

2nd Draft Budget for Fiscal Year 2024-25



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EXECUTIVE SUMMARY

MWDOC's Budget schedule was implemented to facilitate the budget and rate schedules of our member agencies. On February 14, staff presented the 1st Draft Budget to the A&F Committee. The 2nd Draft Budget, incorporating comments from the February A&F Committee discussion will be presented on March 13. The Final Draft Budget presentation is scheduled for the April A&F Committee meeting, with anticipated adoption of the Fiscal Year (FY) 2024-25 Budget at the April 17 Board meeting.

This 2nd Draft Budget maintains a modest rate increase, only necessary to recover MWDOC's costs while maintaining existing service levels. Included is a Budget Narrative list of proposed key financial changes, adjustments, and annotations, along with the updated reserve policy targets and the proposed employee merit pool percentage. The Budget Narrative also includes a detailed description of each department's key priorities and initiatives for FY 2024-25.

BUDGET HIGHLIGHTS

Pertinent aspects of MWDOC's 2nd Draft Budget for FY 2024-25 include:

PROPOSED RATES AND CHARGES

1. Charges are calculated under the rate structure methodology adopted by the MWDOC Board in 2021.
 - An increase to the proposed retail service rate of \$0.50 (3.50%) to \$14.75 per retail meter for FY 2024-25. This is consistent with last year's budget projected rate increase; adhering to the notion of modest and gradual rate increases.
 - An increase to the groundwater customer charge to OCWD of \$21,766 (5.67%) to \$405,463.

REVENUE HIGHLIGHTS

2. Budget total of \$235,844,493 (revenue) includes Core, Choice, water sales, outside funding, and WEROC. This is an overall increase of 4.44% mainly due to the initial water sales assumptions. This changed from in the 1st draft budget with the incorporation of the proposed Metropolitan Rates and Charges for Calendar Year (CY) 2025.
3. The Consolidated (Core and Choice) budget is \$12,772,721 (revenue) with an increase of \$833,378 (7.0%).
4. The total revenue amount for the Core budget is \$10,808,241; an increase of \$895,879 (9.0%) over the current year's budget. The largest driver of increased Core revenue is from anticipated interest revenues.
5. Interest revenues are budgeted at \$738,960 which is a \$419,550 increase (131.4%) to reflect current market earnings.
6. Outside funding for Water Use Efficiency (WUE) from rebates and grants is budgeted at \$10,872,042; a decrease of \$2,733,678 (-20.1%) funding over this year's budget. This is mainly due to a decrease in anticipated activity in the Metropolitan regional rebate program.

EXPENSE HIGHLIGHTS

7. The total expenses amount for the Core budget is \$10,921,013; an increase of \$604,114 (5.9%) over the current year's budget. The largest drivers of increased Core expenses are from contributions to election reserves and employee salaries/benefits.
8. The Building Improvement expenses for FY 2024-25 include the needed roof replacement, which will be covered by carryover credit.
9. The increase to the Maintenance Expenses includes replacements and upgrades to the Joint Board Room audio-video equipment with OCWD.

IMPACTS ON RESERVES

10. The proposed 2nd Draft Budget estimates a net planned reserve draw of \$112,772.

OTHER HIGHLIGHTS

11. The proposed salary contribution pool is at 6.48% of salaries and wages and reflects the rate of inflation (2023 CPI annual average = 3.50%) along with merit considerations. No COLA (Cost of Living Adjustment) is being proposed.
12. Total staffing level slightly decreases by 0.12 FTE. There is a net decrease of 0.57 FTE in the Full-time Employees due to unfilled position carryover. Part-time and intern Employee staffing level is driven Choice program staffing and includes the new part-time employee for the Finance Department.

NEW ITEMS INCLUDED

The following are “new key items” are incorporated in the FY 2024-25 Budget, per February 14 Committee direction:

Pilot MWDOC “Ambassador Program” (\$40,000)

- As prescribed by the Board Strategic Priorities, the creation of an MWDOC Water Ambassador Program will aim to empower key stakeholders with knowledge and tools to become champions of water stewardship and sustainability in their communities.

CA Water for All (\$20,000)

- Contribution of funds for a second year to the “CA Water for All” legislative and advocacy campaign (stemming from the Solve the Water Crisis coalition).

CA Data Collaborative (\$16,500)

- Participation in the CA Data Collaborative, a non-profit organization which focuses on using technology and data analytics tools to enhance a water saving effort, help meet upcoming state conservation regulations, and improve reliability planning.

Environmentally Friendly Diversion Pilot (\$20,000)

- Participation in the pilot project to adapt subsurface diversion technology to water diversions in the Delta without harming the Delta ecosystem nor endangered fish. This is contingent upon other partners' participation.

Additional Resources (Choice-funded)

- Addition of one part-time employee to the Finance Department to assist with accounting for WUE Choice programs. Due to the increase needs of financial management and assistance related to the Choice program, this employee will be funded through the Choice Program.

New WUE Shared Services (Choice-funded; pending Member Agencies Choice participation)

- Advanced Metering Infrastructure (AMI) One-on-one Technical Assistance and Grant Funding Assistance for installation
- CII Best Management Plan (BMP) Implementation Plans and Customer Classification

The 2nd Draft Budget also includes the proposed Metropolitan rates and charges for CY 2025¹. The initial Metropolitan proposed rates and charges are subject to change pending Metropolitan Board approval.

¹ <https://www.mwdh2o.com/budget-finance/>

GENERAL MANAGER'S TRANSMITTAL LETTER

MWDOC ANNUAL BUDGET FOR FISCAL YEAR 2024-2025

As we start the budget process for Fiscal Year (FY) 2024-25, I want to thank you for your participation and input this past year in updating MWDOC's Reserve Policy, and development of the Board Strategic Priorities, both which were developed following the completion of the Facilitated Member Agency process. Based on these endeavors, MWDOC will continue to be a more productