipment	43,950	43,950	43,000	4
7580	Maintenance Expense				
7610	Automotive / Mileage				
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	384,795	395,154	

**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	1,026,488
4705	Prior Year Carry over			
	Choice billing over/under		62,737	-
	Total Revenue	831,328	866,101	1,026,488

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	485,986
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	109,540	130,360
6111	Overhead Reimbursement	215,850	229,912	276,641
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 & 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	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	6,000
8810	Capital Acquisition			
	Total Expenditure	831,328	866,101	1,026,488

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

**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	560,069
4705	Prior Year Carry over			
	Choice billing over/under		117,101	-
	Total Revenue	496,786	408,418	560,069

		FY 2020-2021 PROPOSED BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	198,797	176,680	250,324
6012	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	65,373	47,759	81,355
6111	Overhead Reimbursement	113,593	96,521	148,871
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 & 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			
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	560,069

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	293,519
4210	WEROC Contracts	269,651	269,651	293,519
4205				
4230	Reimbursements			
4240				
4410				
4805				
	TOTAL WEROC Revenue	565,941	565,941	587,039

1 • OCSD	\$	57,530
• SOCWA	\$	22,307
• OCWD	\$	146,760
• 3 Cities -- \$22,307/ea	\$	66,922
	\$	293,519

		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	122,311
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 & Accommodations - Employee	9,500	9,640	4,500
7155	Travel & Accommodations - 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	587,039
	Contribution to Operating Reserves			
	Total Operations Budget	565,941	508,729	587,039
	Capital Expenditures			
	TOTAL Expenditures	565,941	508,729	587,039

- 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	-
4680	Miscellaneous Income			
	Prior Year Carryover			
	Total Revenue	4,567	295	-

		FY 2022-2023 BUDGET	FY 2022-2023 PROJECTED ACTUALS	FY 2023-2024 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,596	220	-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	971	75	-
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 & 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			
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	-

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
MWDOC's Contribution	145,971	4,547				150,518		150,518
Outside Fundings	-		8,545,274		4,567	8,819,493	(296,290)	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					43,690		43,690
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	\$ -	\$ -	\$ -	\$ (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		\$ 228,891,519				\$ 228,891,519		\$ 228,891,519
Local Resource Program Incentives		(716,604)				(716,604)		(716,604)
Retail Meter Charge	9,205,500					9,205,500		9,205,500
Ground Water Customer Charge	385,340					385,340		385,340
Interest Revenue	319,410	-				319,410		319,410
MWDOC's Contribution				293,519		293,519	(293,519)	-
Outside Fundings			13,605,720	293,519	-	13,899,239		13,899,239
Choice Revenue	2,022,516					2,022,516		2,022,516
Miscellaneous Income	3,000					3,000		3,000
Total Revenues	11,935,766	228,174,915	13,605,720	587,039	-	254,303,440	(293,519)	254,009,921
Expenses:								
Water Purchases		228,174,915				228,174,915		228,174,915
Salaries & Wages	-			400,778		5,424,268		5,424,268
less S & W Reimb. DSC or Recov from Grants	5,023,490			-		(20,000)		(20,000)
Employee Benefits	1,688,017			122,311		1,810,328		1,810,328
Outside Consulting Expense	342,000					342,000		342,000
Professional Fees	1,723,425		13,605,720	4,000		15,333,145		15,333,145
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	159,050			950		160,000		160,000
Director Compensation	275,041					275,041		275,041
MWDOC Contribution to WEROC Operations	293,519					293,519	(293,519)	-
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	49,732			5,800		55,532		55,532
Conference Expense - Directors	22,065					22,065		22,065
CDR Participation	59,758					59,758		59,758
Business Expense	2,000					2,000		2,000
Miscellaneous Expense	135,300			7,200		142,500		142,500
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	42,363			10,000		52,363		52,363
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	103,800			4,500		108,300		108,300
Travel & Accommodations - Directors	41,800					41,800		41,800
Depreciation Expense (annualized)	-					-		-
Overhead Reimbursement	-					-		-
MWDOC Building Expense	222,686			-		222,686		222,686
Capital Acquisition	25,942			-		25,942		25,942
All Other Expenses	1,457,683			54,300		1,511,983		1,511,983
Total Expenses	11,954,262	228,174,915	13,605,720	587,039	-	254,321,936	(293,519)	254,028,416
EFFECT ON RESERVES / FUND BALANCE	\$ (18,496)	\$ -	\$ -	\$ -	\$ -	\$ (18,496)	\$ -	\$ (18,495)

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)



DISCUSSION ITEM

February 8, 2023

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

FROM: Harvey De La Torre, Interim General Manager

Staff Contact: Cathy Harris, Director of Human Resources & Administration

SUBJECT: Proposal to Revise the District's Holiday Schedule

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee review and discuss, and take action as appropriate.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Director Crane requested this item be presented to the Committee for review and discussion. The District currently has 10 paid holidays and one floating holiday for employees to use at their discretion for a total of 11 days. The District's paid holidays are outlined below. The proposal is to add Martin Luther King as a District paid holiday, increasing the number to 12 days (11 holidays and 1 floating day).

3102 HOLIDAYS

All eligible regular full-time employees are granted the following paid holidays (total of 11 days/88 hours). In order to be entitled to holiday pay, an employee must be eligible for full pay for the scheduled workday both before and after said paid holiday. The following dates are recognized District holidays:

New Year's Day
President's Day
Memorial Day

January 1
3rd Monday in February
Last Monday in May

Budgeted (Y/N):	Budgeted amount:	Core ____	Choice ____
Action item amount:		Line item:	
Fiscal Impact (explain if unbudgeted):			

Independence Day
Labor Day
Veteran's Day
Thanksgiving
Day after Thanksgiving
Christmas Eve
Christmas Day
One Floating Holiday

July 4
First Monday in September
November 11
4th Thursday in November
4th Friday in November
December 24
December 25
Designated by the employee each year

For your information, attached is a listing of the State, Federal and County holidays as well as survey information that was compiled from MET, MET member agencies, and MWDOC Member Agencies.

Responded	Agency	MET member / 3 cities / MWDOC member	New Years Day	Milk Holiday	Lincoln	Washington's bday	President's Day	Casezar Chavez	Good Friday	Memorial Day	Juneteenth	Day before 4th July	4th July	Labor Day	Columbus	Veterans	Thanksgiving	Day After thanksgiving	Christmas Eve	Christmas Day	1st business day after Christmas	New Years Eve	# of Floating Holidays	Total	notes / comments
n	Calleguas MWD	MET member	1				1			1			1	1		1	1			1	1			10	
n	City of Anaheim	MET member	1	1			1			1			1	1		1	1			1	1	1		11	
n	City of Fullerton	MET member	1		1		1			1			1	1		1	1			1	1	1		12	
n	City of Santa Ana	MET member	1				1			1			1	1		1	1			1	1	1	2	2	
n	Inland Empire Utilities Agency	MET member	1				1			1			1	1		1	1			1	1	1	2	2	
n	San Diego County WA	MET member	1				1			1			1	1		1	1			1	1	1	2	2	
n	Central Basin MWD	MET member	1				1			1			1	1		1	1			1	1	1	2	2	
y	Eastern MWD	MET member	1			1	1			1			1	1		1	1			1	1	1	2	2	
y	Foothill MWD	MET member	1				1			1			1	1		1	1			1	1	1	2	2	
y	Las Virgenes MWD	MET member	1				1			1			1	1		1	1			1	1	1	12	12	
y	MET	MET	1				1		1	1	1		1	1		1	1			1	1	1	15	15	TVMWD closes for the holidays between the day after Christmas and New Year's Eve. Employees will receive an equivalent number of holidays based on their normal work schedule during this time period.
y	Three Valleys WD	MET member	1				1			1			1	1		1	1			1	1		3	3	
y	Upper San Gabriel	MET member	1	1			1			1			1	1		1	1			1	1		2	2	
y	West Basin MWD	MET member	1	1			1		1	1	1		1	1		1	1			1	1	1	1	15	
y	Western MWD	MET member	1				1			1			1	1		1	1			1	1		3	3	
	Average MET Member Agency																						12.50		
n	MWDOC	MWDOC member	1				1			1			1	1		1	1			1	1		1	11	
n	City of Brea	MWDOC member	1	1			1			1			1	1		1	1			1	1		1	11	
n	City of Newport Beach	MWDOC member	1	1			1			1			1	1		1	1			0.5	1	0.5	1	12	
n	City of Orange	MWDOC member	1				1			1			1	1		1	1			0.5	1		0.5	9.5	
y	City of San Clemente	MWDOC member	1	1			1			1			1	1		1	1			1	1	1	2	14	
n	City of Seal Beach	MWDOC member	1	1			1			1			1	1		1	1			1	1		1	12	
n	City of Seal Beach	MWDOC member	1	1			1			1			1	1		1	1			1	1		4	14	
n	Garden Grove	MWDOC member	1				1			1			1	1		1	1			0.5	1		1	10.5	
n	Santa Margarita WD	MWDOC member	1				1			1		1	1	1		1	1			1	1		1	10	
n	Serrano Water	MWDOC member	1				1			1			1	1		1	1			1	1		1	11	
n	Trabuco Canyon WD	MWDOC member	1	1			1			1			1	1		1	1			1	1		1	11	
y	City of Buena Park	MWDOC member	1	1		1	1			1			1	1		1	1			1	1		1	12	
y	City of Fountain Valley	MWDOC member	1				1			1			1	1		1	1			1	1		1	11	
y	City of La Habra	MWDOC member	1	1			1			1			1	1		1	1			1	1	1	1	13	may select either Christmas Eve or New Year's Eve for floating
y	City of La Palma	MWDOC member	1	1			1			1			1	1		1	1			1	1		10		
y	City of Tustin	MWDOC member	1	1			1			1	1		1	1		1	1			1	1	X		12	City closed x-mas through New Years; employee may use paid time off
y	City of Westminster	MWDOC member	1				1			1			1	1		1	1			0.5	1		3	11.5	
y	East Orange County WD	MWDOC member	1	1			1			1			1	1		1	1			0.5	1	0.5	1	11	
y	El Toro WD	MWDOC member	1				1			1			1	1		1	1			0.5	1		2	11	
y	IRWD	MWDOC member	1				1		1	1			1	1		1	1			1	1	1	1	12	may select either New Years Eve OR Good Friday for 2nd float
y	Laguna Beach County WD	MWDOC member	1	1			1			1			1	1		1	1			1	1		3	12	
y	Mesa	MWDOC member	1	1			1			1			1	1		1	1			1	1	1	1	12	
y	Moulton Niguel WD	MWDOC member	1				1			1			1	1		1	1			0.5	1		3.75	14.75	30 hours to use as floating holidays = 8 x 3.75
y	OCWD	MWDOC member	1		1		1			1			1	1		1	1			1	1		1	11	
y	South Coast WD	MWDOC member	1				1			1			1	1		1	1			1	1		3	10	
y	Yorba Linda WD	MWDOC member	1				1			1			1	1		1	1			1	1	1	1	11	
y	City of Huntington Beach	MWDOC member	1				1			1			1	1		1	1			1	1		1	12	
	Average MWDOC Member Agency																						11.59		
	California State Holidays	other	1	1			1	1		1			1	1		1	1			1	1		1	12	In lieu of receiving a personal holiday the employee may take one of the following: Lunar New Year, Genocide Remembrance Day or Juneteenth
	Federal Government	other	1	1			1			1	1		1	1		1	1			1	1		11	11	
	County of Orange	other	1	1		1				1			1	1		1	1			1	1		12	12	
	Average Other Agency																						11.67		



DISCUSSION ITEM

February 8, 2023

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

FROM: Harvey De La Torre, Interim General Manager

Staff Contact: Charles Busslinger

SUBJECT: UPDATE REGARDING THE 2022 ORANGE COUNTY RELIABILITY STUDY

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee review the presentation by CDM Smith.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

In the fall of 2021, consultant CDM Smith began working with MWD OC staff on an update of the Orange County Water Reliability Study for 2022 (2022 OC Study). As noted in detail below, updating of the planning assumptions and understanding of the implications will be useful to staff, Directors, MET Directors, and member agencies for future water reliability decision considerations. This update was launched because of significant changes in conditions since the publication of the 2018 OC Study. These changed conditions include:

1. Worsening imported water supply conditions for Southern California;
 - State Water Project (SWP) Table A allocation reductions to 20% in 2020, 5% in 2021, 5% in 2022, and a recently increased allocation from 5% to 30% for 2023,
 - Colorado River Basin is in the 23rd year of a “megadrought”, which studies indicate is the driest continuous period in 1,200 years¹.

¹ Williams, et al., March 2022 <https://www.nature.com/articles/s41558-022-01290-z>

Budgeted (Y/N): N/A	Budgeted amount:	Core ____	Choice ____
Action item amount:		Line item:	
Fiscal Impact (explain if unbudgeted):			

- In July 2022, Lake Mead water surface elevation reached its lowest level since 1937 when it was first filling. Continuing low water surface elevations have triggered shortage declarations for Arizona and Nevada, with a California shortage declaration highly probable for 2023;
- 2. Delays in environmental permitting for modernization of aging SWP infrastructure in the Bay-Delta and Department of Water Resource's withdrawal of permit applications for a two-tunnel 'Delta WaterFix' project on May 2, 2019;
- 3. Lower regional water demands for the Metropolitan Water District of Southern California (MET) service area;
- 4. Increased understanding of climate change impacts relating to temperature;
- 5. April 12, 2022, MET Board adoption of the MET 2020 Integrated Water Resources Plan (IRP) Needs Assessment;
- 6. July 27, 2022, release of the Draft Environmental Impact Report (DEIR) for a single tunnel SWP water supply reliability project in the Bay-Delta – 'Delta Conveyance Project' (DCP),
- 7. State Water Resources Control Board (SWRCB) planning to set water use standards based on combined levels of indoor water usage, outdoor water usage, and system losses.

The 2022 OC Study update will provide information to aid regional water supply planning in Orange County and for MET's IRP Implementation (Phase 2), including:

1. Estimates of the probability and magnitude of potential water shortages in Orange County and the MET service area under various planning scenarios, and
2. Incorporating information from the Economic Benefits Study completed in July 2022, to develop estimates of potential economic benefits of reducing water shortages in Orange County through the implementation of additional water supply projects.

The 2022 OC Study does not rank potential local water supply projects in Orange County, but rather provides information that can be used by local water agencies in the planning and implementation of projects for improved water supply reliability.

2022 OC Study Assumptions

Planning Scenarios

As the future is uncertain, planning scenarios were developed to explore plausible projected ranges of future climate change impacts, water demands, and imported and local water supplies informed by more recent information from multiple sources. Draft planning scenarios were presented to MWDOC's P&O Committee on June 6, 2022. The scenarios were subsequently revised to facilitate a more direct comparison of the impacts of climate change and the benefit of the California DCP. The final planning scenarios for the 2022 OC Study, shown in detail in Table 1, are defined as:

1. Low Stress without Delta Conveyance – representing a warm/wet climate future with some additional MET water supplies and current water use efficiency,
2. Moderate Stress without Delta Conveyance – representing a warm/dry climate future with some additional MET water supplies and current water use efficiency,
3. Moderate Stress with Delta Conveyance – representing a warm/dry climate future with some additional MET water supplies and current water use efficiency,

4. Significant Stress without Delta Conveyance – representing a hot/dry climate future with more additional MET water supplies and increased water use efficiency,
5. Significant Stress with Delta Conveyance – representing a hot/dry climate future with more additional MET water supplies and increased water use efficiency.

Table 1. Planning Scenarios for 2022 OC Study

Scenario Name	Climate Change Future	OC Basin	MET & OC Water Demands	New MET Water Transfers and Storage	MET Pure Water Southern California	Delta Conveyance Project (DCP)
1. Low Stress <u>without</u> Delta Conveyance	Warm/Wet	BPP Target of 82% Median Santa Ana River baseflows	Lower baseline with <u>current</u> water use efficiency targets	100 TAF CRA Transfers (2030)	102 TAF (2035)	Not implemented
2. Moderate Stress <u>without</u> Delta Conveyance	Warm/Dry	BPP Target of 82% Median Santa Ana River baseflows	Lower baseline with <u>current</u> water use efficiency targets	100 TAF CRA Transfers (2030)	102 TAF (2035)	Not implemented
3. Moderate Stress <u>with</u> Delta Conveyance	Warm/Dry	BPP Target of 82% Median Santa Ana River baseflows	Lower baseline with <u>current</u> water use efficiency targets	100 TAF CRA Transfers (2030)	102 TAF (2035)	Implemented (2040)
4. Significant Stress <u>without</u> Delta Conveyance	Hot/Dry	BPP Target of 82% Low Santa Ana River baseflows	Lower baseline with <u>increased</u> water use efficiency targets	100 TAF CRA Transfers (2030) 250 TAF MET Local Storage (2035)	168 TAF (2035)	Not implemented
5. Significant Stress <u>with</u> Delta Conveyance	Hot/Dry	BPP Target of 82% Low Santa Ana River baseflows	Lower baseline with <u>increased</u> water use efficiency targets	100 TAF CRA Transfers (2030) 250 TAF MET Local Storage (2035)	168 TAF (2035)	Implemented (2040)

Notes:

1. TAF = thousand acre-feet
2. BPP = Orange County Water District Basin Pumping Percentage
3. CRA = Colorado River Aqueduct
4. Online dates for new MET and DCP projects shown in parentheses.
5. If OC Basin overdraft is greater than 500,000 acre-feet for extend period of time due to combination of reduced stormflows and MET drought allocations, BPP gets adjusted downward.

The increased water use efficiency targets for Scenarios 4 and 5 were based on new proposed State Water Resources Control Board standards for indoor water use, outdoor water use and system losses. The Basin Production Percentage (BPP) for the Orange County Groundwater Basin reflects the percentage of water demand that local agencies can pump from the basin, with the remaining supply having to come from purchases of imported water from MET or other sources.²

Water supply reliability for the planning scenarios were modeled for MET and Orange County using the WEAP (water evaluation and planning) systems model that CDM Smith developed for previous OC Studies in 2014 and 2018. The WEAP model simulates future water demands, imported water, local groundwater, and other water supplies in order to estimate the probability and size of potential water shortages. This model continues to be re-calibrated to reflect updated hydrologic and storage conditions, as well as updated information regarding implementation of local water supplies.

Climate Change Modeling

Future climate change impacts were modeled by CDM Smith and sub-contractor Dr. David Yates, of the National Center for Atmospheric Research. To estimate impacts on MET's imported water sources, Dr. Yates utilized a Southwest Water Evaluation And Planning (WEAP) hydrologic model to estimate changes in snowpack and river inflows to reservoirs for the SWP system and Colorado River using 16 global climate models (GCMs) from the World Climate Research Programme's (WCRP's) Coupled Model Intercomparison Project (CMIP) Series 5. These 16 GCMs were selected to represent boundary conditions under warm/wet, warm/dry, and hot/dry climate futures. CDM Smith selected a sub-set of GCMs shown in Figure 1 for the 2022 OC Study scenarios shown in Table 1 above.³ Results from Dr. Yates's WEAP modeling were then applied to a truncated historical hydrologic period from 1965-2021 for both the State Water Project and Colorado River systems. Instead of using a hydrologic period of 1922-2021, the truncated hydrologic period was used to represent the general scientific consensus that human-induced climate warming began in the mid-1960s and therefore earlier hydrologic periods are no longer as relevant for future planning.

² Note: An 82% BPP was used in this analysis instead of OCWD's 85% target to account for inaccuracies in the simple mass balance modeling of inflows/outflows for the basin.

³ Model selections for temperature were checked against work completed by multiple sources:

IPCC, 2021: *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*:

<https://www.ipcc.ch/report/ar6/wg1/>. Figure 7.18 (Combined Assessment.)

Nature: Hausfather & Peters, *Emissions as Usual story is misleading*, Jan 30, 2020:

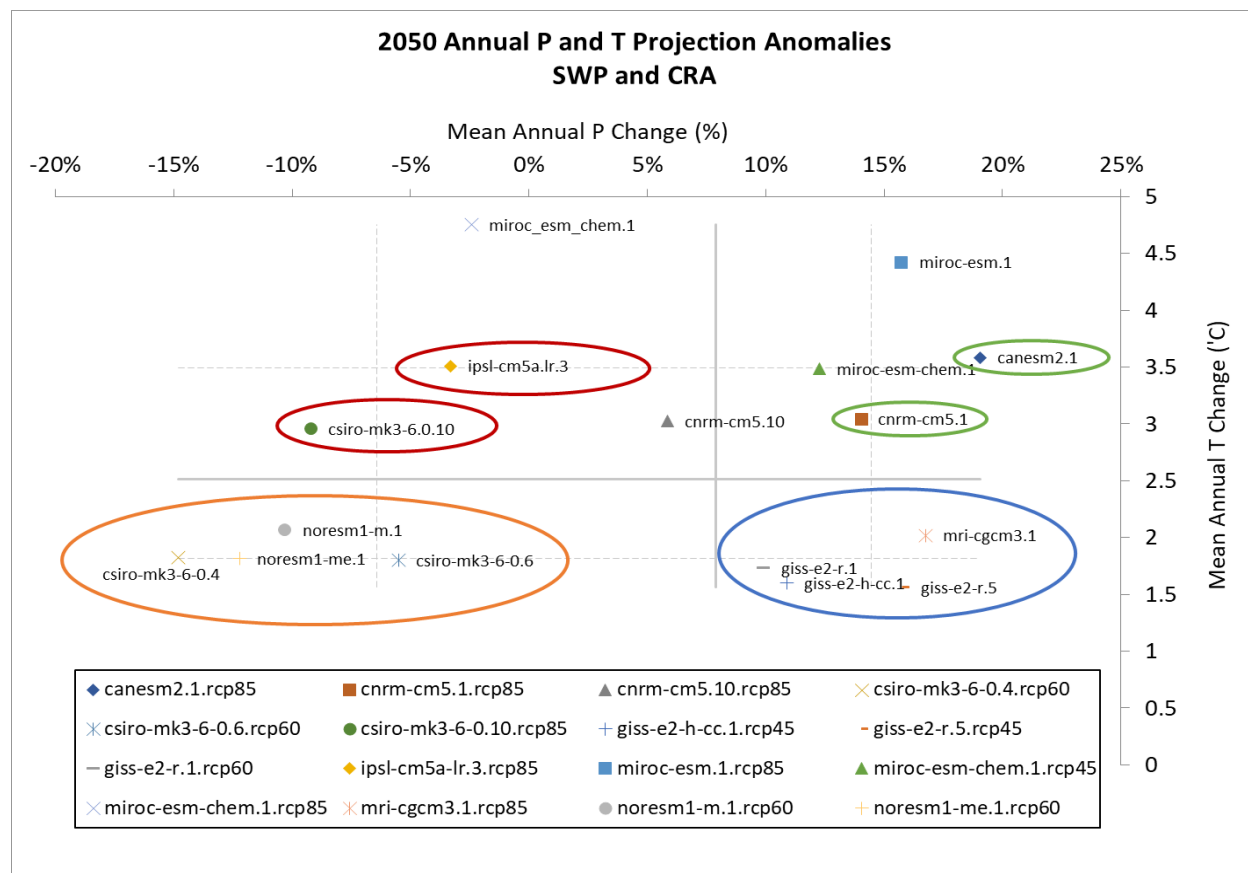
<https://www.nature.com/articles/d41586-020-00177-3.pdf?pdf=button%20sticky>

International Energy Agency, *World Energy Outlook 2019*:

<https://iea.blob.core.windows.net/assets/98909c1b-aabc-4797-9926-35307b418cdb/WEO2019-free.pdf>

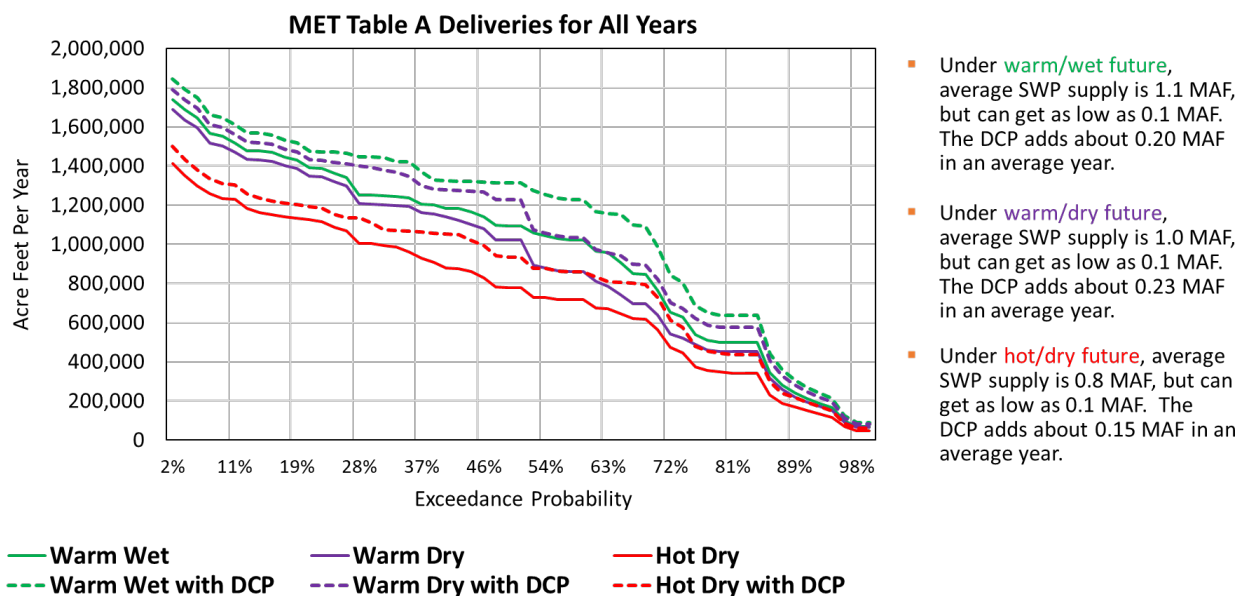
CICERO *Climate Scenarios Demystified, A Climate Scenario Guide for Investors*, Feb 2018

<https://pub.cicero.oslo.no/cicero-xmlui/handle/11250/2481124>

Figure 1. Selection of GCMs for 2022 OC Study

MET SWP Supplies

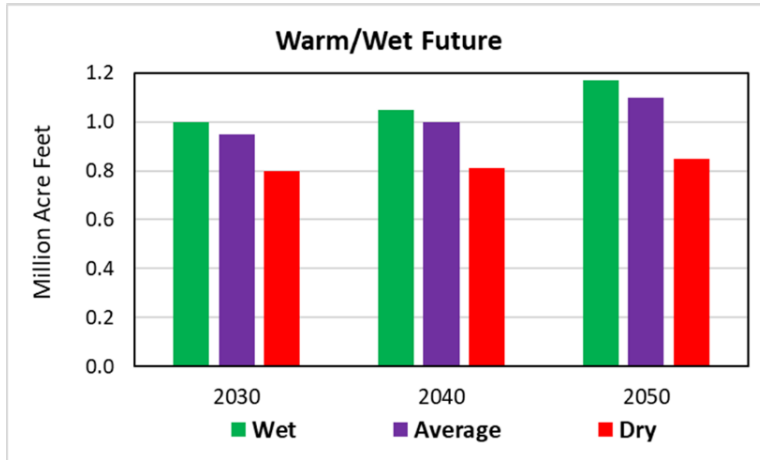
MET's SWP supplies for all forecast years under warm/wet, warm/dry and hot/dry climate futures are shown in **Figure 2**, with and without the Delta Conveyance Project.

Figure 2. MET's SWP Supply Under Different Climate Futures in Year 2050

MET Colorado River Supplies

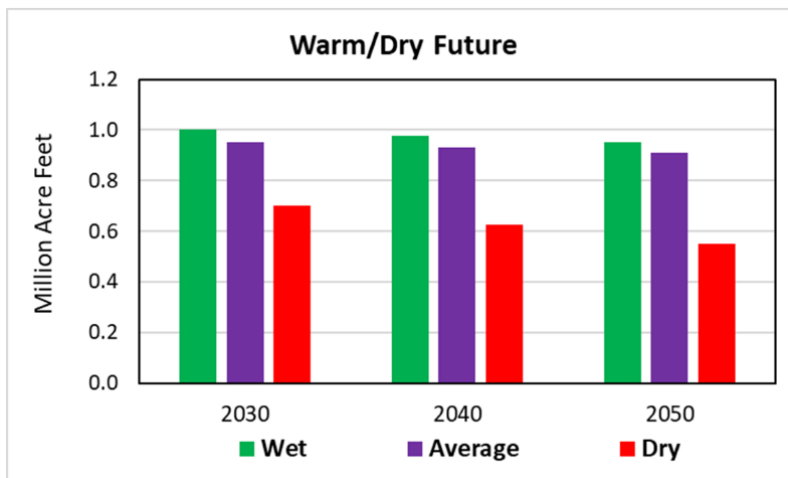
Water deliveries to MET via the CRA are shown for each climate future over time (2030, 2040 and 2050) as this system's response to climate change is more cumulative in nature vs. the SWP system. Warm/wet future CRA deliveries are shown for a representative wet year, average year and dry year in **Figure 3**, while warm/dry future CRA deliveries and hot/dry future CRA deliveries are shown in **Figure 4** and **Figure 5**, respectively.

Figure 3. MET's CRA Supply Under Warm/Wet Climate Future

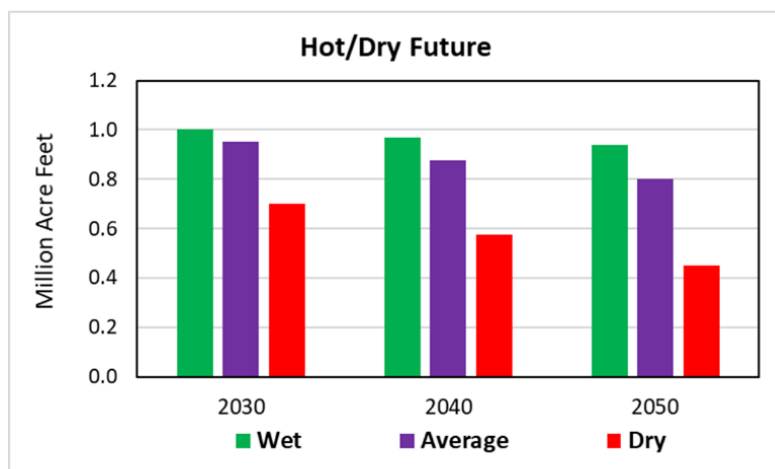


- CRA supplies modeled with extension of BOR Drought Contingency Plan with revised ICS assumptions per MET.
- Under Warm/Wet Future, CRA supplies expected to improve over time as projected precipitation increases.
- Average CRA supplies estimated to be 0.95 MAF in 2030, increasing to 1.10 MAF in 2050.
- Dry year CRA supplies estimated to be 0.80 MAF in 2030, increasing to 0.85 MAF in 2050.

Figure 4. MET's CRA Supply Under Warm/Dry Climate Future

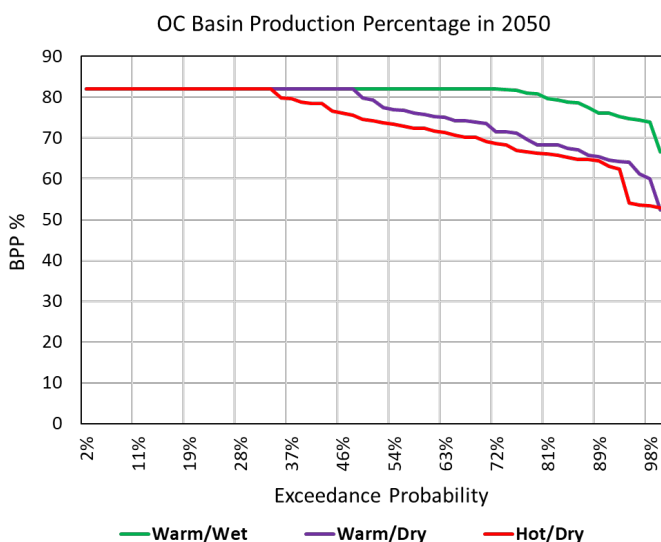


- CRA supplies modeled with extension of BOR Drought Contingency Plan with revised ICS assumptions per MET.
- Under Warm/Dry Future, CRA supplies expected to decline over time as projected precipitation decreases.
- Average CRA supplies estimated to be 0.95 MAF in 2030, decreasing to 0.91 MAF in 2050.
- Dry year CRA supplies estimated to be 0.70 MAF in 2030, decreasing to 0.55 MAF in 2050.

Figure 5. MET's CRA Supply Under Hot/Dry Climate Future

- CRA supplies modeled with extension of BOR Drought Contingency Plan with revised ICS assumptions per MET.
- Under Hot/Dry Future, CRA supplies expected to decline over time as projected precipitation decreases and temperature increases more significantly.
- Average CRA supplies estimated to be 0.95 MAF in 2030, decreasing to 0.80 MAF in 2050.
- Dry year CRA supplies estimated to be 0.70 MAF in 2030, decreasing to 0.45 MAF in 2050.

Groundwater conditions for the Orange County basin were modeled using a simplified mass-balance of Santa Ana River inflows, incidental recharge, recharge from Orange County Groundwater Replenishment System, basin outflows, basin pumping and MET replenishment. These variables are measured using historical and climate-change hydrologies from 1965-2021 to produce storage levels and basin overdraft estimates. When basin overdraft is above 500,000 AF for a prolonged period, the BPP is adjusted downward from the target of 82%⁴. For each percentage below the target occurs, a like amount of water is demanded from imported water from MET. If there is a MET drought allocation during that request, shortages occur in the basin. **Figure 6** presents the simulated BPP under the different climate futures for the year 2050 to illustrate this modeling approach.

Figure 6. Orange County Basin Production Percentage for Year 2050 Under Climate Futures

- OC Basin modeled using CDM Smith's simple mass balance model of inflows and outflows with a **Target BPP is 82%**.
- Under warm/wet and warm/dry scenarios SAR baseflows based on median projection; while under warm/dry scenario SAR baseflows based on low projection.
- Being conservative to account for simplified assumptions, once OC overdraft exceeds 500,000 AFY for extended time, BPP is lowered from target.
- Under warm/wet climate (green line) BPP is **at target 75% of time**, and never goes below **BPP of 66%**.
- Under hot/dry climate (red line) BPP is **at target 33% of time**, and never goes below **BPP of 53%**.

⁴ Note: An 82% BPP was used in this analysis instead of OCWD's 85% target to account for inaccuracies in the simple mass balance modeling of inflows/outflows for the basin.

For climate change impacts for MET service area water demands and local water supplies (groundwater and surface water), CDM Smith used its empirically-derived climate factors from recent studies conducted in Orange, Los Angeles and San Diego Counties. By 2050, CDM Smith estimated that water demands can be:

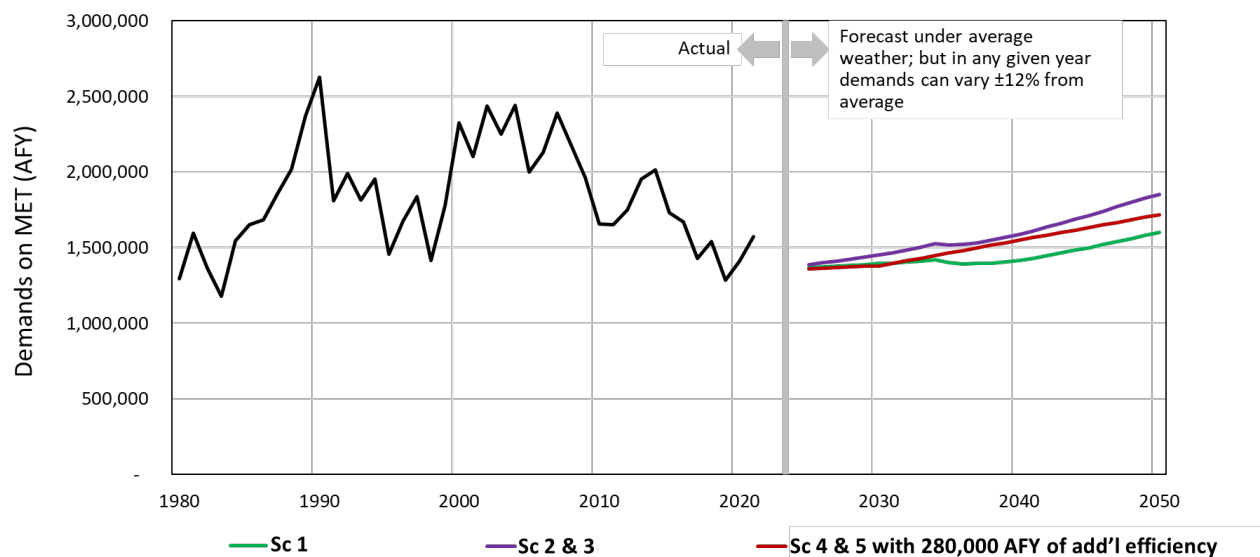
- 4 to 7% greater under climate change compared to historical average.
- Los Angeles Aqueduct (LAA) supplies and local surface reservoir supplies can be 6 to 15% lower under climate change compared to historical average.
- Local groundwater (without recycled or imported water replenishment) can be 10 to 15% lower under climate change than historical average.

Water Demand Forecast Ranges

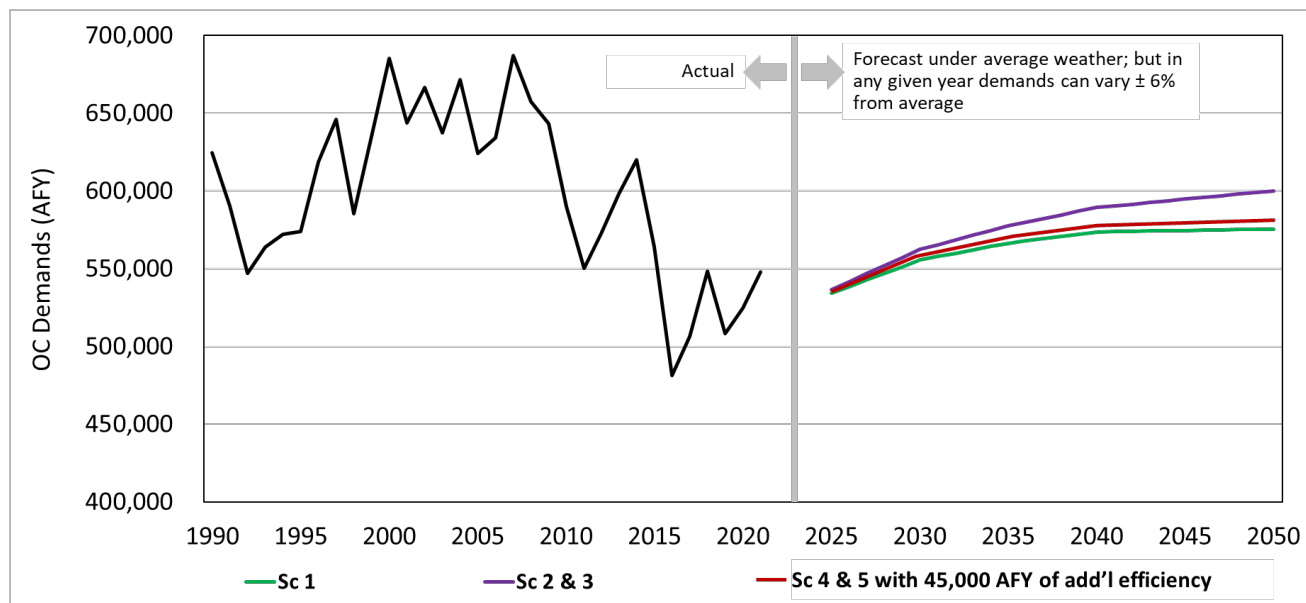
Building from MET's 2020 IRP Phase 1 Assessment, CDM Smith developed MET water demand projections that were aligned to the 2022 OC Study scenarios. MET's water demand projections are based on forecasts of regional water demands less projections of future local water supplies for its member agencies. MET developed four sets of demand projections for its 2020 IRP:

- Low retail water demands with minimal climate change impacts on local water supplies.
- High retail water demands with minimal climate change impacts on local water supplies.
- Low retail water demands with significant climate change impacts on local water supplies.
- High retail water demands with significant climate change impacts on local water supplies.

Figure 7. MET Water Demand Forecast Range



The water demand forecast range for Orange County was based on CDM Smith's demand projections used for MWD OC's 2020 UWMP, with adjustments for climate change (see Figure 8). Just as with demands on MET in Figure 7, Orange County demands for scenarios 4 and 5 are lower than scenarios 2 and 3 due to increased water use efficiency levels.

Figure 8. Orange County Water Demand Forecast Range

Supply Reliability Results

CDM Smith utilized the same modeling platform used for the previous 2018 OC Study, which first simulates MET water supply reliability to estimate available imported water for Orange County. Then Orange County water demands and local supplies are simulated to estimate the overall supply reliability for three areas within Orange County: (1) OC Basin, (2) South Orange County, and (3) Brea/La Habra. The maximum water shortage and probability of any shortage occurring for MET's service area and the three OC study areas are shown in Table 2, assuming no water use restrictions during severe droughts.

Table 2. Water Supply Reliability Results

Max Water Shortage w/o Water Demand Restrictions (TAF)	Region	Max Shortage (TAF) in 2030					Max Shortage (TAF) in 2050				
		Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5
	MET Service Area	200	500	500	480	480	0	1,100	900	1,010	700
	OC Basin	22	65	65	64	64	0	153	120	130	87
	South Orange County	11	30	30	30	30	0	57	47	53	35
	Brea/La Habra	1	3	3	3	3	0	6	5	6	4

Probability of Any Shortage Occurring (%)	Region	Probability of Any Shortage (%) in 2030					Probability of Any Shortage (%) in 2050				
		Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5
	MET Service Area	3	4	3	4	3	0	20	12	20	10
	OC Basin	3	4	3	4	3	0	20	12	20	10
	South Orange County	3	4	3	4	3	0	20	12	20	10
	Brea/La Habra	3	4	3	4	3	0	20	12	20	10

Notes:

TAF = thousand acre-feet

Because it is very likely that during extreme droughts California and/or MET will impose mandatory water demand restrictions, the maximum water shortages for the OC study areas will be reduced. To illustrate the impact of these restrictions it was assumed that

during these rare droughts (projected to occur about 1 to 3% of the time), demands were reduced by 15% (accounting for demand hardening). **Table 3** shows the resulting maximum water shortage for Orange County under these demand restrictions.

Table 3. Maximum Shortage for Orange County with Mandatory Demand Restrictions

Max Water Shortage with Water Use Restrictions in Place (TAF)*	Region	Max Shortage (TAF) in 2030					Max Shortage (TAF) in 2050				
		Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5
	OC Basin	0	9	9	8	8	0	90	60	70	27
	South Orange County	0	9	9	8	8	0	30	25	33	15
	Brea/La Habra	0	0	0	0	0	0	3	2	3	1

* Water use restrictions equal to 15% of water demand

Notes:

* Maximum water shortage with 15% demand restrictions in place

TAF = thousand acre-feet

Summary of Findings and Draft Message Points for Board Consideration

The science on the direction of future global temperature is clear (i.e., agreement that global temperatures are increasing); and with temperature increases are increases in evapotranspiration (some of which we are already seeing today on both the SWP and the Colorado River). However, the science on climate change induced precipitation changes is not clear (i.e., the GCMs provide conflicting results as to whether future climate will be slightly drier or slightly wetter). Experts involved in climate science indicate we are not likely to have better precipitation information for many years. Scenario 1 represents a future with more precipitation (a “best-case” scenario) and staff points out that best cases should be viewed with caution for long term planning when significant uncertainty is involved. The remaining scenarios represent climate futures which are slightly drier. The current trajectory of Greenhouse Gas emissions (emissions), emissions reduction policy pledges (if implemented), and currently implemented emissions reductions which impact the rate and magnitude of temperature increases; place the most plausible scenarios to likely be somewhere between warm/dry and hot/dry (see Footnote 3 above for additional information on emissions and temperature). Under the drier future climate scenarios, the remaining best-case scenarios would be scenario 3 and 5 that assume maximized local supplies and completion of a California Delta Conveyance. Table 2 illustrates the value of the Delta Conveyance Project (scenarios 2 vs 3, and 4 vs 5) both in terms of reductions to the estimated maximum shortage volume and probability of shortage in any year by 2050 to both MET and Orange County. Table 4 compares total Orange County shortages for scenarios 3 and 5 and notes the differences between these scenarios.

Table 4. Maximum Shortage for Orange County Under Scenarios 3 and 5 with Mandatory Water Restrictions

Assumption	Scenario 3 OC Shortage = 87 TAF	Scenario 5 OC Shortage = 43 TAF
Climate Future	Warm/Dry	Hot/Dry
Additional Water Use Efficiency Targets	None	280 TAF for MET, 45 TAF for OC
Additional Reuse/GW Projects in MET Service Area	420 TAF by 2050	420 TAF by 2050
Delta Conveyance Project	Yes by 2040	Yes by 2040
MET Pure Water SoCal	102 TAF by 2035	168 TAF by 2035
MET Additional Transfers and Storage	350 TAF by 2035	350 TAF by 2035
OC Drought Restrictions During Worst-Case Droughts	15% of Total Demand	15% of Total Demand

Notes:

TAF = thousand acre-feet

Under scenario 3 with mandatory water restrictions, the net maximum shortage for all of Orange County is 87 TAF. Under scenario 5 with mandatory water restrictions, the net maximum shortage for all of Orange County is 43 TAF.

The reason scenario 5 shortages are lower than scenario 3 shortages is due to additional water use efficiency (280 TAF of additional demand reduction is assumed for MET service area and 45 TAF for Orange County), and a larger MET Pure Water SoCal project at 168 TAF is assumed for scenario 5 vs a smaller 102 TAF project under scenario 3. Also note that scenarios 4 and 5 assume full implementation of increased water use efficiency standards across commercial, industrial, institutional, and residential users.

Draft Message Points

Given these findings, the following draft message points are recommended for Board consideration to convey to MET and Orange County water agencies:

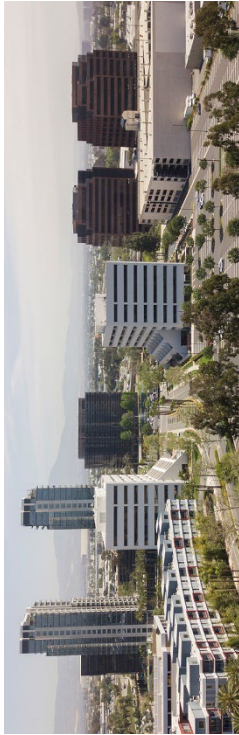
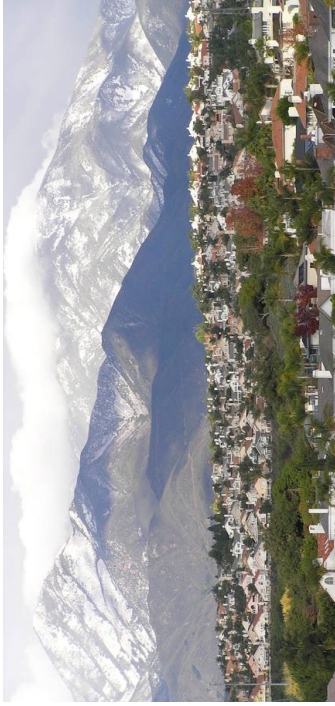
- 1) Even with optimistic assumptions of new future water supplies, significant water shortages for MET and OC are possible 10 to 20 percent of the time by 2050.
- 2) Based on MET IRP projections for local project supplies (which were provided by member agencies), most wastewater in the MET service area will be reused by 2050.
- 3) OC agency managers and elected Boards should advocate for a balanced water supply portfolio in the MET region and locally that includes additional water efficiency, maximizing reuse, additional MET storage and transfers, permissible desalination, and Delta Conveyance. An ‘All Hands’ approach is needed for a reliable and resilient water supply through 2050.

Next Steps

Next steps to complete this update include:

- 1) Estimate the economic benefits of improving supply reliability from local water supply projects in Orange County.
- 2) Complete a draft of the report by Mid-February and distribute for comments.

- 3) Complete final report by incorporating MWDOC agency manager's review. Note that the Agency Managers have asked for additional time to review the draft report and submit comments.



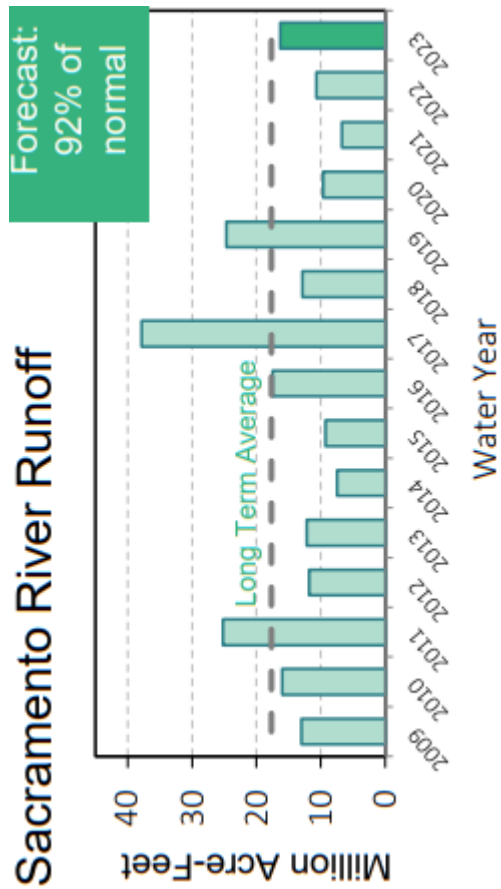
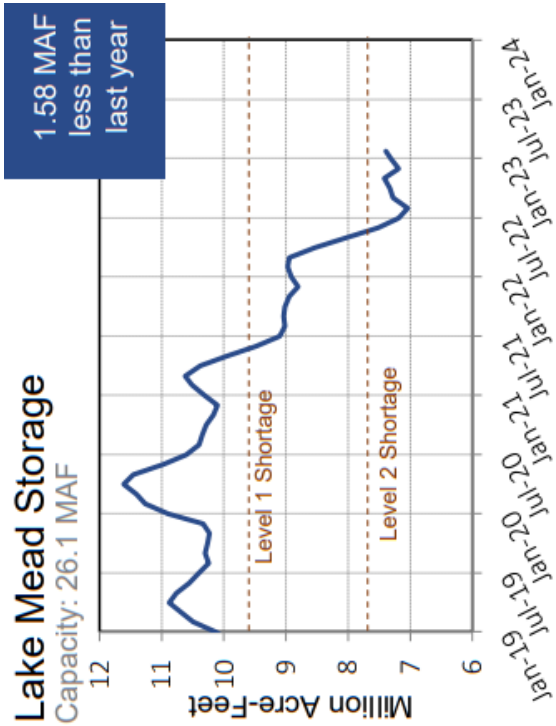
OC Water Reliability Study 2022 Update – Final Results

*MWD OC Board
Administration & Finance Committee
February 8, 2023*

Reason for 2022 OC Study Update (Changed Conditions)

- 1) Worsening imported water supply conditions for Southern California:
 - State Water Project (SWP) Table A drought allocations of 20% in 2020, 5% in 2021, and 5% in 2022
 - Colorado River in 22-year drought, worst in 1,200 years. Lake Mead at its lowest reservoir elevation levels on record triggering shortage declarations for Arizona and Nevada, with a California shortage declaration highly probable for 2023
- 2) Delays in environmental permitting for modernization of aging SWP infrastructure in the Bay-Delta, and Department of Water Resource's ultimate withdrawal of permit applications for a two-tunnel 'Delta WaterFix' project on May 2, 2019
- 3) Lower regional water demands for MET's service area
- 4) Increased understanding of climate change impacts relating to temperature
- 5) April 12, 2022 MET Board adoption of the MET 2020 Integrated Resources Plan (IRP) Needs Assessment
- 6) July 27, 2022 release of the Draft Environmental Impact Report (DEIR) for a single tunnel SWP water supply reliability project in the Bay-Delta – 'Delta Conveyance Project' (DCP)
- 7) State Water Resources Control Board (SWRCB) planning to set water use standards based on combined levels of indoor water usage, outdoor water usage, and system losses

Imported Water Supply Trends



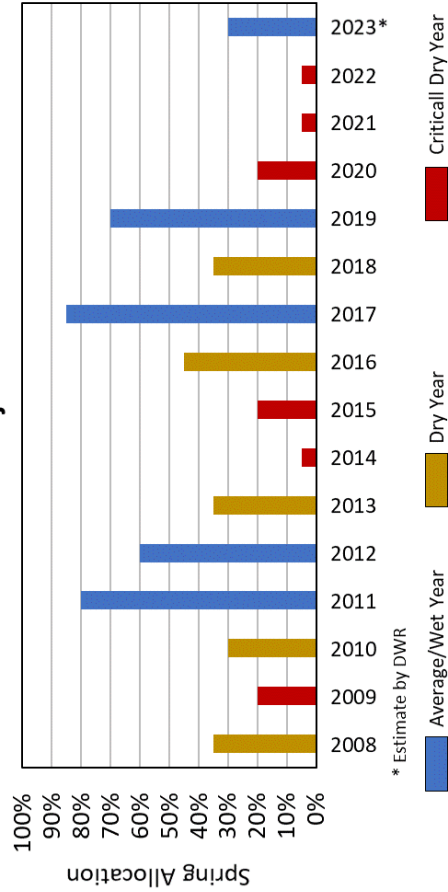
Lake Mead Surplus/Shortage Outlook

	2023	2024	2025	2026
Surplus	0%	0%	0%	0%
Shortage	100%	93%	100%	93%
Metropolitan DCP*		77% 282 TAF	71% 302 TAF	67% 293 TAF

Likelihood based on results from the August 2022 CRMMS in Ensemble Model/CRSS model run. Includes DCP Contributions.

* Chance of required DCP contribution by Metropolitan. Volume is average contribution when needed.

State Water Project Allocation



Purpose of 2022 OC Study Update

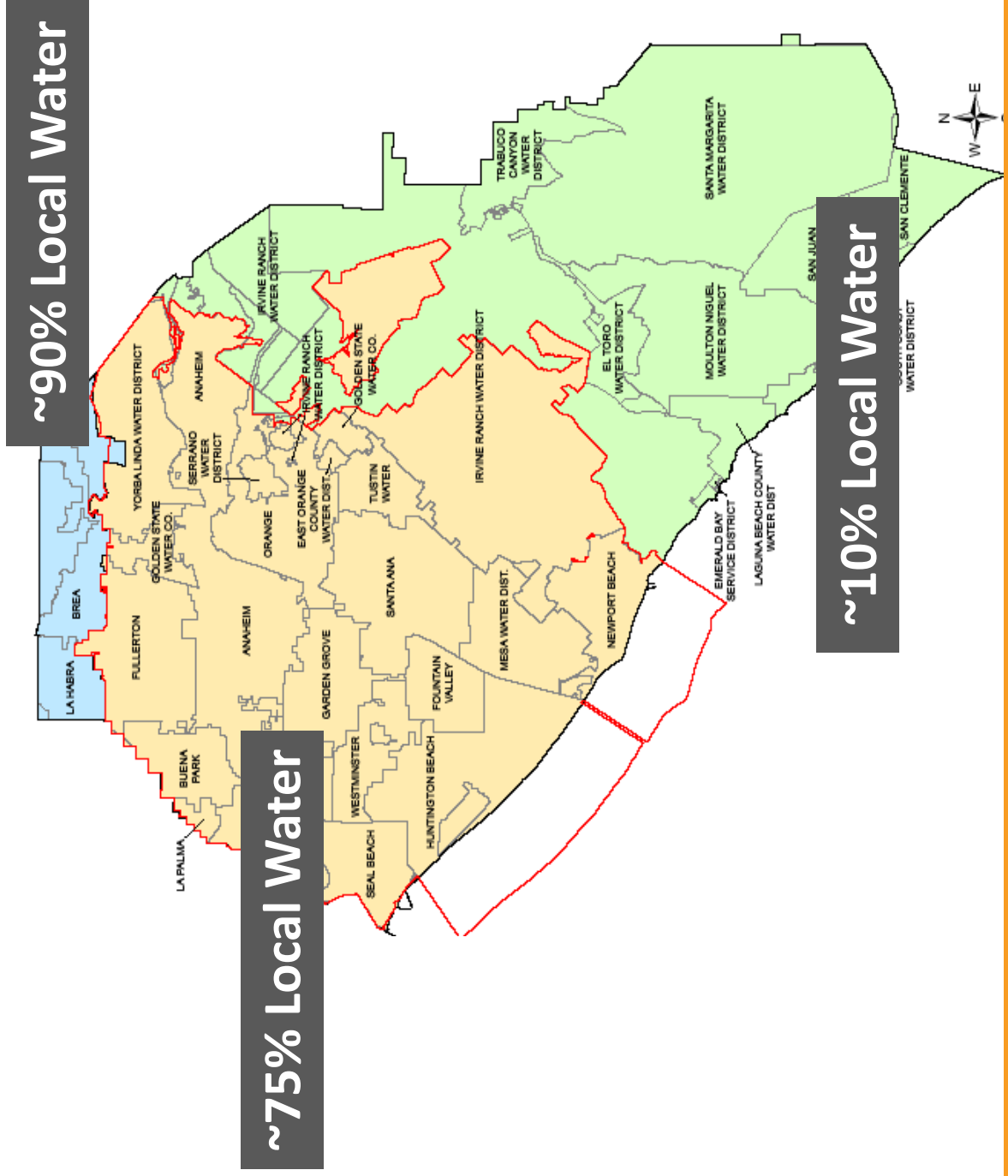
The 2022 OC Study update will provide the following information to aid regional water supply planning in Orange County and for MET's IRP Implementation (Phase 2):

- 1) Estimates of the probability and magnitude of potential water shortages in Orange County and the MET service area under various planning scenarios
- 2) Potential economic benefits of reducing water shortages in Orange County from the implementation of additional water supply projects

The 2022 OC Study **will not rank potential water supply projects** in Orange County, but rather provide information that can be used by local water agencies in the planning and implementation of projects for improved water supply reliability.

Results Presented for Three Planning Areas in OC

1. Brea/La Habra
2. OC Basin
3. South Orange County



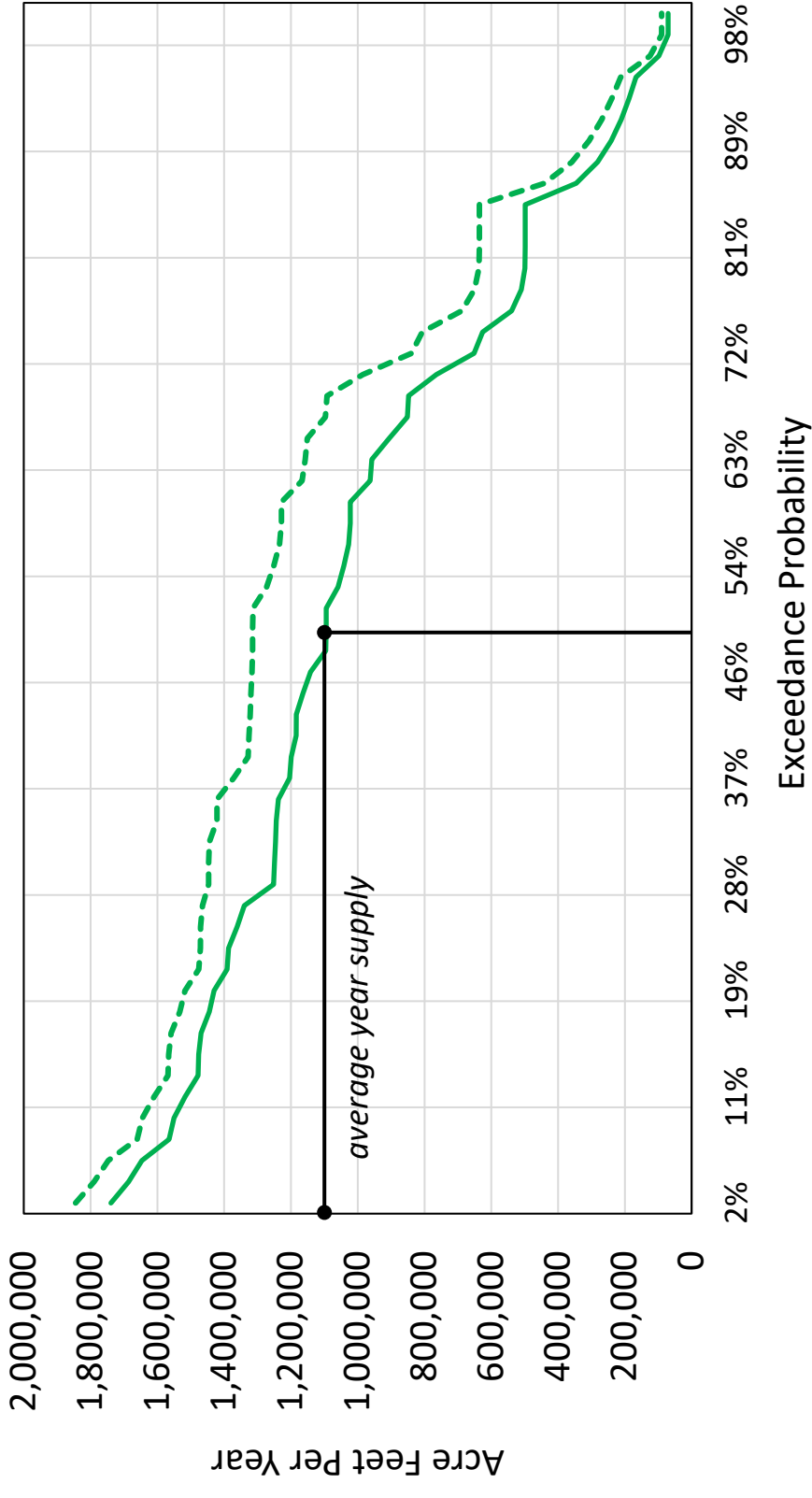
Major Assumptions for Climate Change

CDM Smith and climate expert Dr. David Yates (National Center for Atmospheric Research) developed three climate futures based on ensembles of global climate models. Presented is the future change by 2050 from historical climate:

Climate Future	Change in Temperature (°C) by 2050	Change in Precipitation (%) by 2050
Warm/Wet	1.0 - 1.8 increase	10 - 12% increase
Warm/Dry	1.5 - 2.0 increase	5 - 10% decrease
Hot/Dry	2.5 - 3.5 increase	5 - 10% decrease

Impacts of Climate Change & DCP on MET's SWP Supply

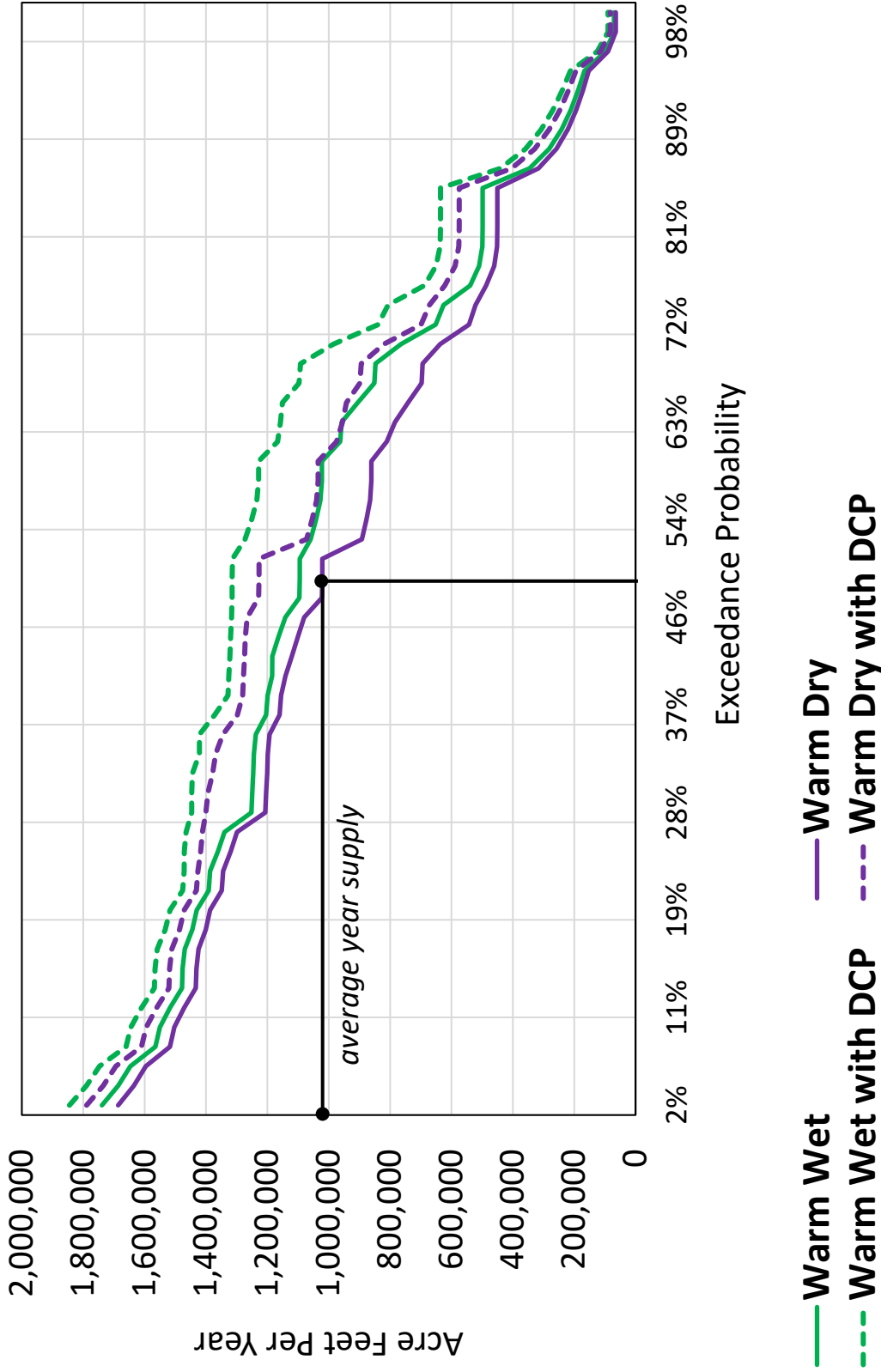
MET Table A Deliveries for All Years



- Under warm/wet future, average SWP supply is 1.1 MAF, but can get as low as 0.1 MAF. The DCP adds about 0.20 MAF in an average year.

Impacts of Climate Change & DCP on MET's SWP Supply

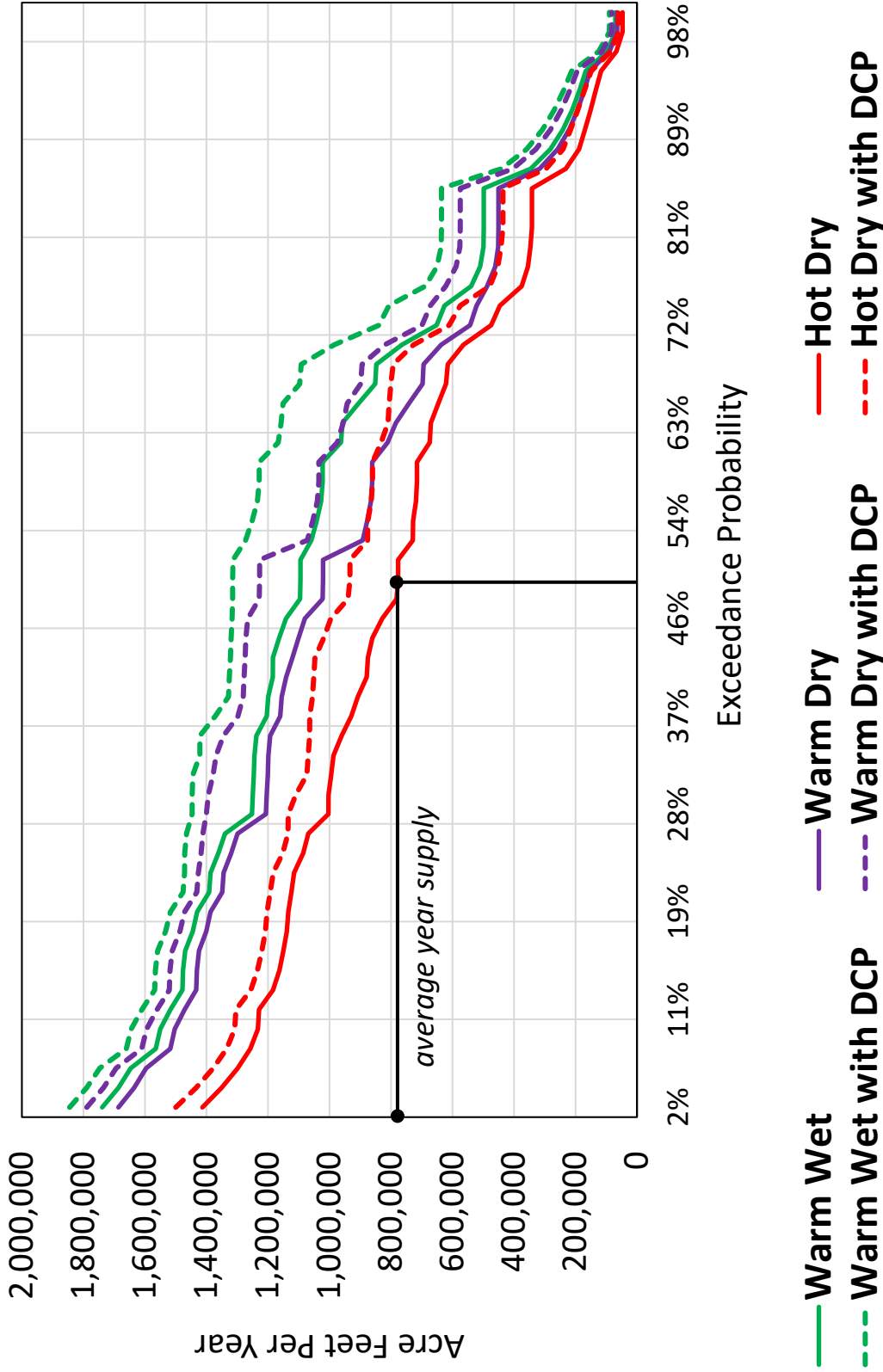
MET Table A Deliveries for All Years



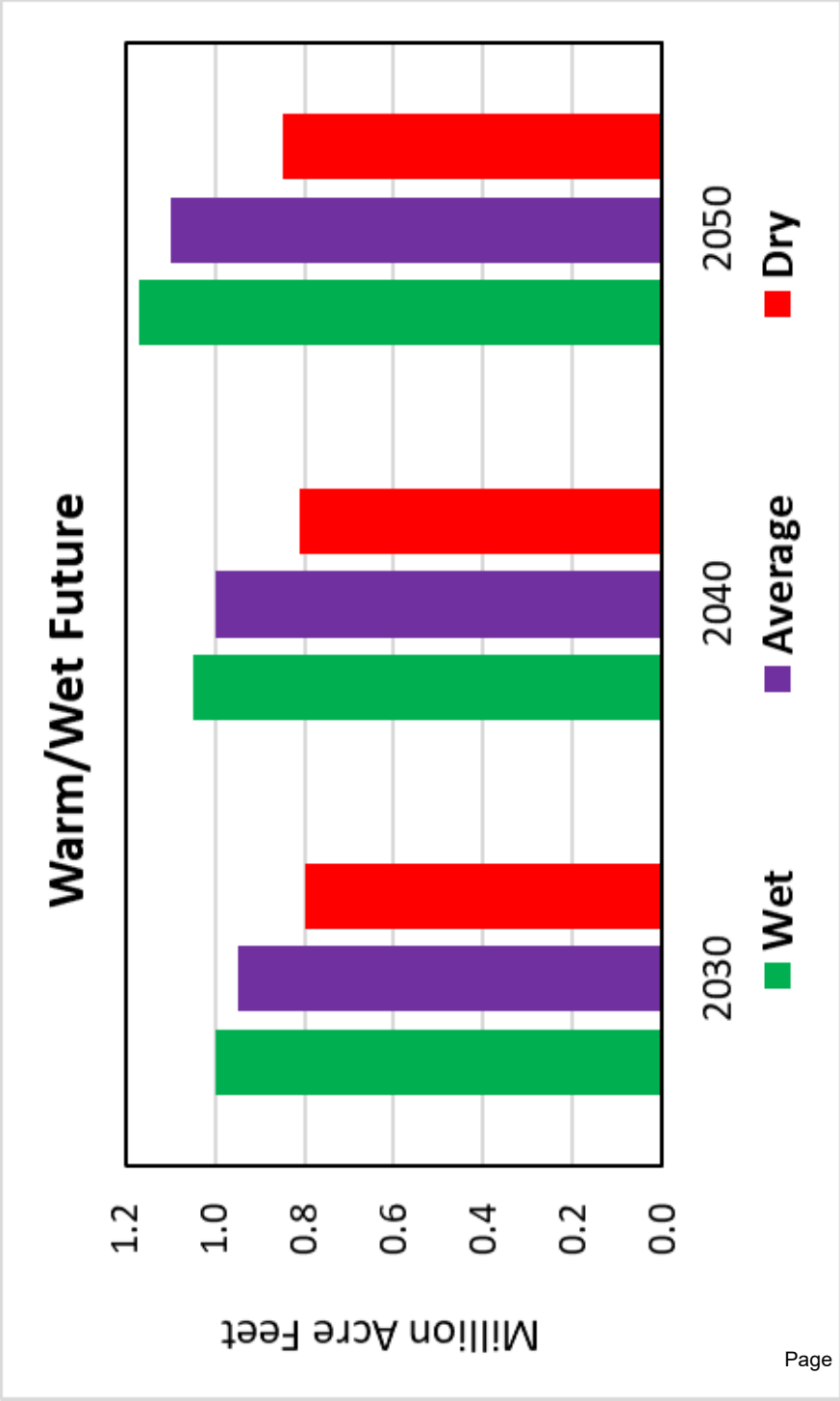
- Under **warm/wet future**, average SWP supply is 1.1 MAF, but can get as low as 0.1 MAF. The DCP adds about 0.20 MAF in an average year.
- Under **warm/dry future**, average SWP supply is 1.0 MAF, but can get as low as 0.1 MAF. The DCP adds about 0.23 MAF in an average year.

Impacts of Climate Change & DCP on MET's SWP Supply

MET Table A Deliveries for All Years

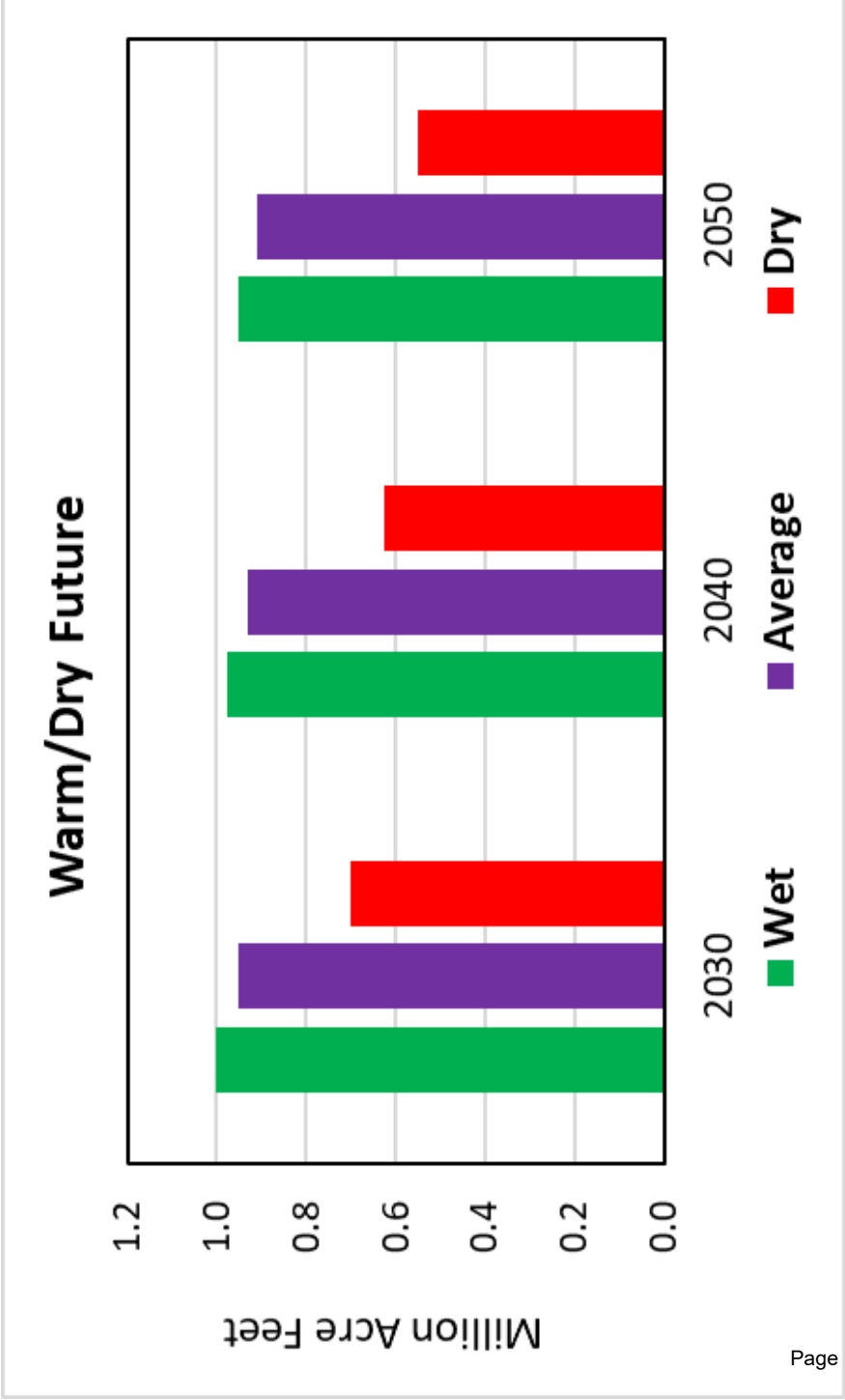


Impacts of Climate Change on MET's CRA Supply



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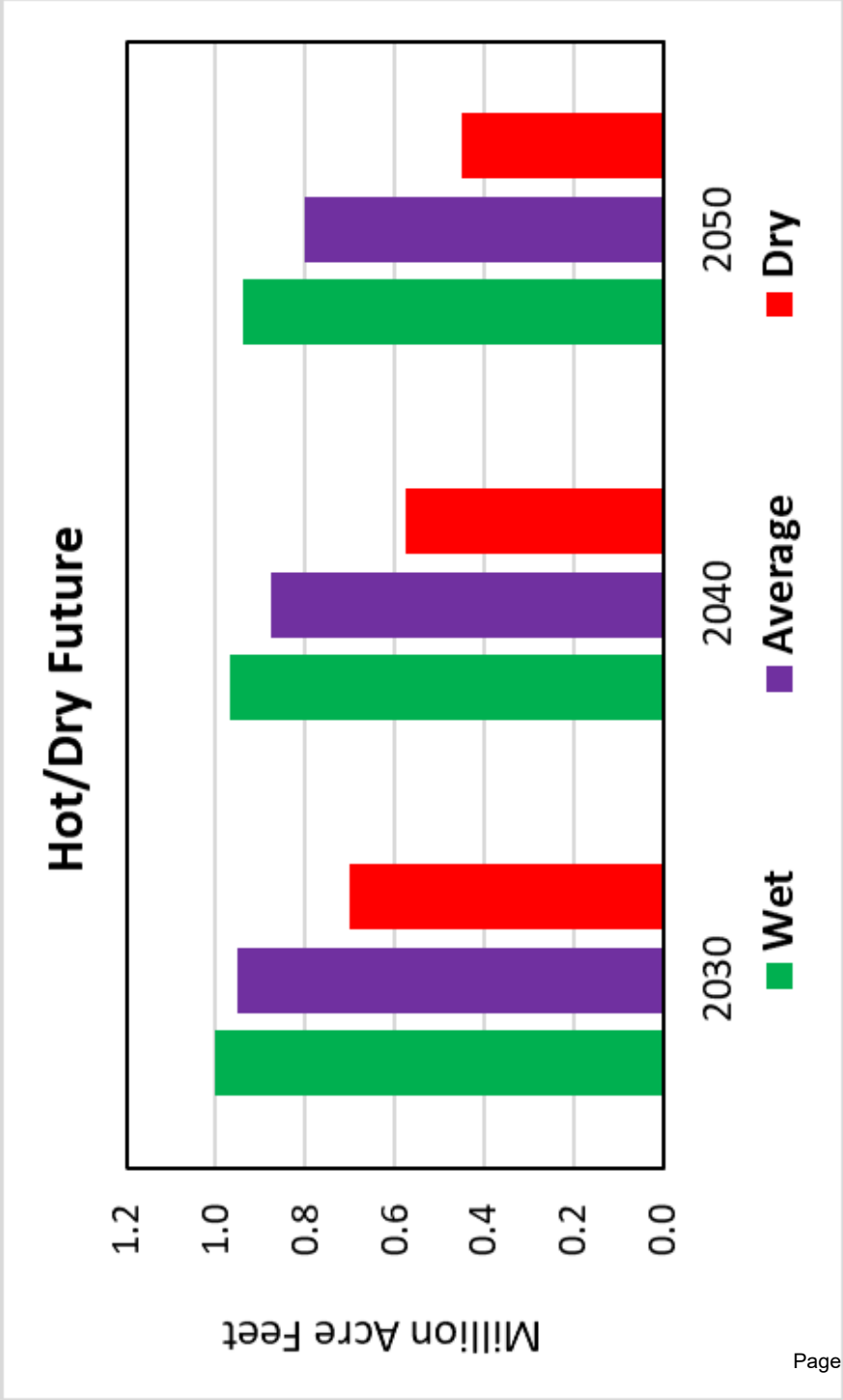
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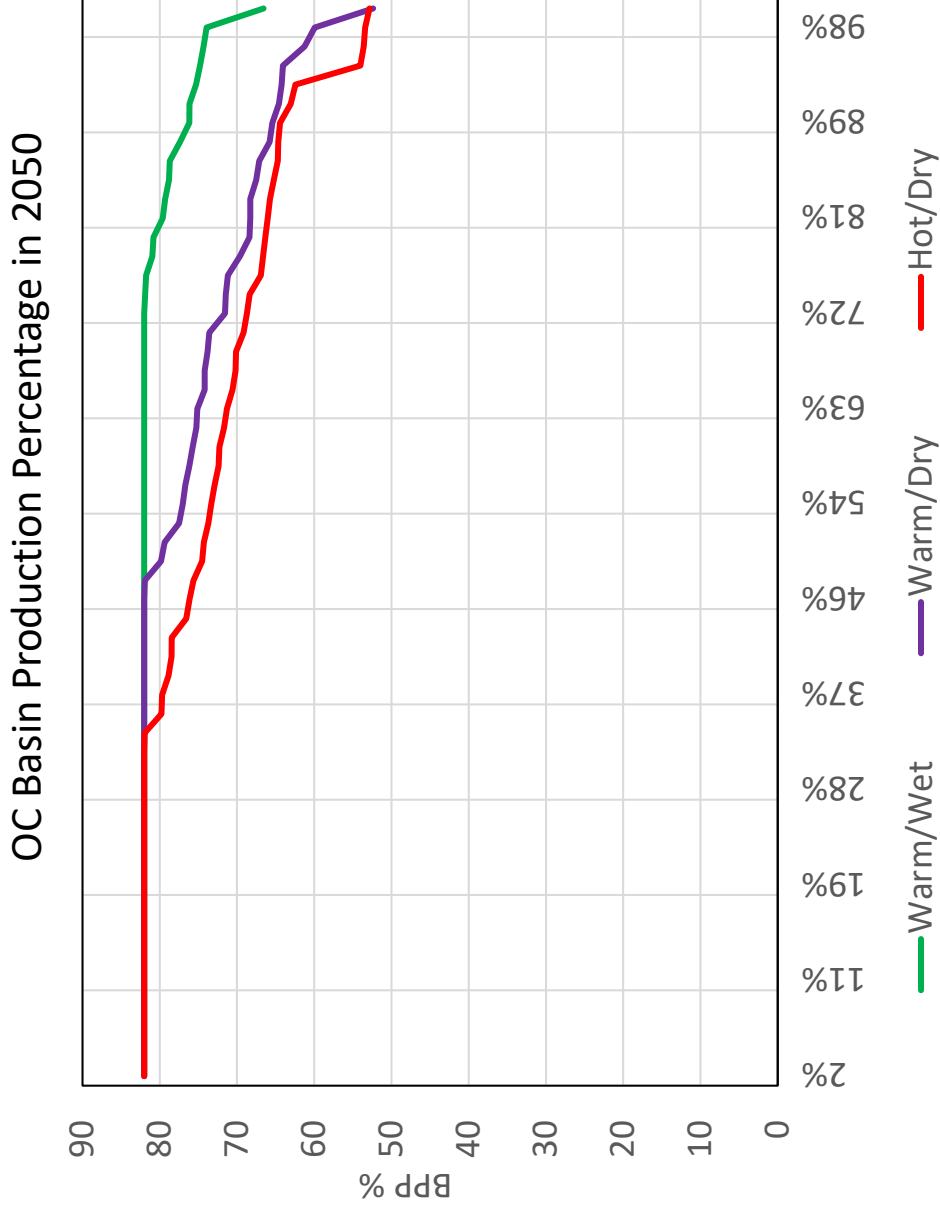
Impacts of Climate Change on MET's CRA Supply

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- Dry year CRA supplies estimated to be 0.70 MAF in 2030, decreasing to 0.45 MAF in 2050.



Impacts of Climate Change on OC Basin

- OC Basin modeled using CDM Smith's simple mass balance model of inflows and outflows with a **Target BPP is 82%.**
- Under warm/wet and warm/dry scenarios SAR baseflows based on median projection; while under warm/dry scenario SAR baseflows based on low projection.
- Being conservative to account for simplified assumptions, once OC overdraft exceeds 500,000 AFY for extended time, BPP is lowered from target.
- Under warm/wet climate (green line) BPP is **at target 75% of time**, and never goes below **BPP of 66%.**
- Under hot/dry climate (red line) BPP is **at target 33% of time**, and never goes below **BPP of 53%.**



2022 OC Study Planning Scenarios

Scenario Name	Climate Change Future	OC Basin	MET & OC Water Demands	New MET Water Transfers and Storage	MET Pure Water Southern California	Delta Conveyance Project (DCP)
1. Low Stress <u>without</u> Delta Conveyance	Warm/Wet	<ul style="list-style-type: none">• BPP Target of 82%• Median SAR baseflows	Lower baseline with <u>current</u> water use efficiency targets	<ul style="list-style-type: none">• 100 TAF CRA Transfers (2030)	102 TAF (2035)	Not implemented

Notes:
(1) SAR = Santa Ana River; (2) TAF = thousand acre-feet; (3) BPP = Orange County Water District Basin Pumping Percentage; (4) online dates for new MET and DCP projects shown in parentheses;
(5) If OC Basin overdraft is greater than 500,000 acre-feet for extend period of time due to combination of reduced stormflows and MET drought allocations, BPP gets adjusted downward.

2022 OC Study Planning Scenarios

Scenario Name	Climate Change Future	OC Basin	MET & OC Water Demands	New MET Water Transfers and Storage	MET Pure Water Southern California	Delta Conveyance Project (DCP)
1. Low Stress <u>without</u> Delta Conveyance	Warm/Wet	<ul style="list-style-type: none">• BPP Target of 82%• Median SAR baseflows	Lower baseline with <u>current</u> water use efficiency targets	<ul style="list-style-type: none">• 100 TAF CRA Transfers (2030)	102 TAF (2035)	Not implemented
2. Moderate Stress <u>without</u> Delta Conveyance	Warm/Dry	<ul style="list-style-type: none">• BPP Target of 82%• Median SAR baseflows	Lower baseline with <u>current</u> water use efficiency targets	<ul style="list-style-type: none">• 100 TAF CRA Transfers (2030)	102 TAF (2035)	Not implemented
3. Moderate Stress <u>with</u> Delta Conveyance	Warm/Dry	<ul style="list-style-type: none">• BPP Target of 82%• Median SAR baseflows	Lower baseline with <u>current</u> water use efficiency targets	<ul style="list-style-type: none">• 100 TAF CRA Transfers (2030)• 250 TAF MET Local Storage	102 TAF (2035)	Implemented (2040)

Notes:
(1) SAR = Santa Ana River; (2) TAF = thousand acre-feet; (3) BPP = Orange County Water District Basin Pumping Percentage; (4) online dates for new MET and DCP projects shown in parentheses;
(5) If OC Basin overdraft is greater than 500,000 acre-feet for extend period of time due to combination of reduced stormflows and MET drought allocations, BPP gets adjusted downward.

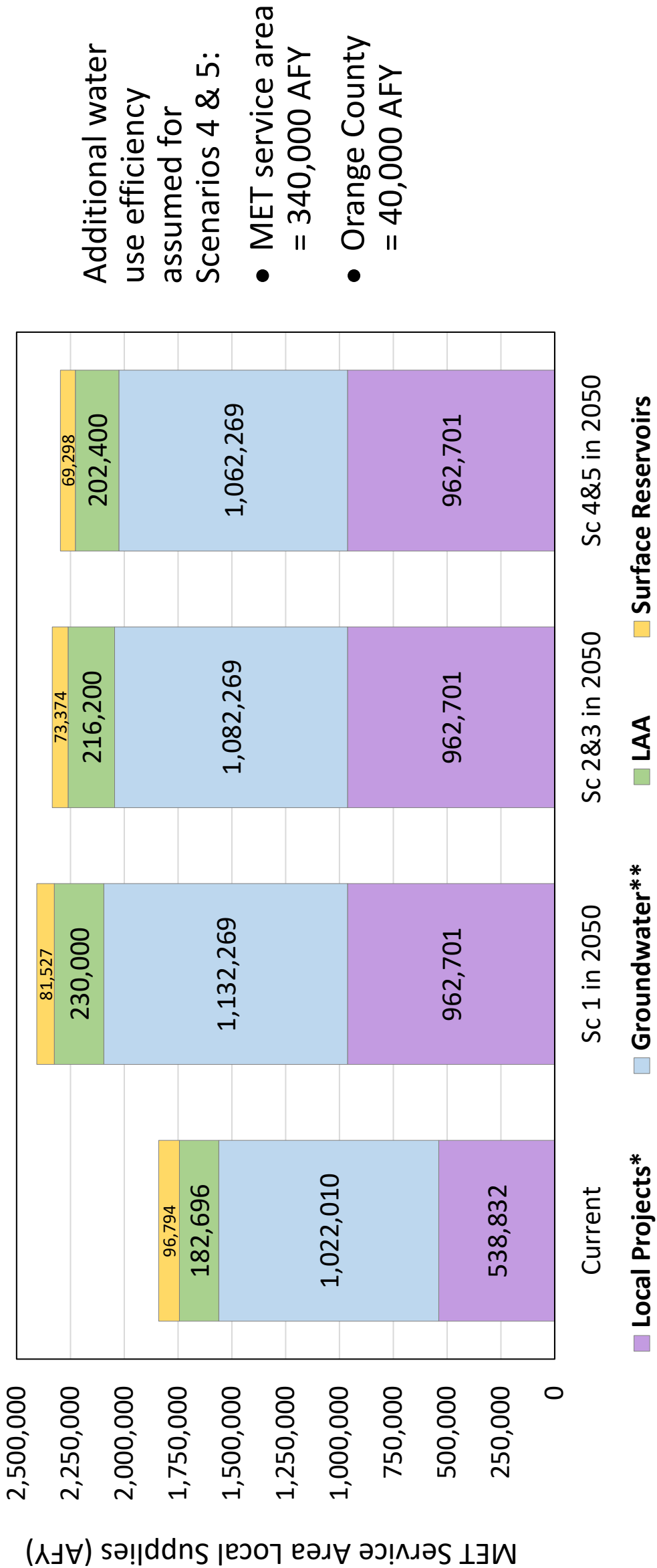
2022 OC Study Planning Scenarios

Scenario Name	Climate Change Future	OC Basin	MET & OC Water Demands	New MET Water Transfers and Storage	MET Pure Water Southern California	Delta Conveyance Project (DCP)
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3. Moderate Stress <u>with</u> Delta Conveyance	Warm/Dry	<ul style="list-style-type: none"> BPP Target of 82% Median SAR baseflows 	Lower baseline with <u>current</u> water use efficiency targets	<ul style="list-style-type: none"> 100 TAF CRA Transfers (2030) 250 TAF MET Local Storage 	102 TAF (2035)	Implemented (2040)
4. Significant Stress <u>without</u> Delta Conveyance	Hot/Dry	<ul style="list-style-type: none"> BPP Target of 82% Low SAR baseflows 	Lower baseline with increased water use efficiency targets	<ul style="list-style-type: none"> 100 TAF CRA Transfers (2030) 	168 TAF (2035)	Not implemented
5. Significant Stress <u>with</u> Delta Conveyance	Hot/Dry	<ul style="list-style-type: none"> BPP Target of 82% Low SAR baseflows 	Lower baseline with increased water use efficiency targets	<ul style="list-style-type: none"> 100 TAF CRA Transfers (2030) 250 TAF MET Local Storage (2035) 	168 TAF (2035)	Implemented (2040)

Notes:

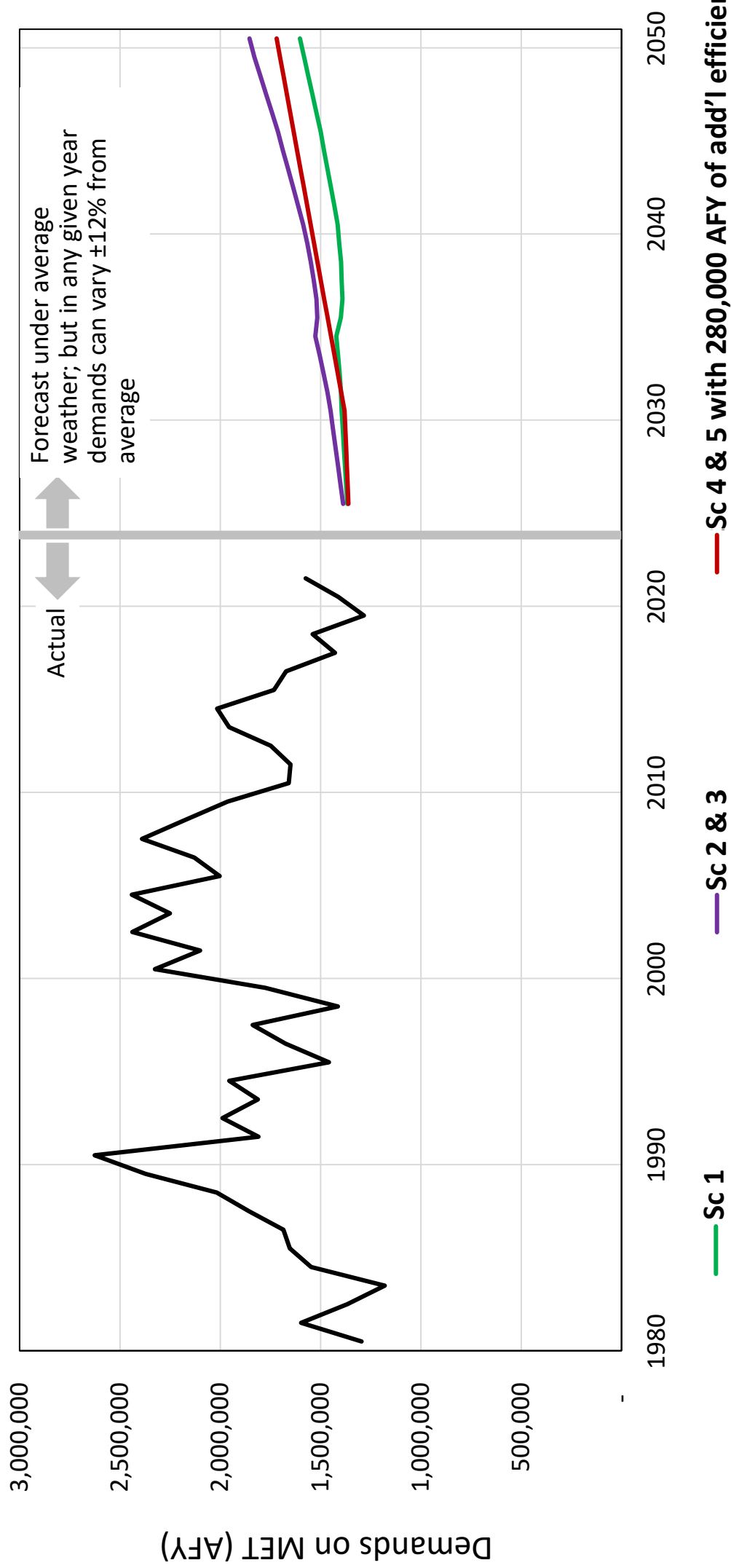
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2022 OC Study Assumptions for Local Supplies for MET Service Area

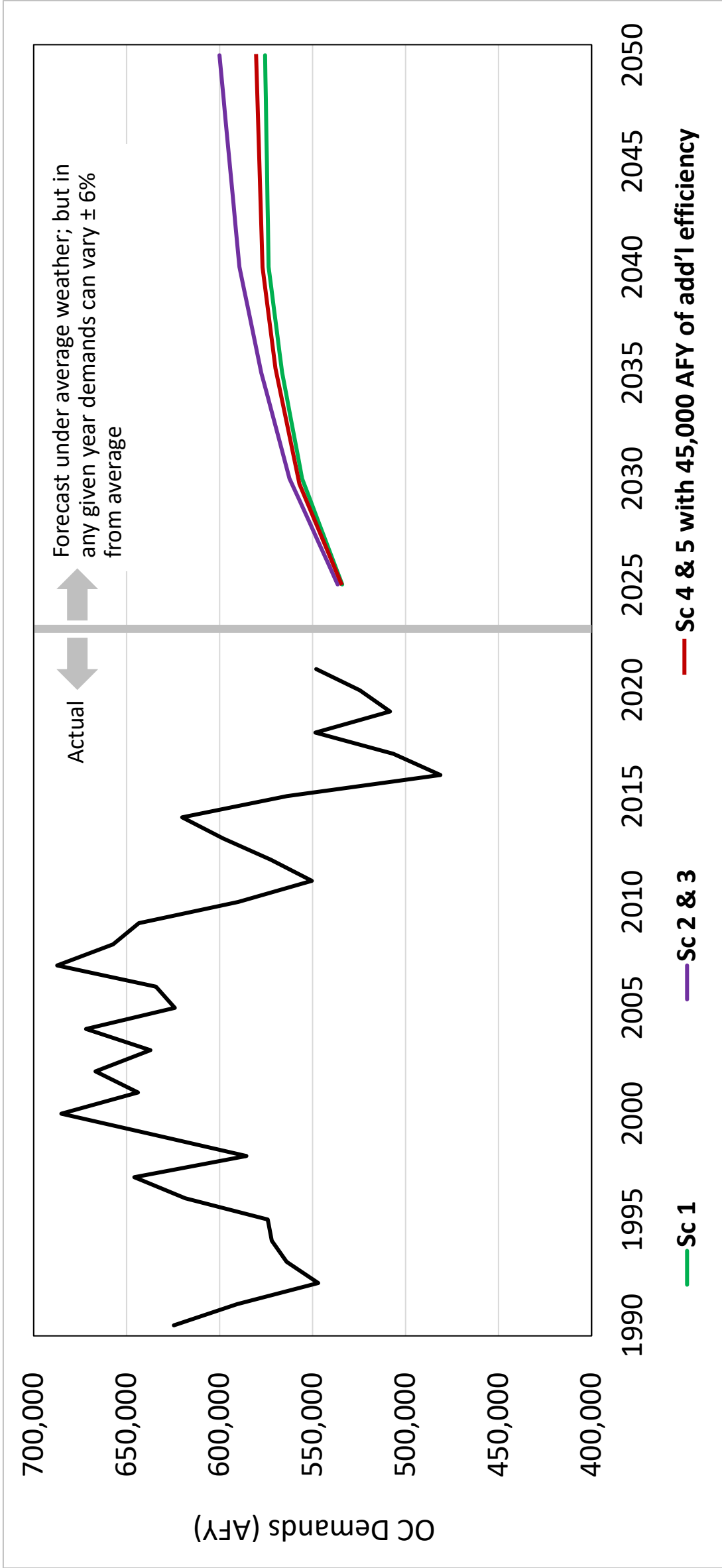


* Recycled, GW Recovery and Seawater Desal based on MET IRP Scenario B, with reduced seawater desalination (OC projects removed).
** Net of replenishment by MET and recycled water

CDM Smith Forecast Range of Demands on MET



Total OC Water Demand Forecast Range



Water Supply Reliability Summary (without Demand Restrictions)

Max Water Shortage w/o Water Demand Restrictions (TAF)	Max Shortage (TAF) in 2030					Max Shortage (TAF) in 2050				
	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5
MET Service Area	200	500	500	480	480	0	1,100	900	1,010	700
OC Basin	22	65	65	64	64	0	153	120	130	87
South Orange County	11	30	30	30	30	0	57	47	53	35
Brea/La Habra	1	3	3	3	3	0	6	5	6	4

Probability of Any Shortage Occurring (%)	Probability of Any Shortage (%) in 2030					Probability of Any Shortage (%) in 2050				
	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5
MET Service Area	3	4	3	4	3	0	20	12	20	10
OC Basin	3	4	3	4	3	0	20	12	20	10
South Orange County	3	4	3	4	3	0	20	12	20	10
Brea/La Habra	3	4	3	4	3	0	20	12	20	10

Water Supply Reliability Summary (with Demand Restrictions)

Max Water Shortage w/o Water Demand Restrictions (TAF)	Max Shortage (TAF) in 2030					Max Shortage (TAF) in 2050				
	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5
OC Basin	22	65	65	64	64	0	153	120	130	87
South Orange County	11	30	30	30	30	0	57	47	53	35
Brea/La Habra	1	3	3	3	3	0	6	5	6	4

Max Water Shortage with Water Use Restrictions in Place (TAF)*	Max Shortage (TAF) in 2030					Max Shortage (TAF) in 2050				
	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5
OC Basin	0	9	9	8	8	0	90	60	70	27
South Orange County	0	9	9	8	8	0	30	25	33	15
Brea/La Habra	0	0	0	0	0	0	3	2	3	1

* Water use restrictions equal to 15% of water demand

Summary of Findings

- 1) Climate change is already occurring according to scientists and hydrologists, and the most likely scenario for the Western U.S. is between a warmer/drier and hotter/drier future.
- 2) Remaining OC water shortages for Scenarios 3 and 5 (that includes drought restrictions and DCP), are shown below with following assumptions:

Assumption	Scenario 3 OC Shortage = 87 TAF	Scenario 5 OC Shortage = 43 TAF
Climate Future	Warm/Dry	Hot/Dry
Additional Water Use Efficiency Targets	None	280 TAF for MET, 45 TAF for OC
Additional Reuse/GW Projects in MET Service Area	420 TAF by 2050	420 TAF by 2050
Delta Conveyance Project	Yes by 2040	Yes by 2040
MET Pure Water SoCal	102 TAF by 2035	168 TAF by 2035
MET Additional Transfers and Storage	350 TAF by 2035	350 TAF by 2035
OC Drought Restrictions During Worst-Case Droughts	15% of Total Demand	15% of Total Demand

Draft Message Points

- 1) Even with optimistic assumptions of new future water supplies, significant water shortages for MET and OC are possible 10 to 20 percent of the time by 2050.
- 2) Based on MET IRP projections for local projects (which were provided by member agencies), most wastewater in MET service area will be reused by 2050.
- 3) OC agency managers and elected Boards should advocate for a balanced water supply portfolio in the MET region and locally that includes additional water efficiency, maximizing reuse, additional MET storage and transfers, permittable desalination, and Delta Conveyance. An ‘All Hands’ approach is needed for a reliable and resilient water supply through 2050.

Next Steps

- 1) Estimate the economic benefits of improving supply reliability from local water supply projects in Orange County
- 2) Complete draft of the report by Mid-February
- 3) Complete final report by End-February incorporating MWD OC agency manager's review

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Item 8*Fiscal Year 2022-23****Sole Source Procurement Justification
for Projects under \$25,000****

- A. Supplier Information/Name of Company and Prime Contact at the Supplier and at MWDOC: Whittingham Public Affairs Advisors
- B. Contract awards to Supplier over prior 36-months: None
- C. Product(s) or Service(s) to be provided and Deliverables:
Facilitating and participating in meetings with members of other relevant public agencies, including the Orange County Local Agency Formation Commission (OC LAFCO) and their management staff; Facilitating and participating in meetings with key water industry stakeholders in Orange County and regionally; Working with MWDOC management and consultants on various government affairs programs, including OC LAFCO's Municipal Service Review process; Facilitating and participating in meetings with local elected officials representing MWDOC's member agencies and other jurisdictions; Cost will be written to not exceed \$24,000 and the term of the agreement will end: 06/30/23
- D. Justification Definition – Unique background and specialized expertise by Consultant for tasks desired.
- E. Narrative Explanation:
Due to the unique nature of water policy issues in Orange County, and the importance of having history and knowledge of MWDOC, as well as LAFCO policies, procedures and governance, as well as an understanding of MWDOC's member agencies, a specialized set of skills are needed for provide such strategic advisory services for MWDOC.
- F. Budget Line Item Reference & Amount: 7040-2000-31
- G. Core or Choice designation: Core
- H. Signature/Approvals:

DocuSigned by:

Heather Baerz

77E151E7817A482...

2/1/2023 | 3:06 PM PST

Requestor

Date

DocuSigned by:

Harvey F. De la Torre

4298D6543A954E6...

2/2/2023 | 10:24 AM PST

Interim General Manager

Date

* Projects over \$25,000 must go to a Committee of the Board.

** Possible justifications include but are not limited to: Only qualified bidder; Proprietary item; Urgent necessity; Bid process did not produce competitors; Governmental agency, association or Utility; Prior phase of professional services contract completed successfully by same Consultant; and Special technical expertise by Consultant for tasks desired.

Municipal Water District of Orange County
Director's Activity Report
Reporting Period from 07/01/2022 to 12/31/2022

Activity Description	MWD/DOC Director's										MET Director's				Director's	
	Crane	Dick	McVicker	Nederhoo	Seckel	Tamaribuchi	Thomas	Yoo Schneider	Subtotal	Ackerman	Dick	Erdman	Tamaribuchi	Subtotal	Total	Total
Per Diem																
MWD/DOC Committee & Board mtg	1,310	9,495	10,150	8,841	10,150	8,513	8,841	10,150	67,450	3,602	1,310	3,602	655	9,169	76,619	
MET Committee & Board mtg	327	-	655	-	982	327	327	-	2,618	6,876	6,221	8,841	6,876	28,814	31,432	
Meetings with Member Agencies	655	1,965	-	3,602	655	2,292	-	6,221	15,390	-	-	-	-	-	15,390	
Other Misc meetings & activities	982	6,549	8,513	7,203	7,858	3,929	10,478	3,274	48,786	8,841	8,513	7,203	6,549	31,106	79,892	
Benefits	383	10,186	10,295	2,063	2,044	2,070	8,151	10,307	45,499	1,995	1,612	2,033	1,415	7,055	52,554	
Subtotal-Per Diem	3,657	28,195	29,613	21,709	21,689	17,131	27,797	29,952	179,743	21,314	17,656	21,679	15,495	76,144	255,887	
Travel, Conferences & Misc. (1)																
ACWA	-	-	1,562	1,393	815	-	1,363	-	5,133	-	-	17	-	17	5,150	
CRWUA	-	-	-	1,290	-	-	1,458	-	2,748	-	-	-	-	-	2,748	
ISDOC	-	20	-	-	-	-	-	-	20	-	-	-	-	-	20	
OCBC	-	-	-	-	-	200	-	-	200	-	-	-	-	-	200	
Urban Water Institute	-	-	616	556	-	1,185	638	-	2,995	66	-	-	-	66	3,061	
Other Travel Expenses	-	-	-	174	10	8	-	-	192	-	-	-	-	-	192	
Mileage	-	86	253	158	144	99	558	4	1,302	-	-	-	-	-	1,302	
Miscellaneous	-	-	-	-	-	35	35	-	70	-	-	-	-	-	70	
Subtotal-Travel, Conferences & Misc.	-	106	2,431	3,571	969	1,527	4,052	4	12,660	66	-	17	-	83	12,743	
Total	3,657	28,301	32,044	25,280	22,658	18,658	31,849	29,956	192,403	21,380	17,656	21,696	15,495	76,227	268,630	

(1) Includes conference registration, travel, lodging, meals, transportation, mileage and other miscellaneous related costs; does not include Per Diem.

2/2/2023

Item 9

Item 10

Municipal Water District of Orange County
Semi-Annual Comparison for Overtime Hours Worked
for the six-month periods ending Dec 2022 and 2021

Employee	7/1/2022 - 12/31/2022		7/1/2021 - 12/30/2021	
	Hours Worked	Dollar Equivalent ⁽¹⁾	Hours Worked	Dollar Equivalent ⁽¹⁾
Anderson, David	12.00		0.00	
Antony-Morr, Andrea	0.00		17.00	
Escamilla, Hugo	1.50		0.00	
Fahl, Beth	0.00		3.50	
Fann, Tina	25.00		0.00	
Gunawan, Lina	15.00		15.00	
Harrison, Daniel	0.00		63.75	
Roberto, Bryce	0.00		12.00	
Roberts, Judy	28.00		23.00	
Salas-Yoshii, Alana	1.00		0.00	
Shepherd, Nathan	18.25		0.00	
Vincent, Katie	21.50		30.25	
Waite, Rachel	7.00		50.00	
Wilson, Sarah	25.75		14.25	
Zavala, Guillermo	2.00		0.00	
TOTAL	157.00	\$10,256	228.75	\$ 15,303

(1) Dollar equivalent calculated at 1.5 x hourly rate

(2) Overtime hours at straight time



INFORMATION ITEM

February 8, 2023

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

FROM: Harvey De La Torre, Interim General Manager

Staff Contact: Cathy Harris, Director of Human Resources & Administration

SUBJECT: Annual Auto Allowance Report

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee receive and file the report as presented.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

In accordance with the District's Auto Allowance Policy, the General Manager shall submit an annual report to the Administration and Finance Committee listing employees that receive an auto allowance and any exceptions to the provisions of the policy. The following positions are currently receiving monthly auto allowances in the amount of \$500:

Title
Director of Water Use Efficiency
Director of Public Affairs
Governmental Affairs Manager
Director of Emergency Management
Assistant General Manager
Director of Engineering/District Engineer

Budgeted (Y/N): Y	Budgeted amount: \$45,000	Core X_	Choice __
Action item amount:	Line item:		
Fiscal Impact (explain if unbudgeted):			



Administration Activities Report

January 6, 2023 – February 2, 2023

Activity	Summary
<p>Administration/ Board</p>	<p>Administration team worked on the following:</p> <ul style="list-style-type: none"> • Scheduled meetings for Rob Hunter, Harvey De La Torre and Board members (including Special Board meetings, Ad Hoc meetings and a meeting with the Grand Jury) • Assisted Rob and Harvey with various write-ups and follow-up for the Committees and Board • Assisted the Board President with assignments, etc. • Continue to send the Water Supply Reports to the member agencies • Processed and reviewed agreements for appropriate Board approval and insurance requirements as well as execution following approval; conferred with staff re processes • Met with OCWD staff regarding in-person meetings and Board room requirements • Coordinated mock hybrid Board meeting; conferred with staff regarding requirements and equipment • Responded to two Public Records Act requests • Made various updates/changes to website including minutes, year-end updates • Worked with Data Base Coordinator regarding changes to the District's database and mailing lists • Coordinated with MET regarding MET Director appointment process, prepared and sent appropriate forms to MET • Coordinate with the Registrar of Voters regarding Campaign Disclosure Statements and the election invoice (not received to date) • Worked with IT staff regarding updated/revisions to Expense and Comp Voucher forms, equipment needs, etc. for return to in-person meetings • In process of Form 700 kick-off for 2023 • Worked with Board President regarding Committee assignments; updated District forms; and updated District 2023 calendar • Coordinate various issues regarding GM • Coordinate Strategic Planning Workshop • Commenced process for Elected Officials invitation • Coordinated Ethics & Harassment Prevention training for Director Crane • Conferred with legal counsel regarding new Brown Act law • Conferred with Accounting regarding the Water Facilities Corporation issues/updates
<p>Administration/</p>	

Board (continued)	<ul style="list-style-type: none"> • Prepared and posted Form 806 regarding Director appointments • Solicited availability, set-up and hosted Zoom meetings for General Manager, Assistant General Manager and Director of Engineering • Solicited availability and scheduled in-person meetings for the Interim General Manager • Registered Staff and Directors for various conferences, made travel accommodations and handled expenses • Hosted ISDOC Zoom Quarterly Luncheon • Put together the ISDOC Quarterly Lunch slide deck. • Followed-up with ISDOC Quarterly Luncheon presenters for bio info and presentations.
Records Management	<ul style="list-style-type: none"> • Completed Destruction Orders for 2022 year end. • Incorporated changes to Records Retention Schedule, which will be presented to Board for approval. • Continued to review incoming mail and log necessary documents into the Laserfiche system. • Staff continues to review documents and update information in Laserfiche.
Health and Welfare Benefits	<ul style="list-style-type: none"> • JPIA continues monthly wellness webinars • Alliant continues providing monthly Wellness news articles.
Recruitment / Departures	<ul style="list-style-type: none"> • Staff has been conferring on the Principal Engineer job duties and responsibilities and will finalize updates to the job posting by February 17th.
Projects/ Activities	<p>Administration Team worked on the following:</p> <ul style="list-style-type: none"> • Staff is meeting with roofing vendors to obtain an assessment of the roof condition and obtain quotes for repairs versus replacement. • Staff is in the process of obtaining atrium window coverings for windows adjacent to staff work spaces. • Staff is preparing for the Workers Compensation insurance renewal and the Cyber insurance renewal application • Staff continues updates to the MWD OC Staff directory as well as the 2023 MWD OC Cities and Water Agencies directory. • Staff continues with monthly KnowBe4 security training assignments. • Attended a JPIA New HR Laws Webinar on January 10th. • Attended meeting on January 12th with OCWD staff regarding Board room set ups for hybrid meetings, effective March 1.



	<ul style="list-style-type: none">• Attended MWDOC/OCWD Building Management Committee Meeting on January 16th.• Participated in a conference call with our SunLife Insurance provider regarding Long term Disability and Life Insurance benefits on January 17th.• Participated in Last Pass Software Training on January 25th.• Attended a Cyber Liability Webinar on January 25th.• Hosted a Member Agency HR Meeting on January 25th.• On January 25th attended a Hybrid Meeting trial run in Conference rooms 101 and 102.• Initiated a Survey regarding District holidays• Preparing department budget items for submittal to finance for first draft budget.• Provided information regarding GM Salary to San Bernardino Valley MWD and to IRWD
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**INFORMATION ITEM**

February 8, 2023

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

FROM: Harvey De La Torre, Interim General Manager
Staff Contact: Steven Hung

SUBJECT: Finance and IT Pending Items Report

SUMMARY

The following list details the status of special projects that are in-progress or to be completed during FY 2022-23.

Finance

Description(sorted by % of completion)	% of Completion	Estimated/Actual Completion date	Status
SCO+Census report fillings for MWD OC and WFC	100%	01-27-2023	Completed
Annual Financial Audit	100%	11-03-2022	Completed
2022-Q4 KnowBe4 training	98%	12-31-2022	In Progress
Conducting interviews for an IT consultant to co-manage and supplement IT.	100%	02-01-2023	Completed
Preparation of documents for FY 2023-24 budget process.	45%	04-30-2023	In Progress
2023-Q1 KnowBe4 training	20%	03-31-2023	In Progress
RFP for Custodial Services	0%	05-31-2023	Not Started
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	On-going
2022 W-9 collection for conservation rebates. Currently holding 9 rebate checks awaiting a W-9 form.	On-going	On-going	On-going

Information Technology

Description(sorted by % of completion)	% of Completion	Estimated/Actual Completion date	Status
Software and hardware upgrade for Hyper-V Virtual Server	100%	07-31-2022	Completed
Batteries replacement for UPS	100%	09-30-2022	Completed
Upgrade backbone Gigabit network switch (hardware)	100%	10-31-2022	Completed
Microsoft Office 365 software upgrade	90%	02-31-2023	In Progress
Replace computers/laptops for Staff	75%	03-31-2023	In Progress
Replace End-Of-Life Cisco Voice Gateway router (hardware and software)	50%	03-31-2023	In Progress
Windows Operating systems software upgrade for all Servers	10%	06-30-2023	In Progress
Replace Wireless Access Controller for wireless network	0%	06-30-2023	Not Started
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring



INFORMATION ITEM

February 8, 2023

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

FROM: **Harvey De La Torre, Interim General Manager**

Staff Contact: Kevin Hostert

SUBJECT: **Monthly Water Usage Data and Water Supply Info.**

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee receive and file this information.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

The attached figures show the recent trend of water consumption in Orange County (OC), an estimate of Imported Water Sales for MWD OC, and selected water supply information.

- OC Water Usage, Monthly by Supply **OCWD Groundwater was the main supply in December.**
- Estimated OC Water Usage, Monthly, Comparison to Previous Years Water usage in December **2022 was below average compared to the last 5 years.** We are projecting a decrease in overall water usage compared to FY 2021-22. On July 8th 2021, state officials have ask California residents to voluntary reduce their water usage by 15% compared to 2020 levels.
- Historical OC Water Consumption Orange County M & I water consumption is **projected to be 521,500 AF in FY 2022-23 (this includes ~11 TAF of agricultural usage and non-retail water agency usage).** This is about **25,500 AF less than FY 2021-22** and is about **40,000 AF less than FY 2020-21.** Water usage per person is projected to be slightly lower in **FY 2022-23 for Orange County at 147 gallons per day** (This includes recycled water usage). Although OC population has increased

Budgeted (Y/N): N	Budgeted amount: N/A	Core <u>X</u>	Choice <u> </u>
Action item amount: N/A	Line item:		
Fiscal Impact (explain if unbudgeted):			

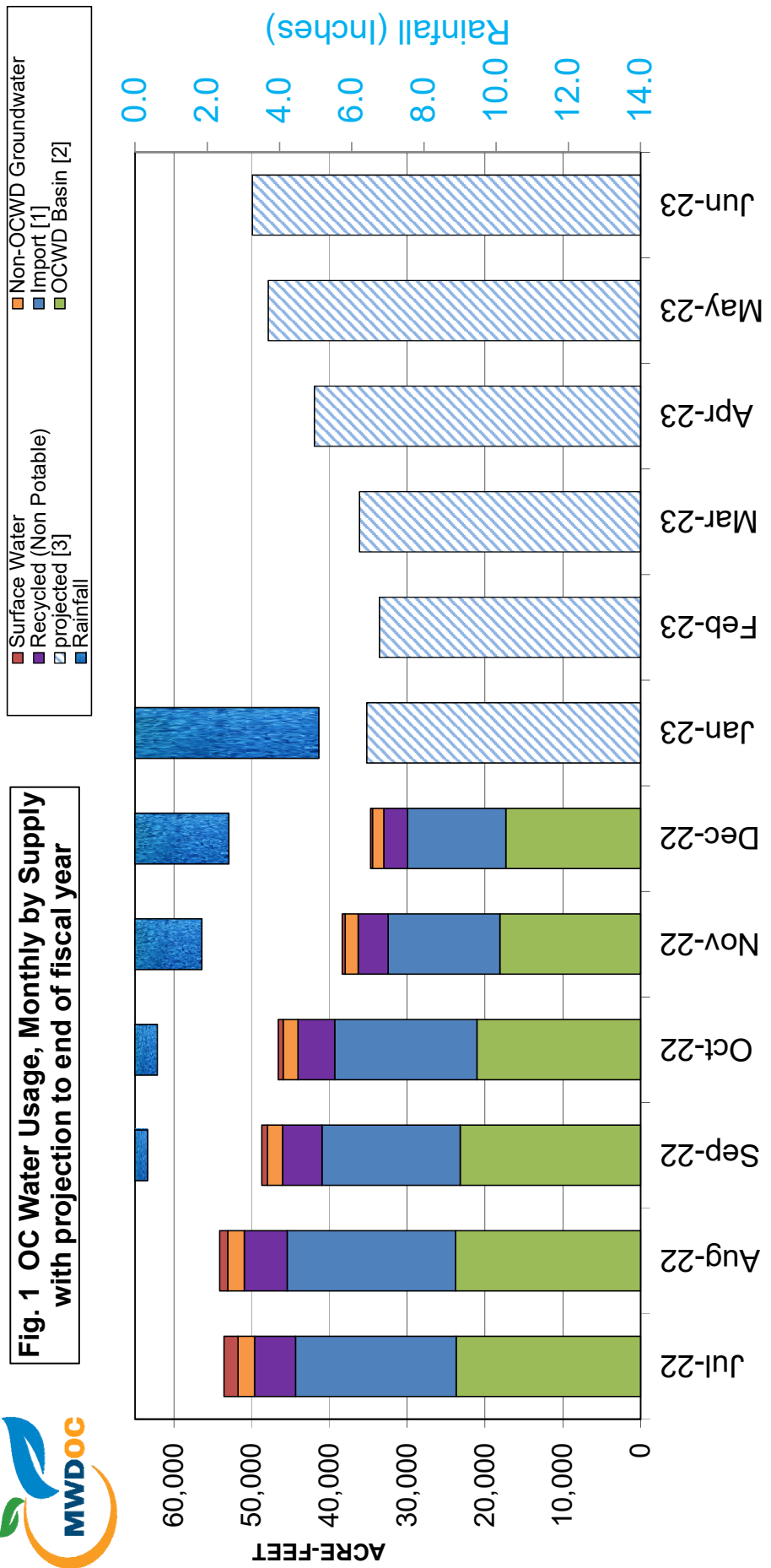
20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts. ***O.C. Water Usage has declined significantly since the FY 2013-14. Since FY 2013-14 average O.C. Annual Water usage is 535,000 AF, a decline of 86,500 AF since FY 2013-14.***

Water Supply Information Includes data on Rainfall in OC; the OCWD Basin overdraft; Northern California and Colorado River Basin hydrologic data; the State Water Project (SWP) Allocation, and regional storage volumes. The data have implications for the magnitude of supplies from the three watersheds that are the principal sources of water for OC. Note that a hydrologic year is Oct. 1st through Sept. 30th.

- Orange County's accumulated precipitation through ***early February was above average*** for this period. Water year to date rainfall in Orange County is ***12.17 inches***, which is ***183% of normal***.
- Northern California accumulated precipitation through ***early February was 138% of normal for this period***. Water Year 2022 was 48% of normal while water year 2021 was 86% of normal. The ***Northern California snowpack was 165% as of February 2nd, 2023. As of late January, 89.56%*** of California is experiencing ***moderate to severe drought conditions***. ***0.0%*** of California is experiencing ***extreme to exceptional drought conditions***. The State Water Project Contractors Table A Allocation was increased to 30% as of January for WY 2023.
- Colorado River Basin accumulated precipitation through ***early February was 127% of normal*** for this period. The ***Upper Colorado Basin snowpack was 130% of normal*** as of February 1st 2023. ***Lake Mead and Lake Powell*** combined have about ***38.0% of their average storage volume*** for this time of year and are at ***25.7% of their total capacity***. For the first time on the Colorado River, Lake Mead's ***levels have fallen below the "trigger" limit of 1,075 ft. at the end of a calendar year***. The US Bureau of Reclamation (USBR) has declared a shortage at Lake Mead, impacting Colorado River water deliveries to the Lower Basin states. Lake Mead as of early February was ***28.05' BELOW the "trigger" limit***. The USBR has declared a ***shortage on the Colorado River that started on January 1st 2022. There is a 100% chance of shortage continuing in 2023, 93% in 2024, 100% in 2025 and 93% in 2026.*** Lake Mead as of early February was ***1.95' ABOVE the State of California "trigger" limit. There is a 0% chance of mandatory cutbacks for California in 2023, 77% in 2024 (-282 TAF), 71% in 2025 (-302 TAF) and 67% in 2026 (-293 TAF).***



**Fig. 1 OC Water Usage, Monthly by Supply
with projection to end of fiscal year**



[1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water and deliveries into Irvine Lake.

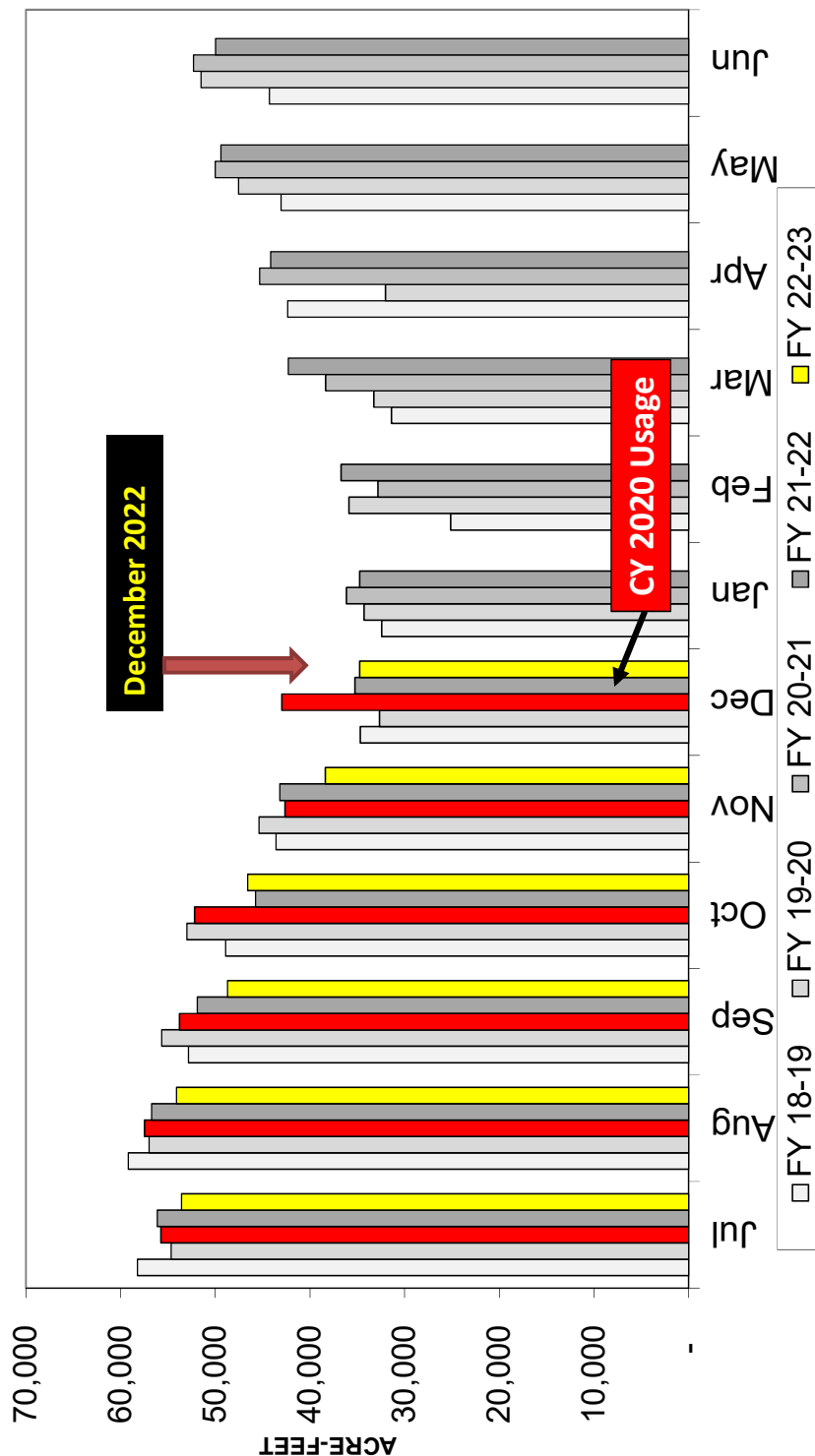
[2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '22-23 is 77%.

[3] MWDOC's estimate of monthly demand is based on the projected 5 Year historical retail water demand and historical monthly demand patterns.

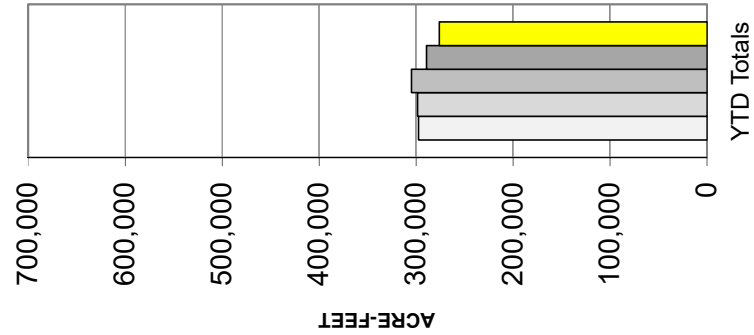
[4] Total water usage includes IRWD groundwater agricultural use and usage by non-retail water agencies.



Fig. 2 OC Monthly Water Usage [1]: Comparison to Last 4 Fiscal Years

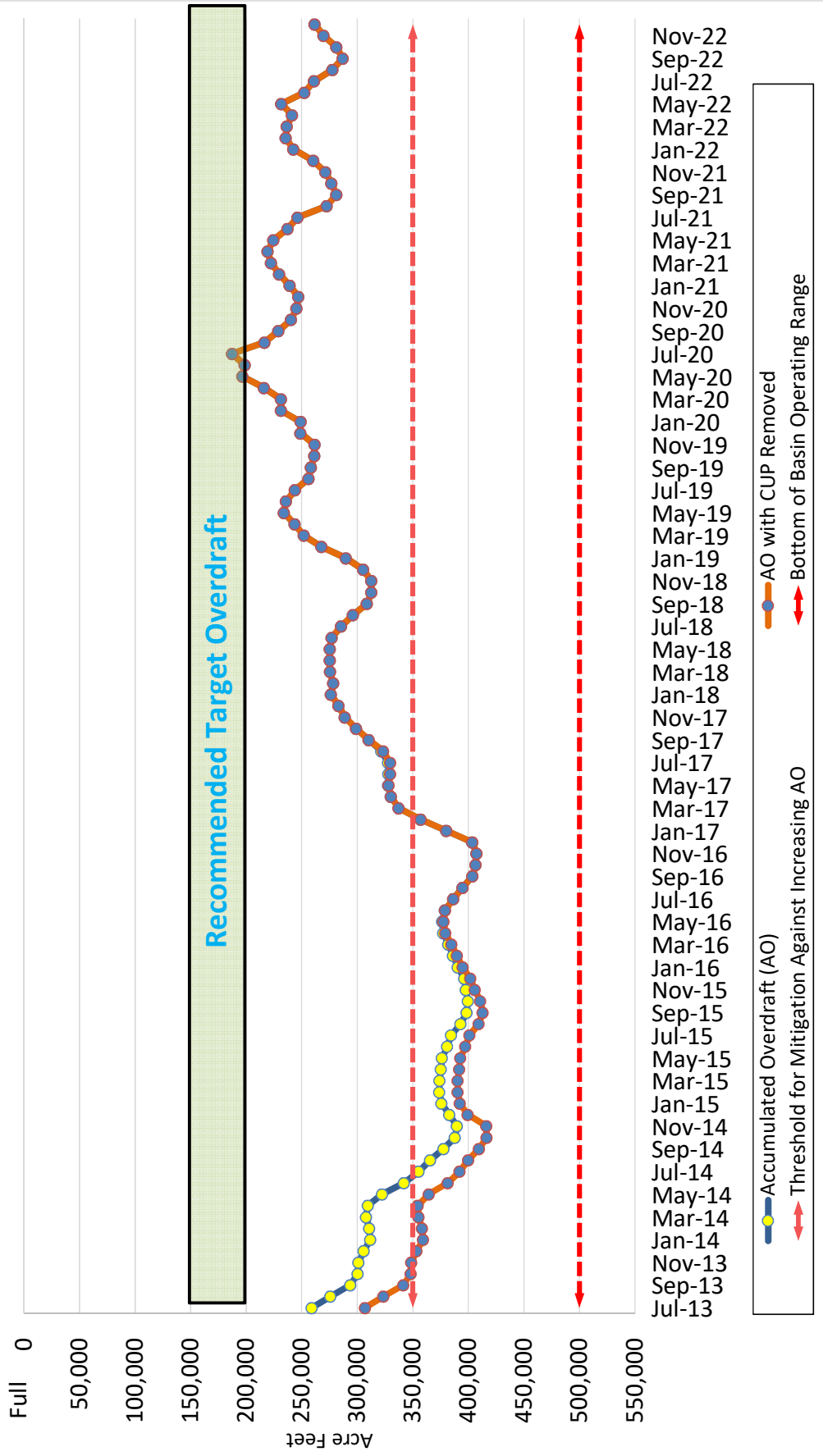


Partial Year Subtotals



[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water and excludes GWRs production) Recent months numbers include some estimation.

Accumulated Overdraft of the OCWD Groundwater Basin as of December 2022



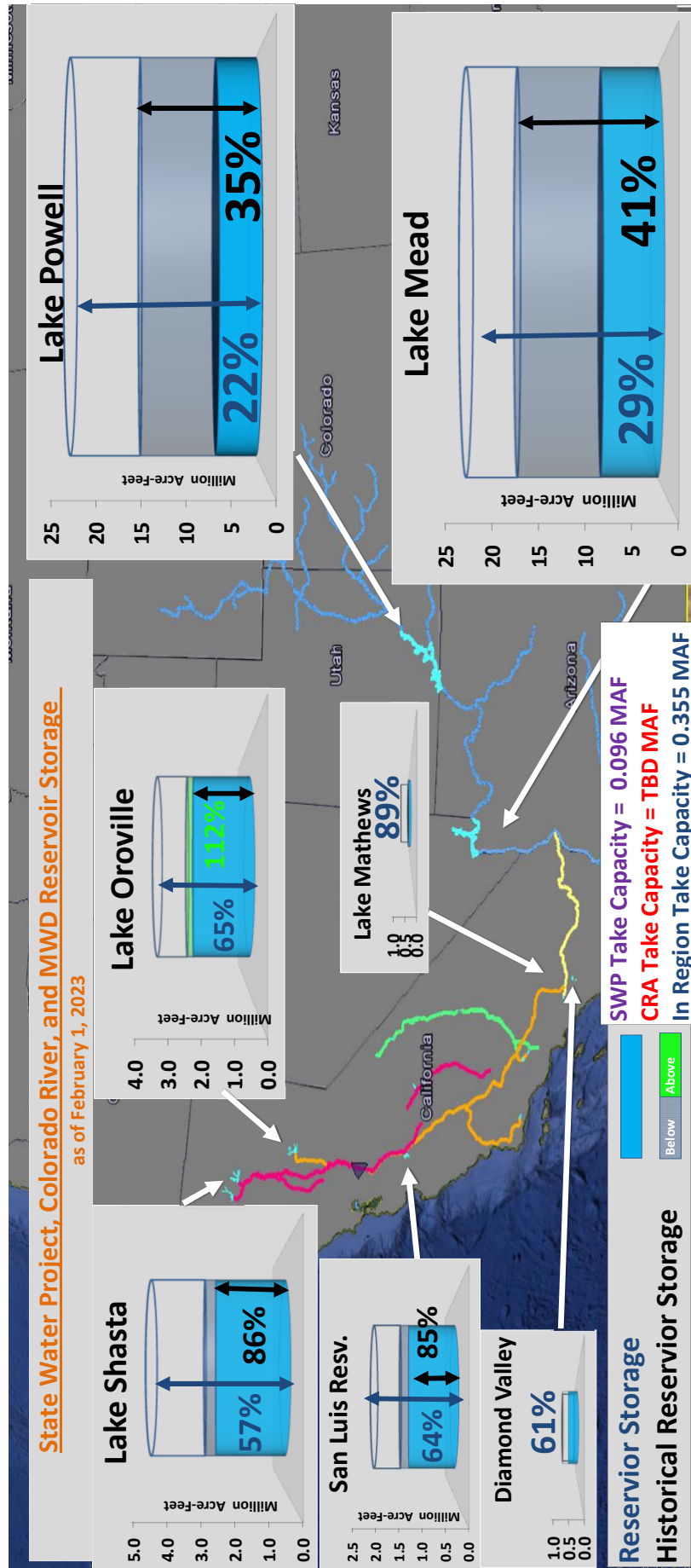
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
AO (AF)	246,350	272,443	281,354	276,909	271,455	260,387	242,511	235,744	236,708	241,450	231,699	252,348
AO w/CUP removed (AF)	246,350	272,442	281,354	276,909	271,455	260,387	242,510	235,744	236,708	241,450	231,699	252,348
	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
AO (AF)	261,145	277,756	286,988	281,407	269,746	261,614						
AO w/CUP removed (AF)	261,145	277,756	286,986	281,407	269,746	261,614						

* Source ~ OCWD Monthly Board of Directors Packet, Water Resources Summary



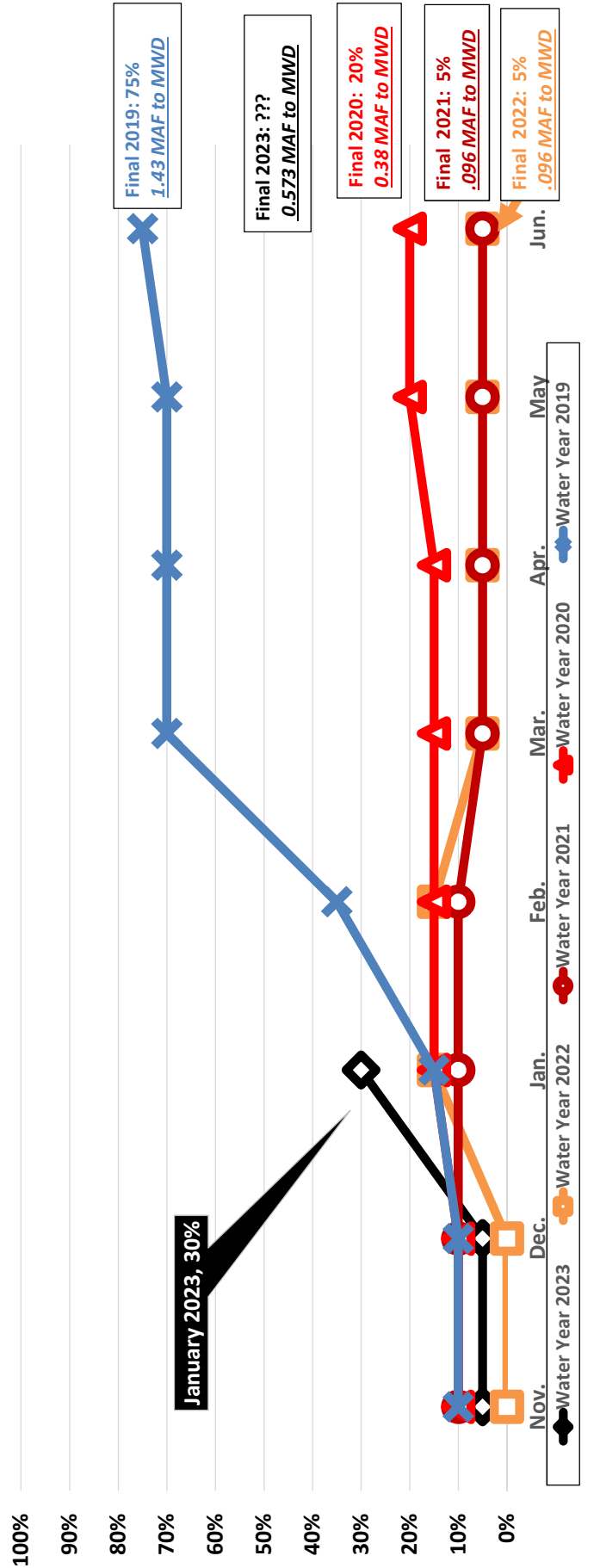
State Water Project, Colorado River, and MWD Reservoir Storage

as of February 1, 2023

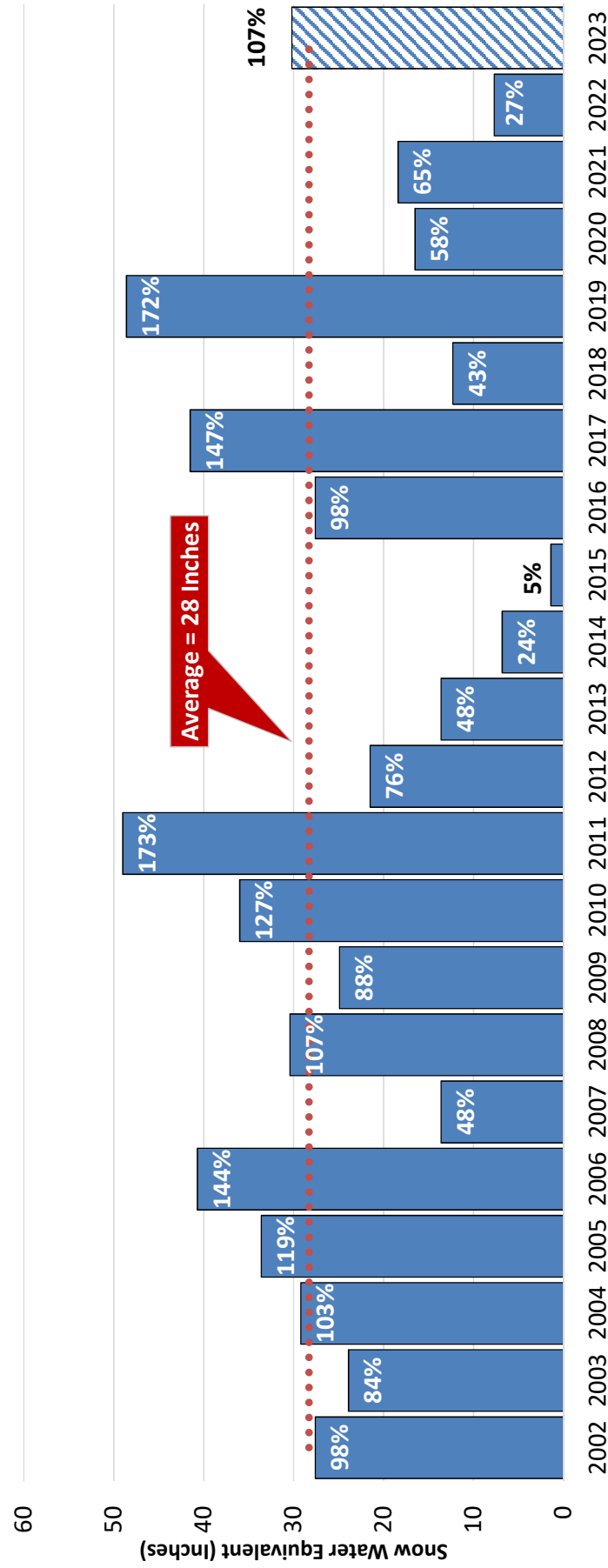


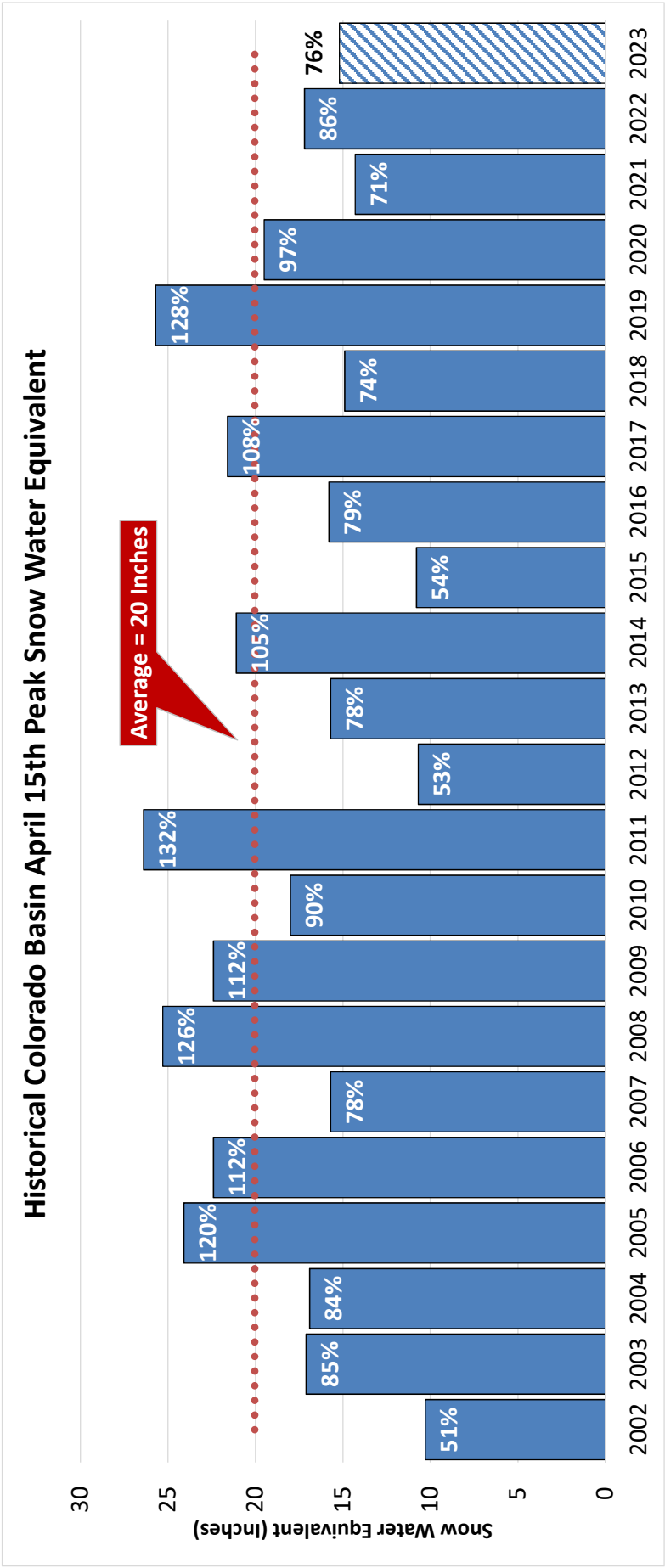
SWP TABLE A ALLOCATION PERCENTAGE

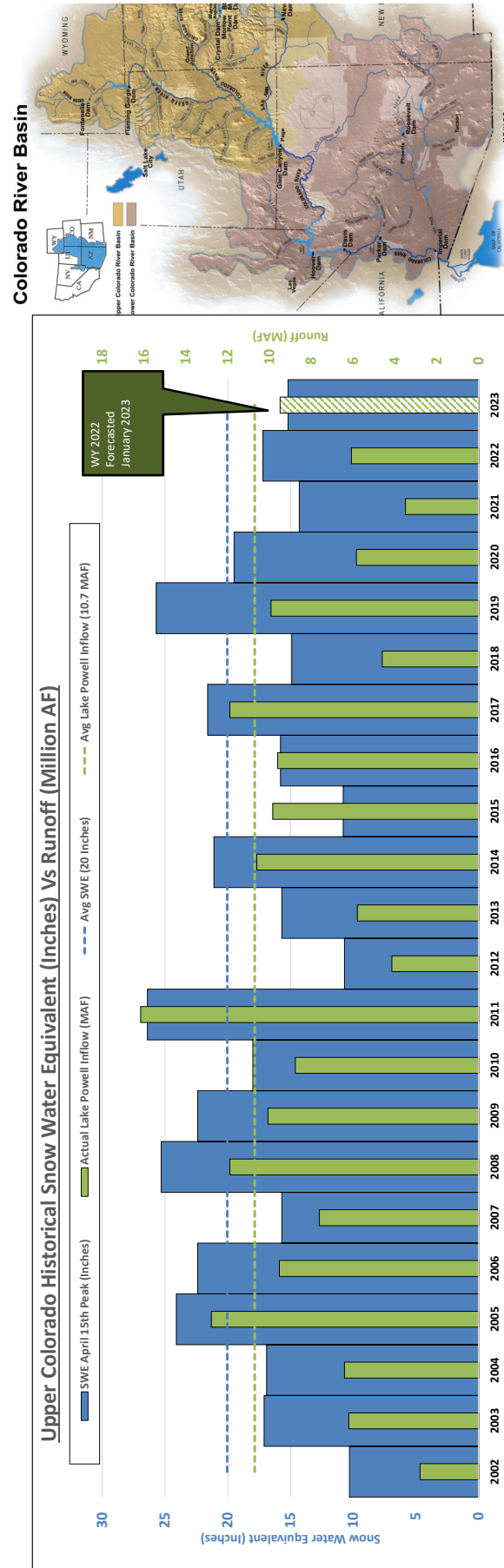
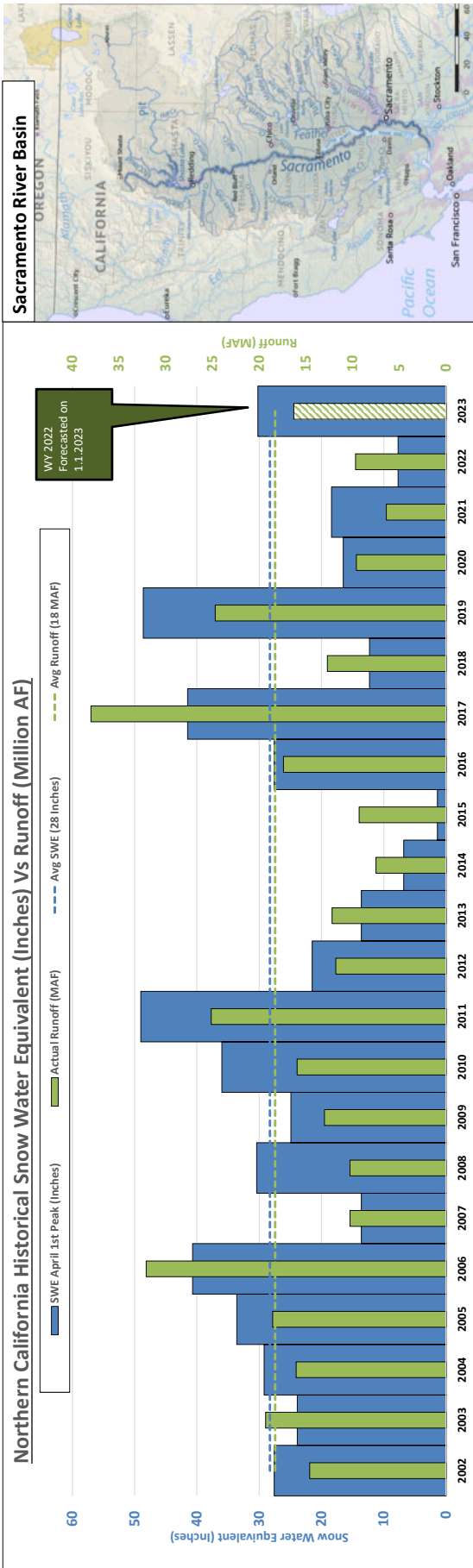
FOR STATE WATER PROJECT CONTRACTORS



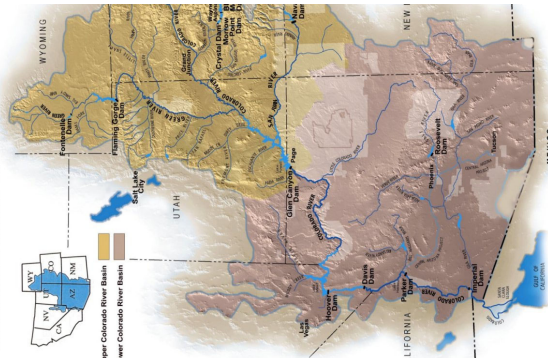
Historical Northern California April 1st Peak Snow Water Equivalent





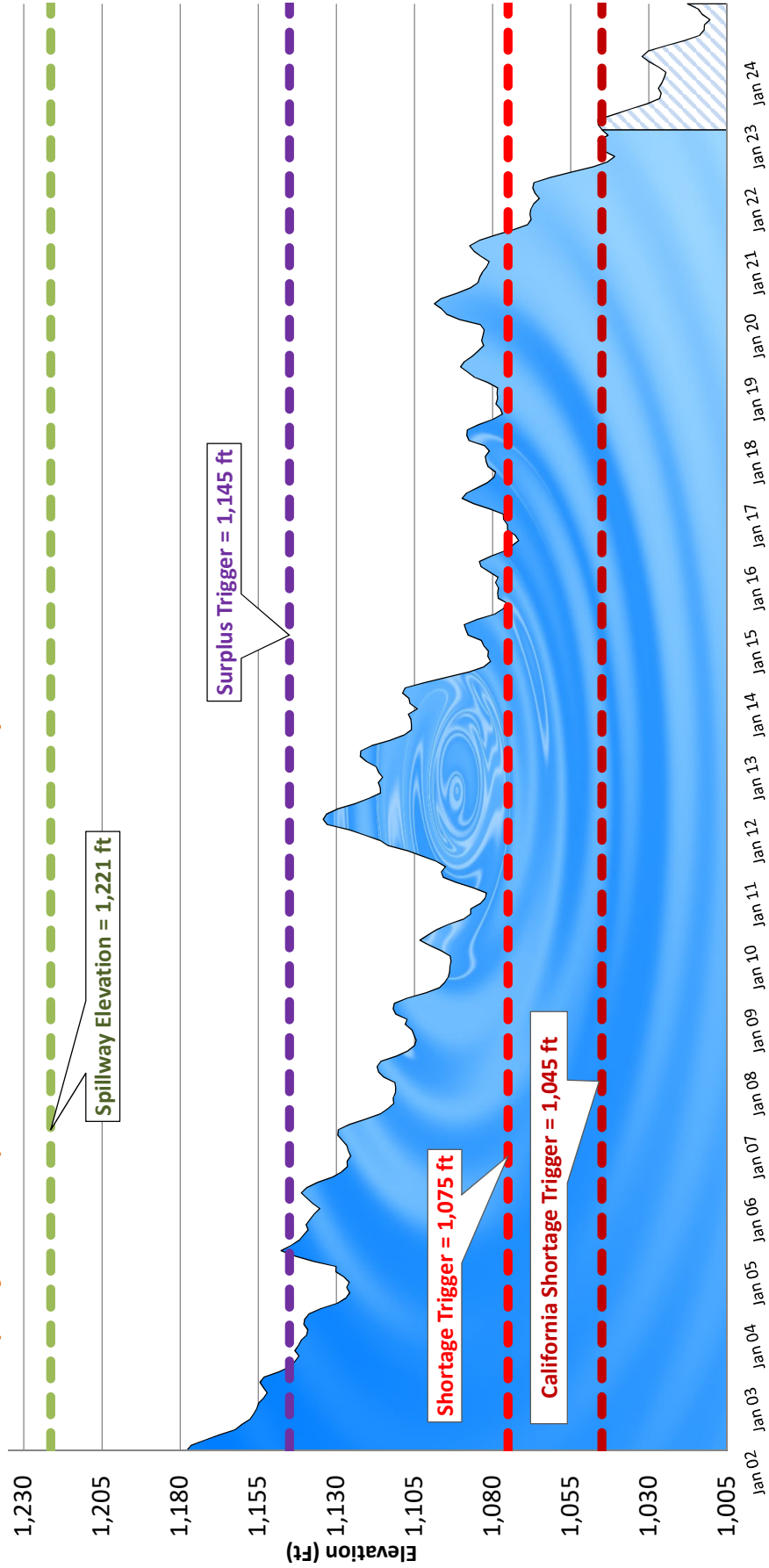


Colorado River Basin





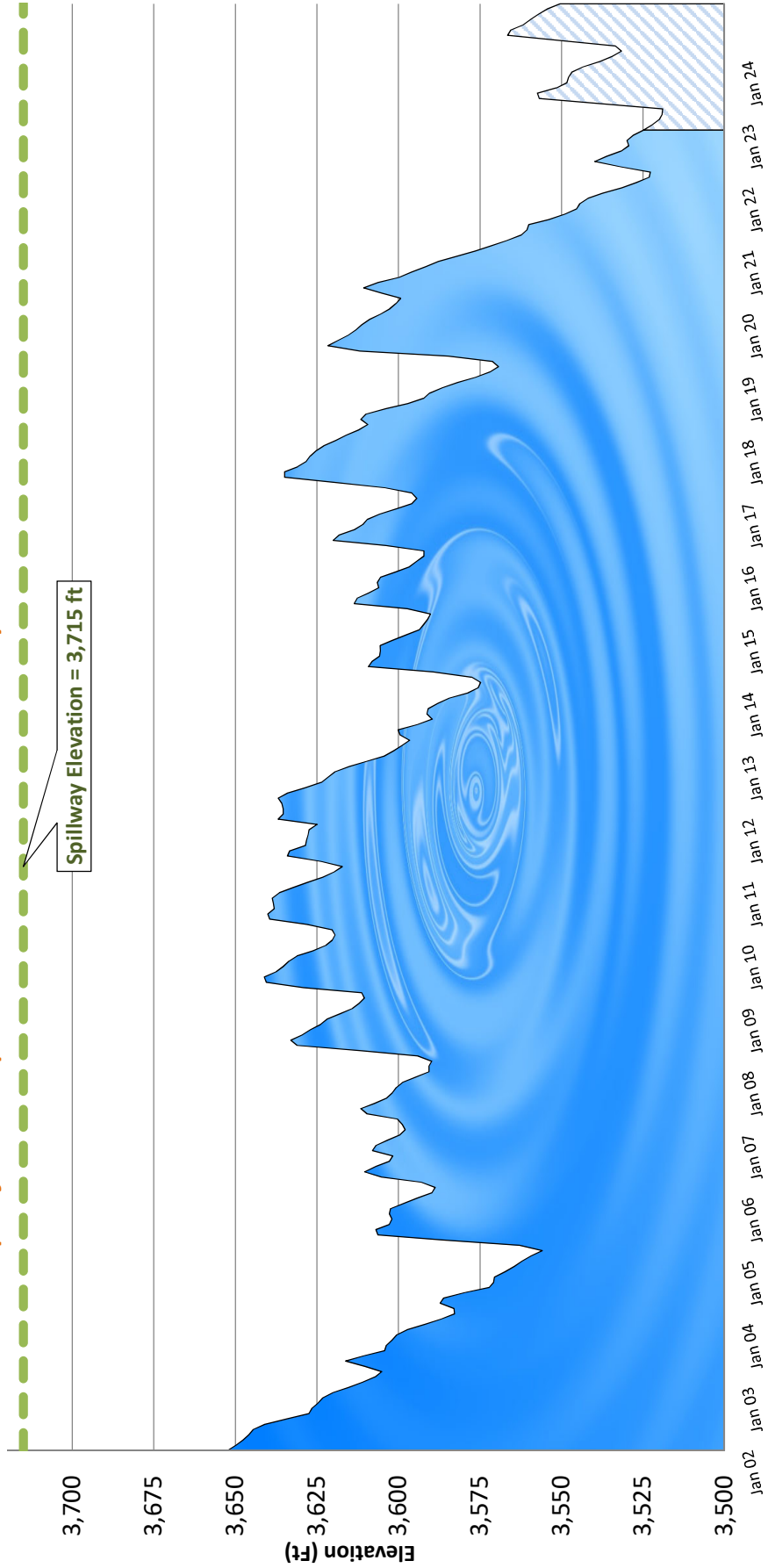
Lake Mead Levels: Historical and Projected projection per USBR 24-Month Study





Lake Powell Levels: Historical and Projected projection per USBR 24-Month Study

■ Historical □ Projected



Lake Mead Historical Water Elevation Level

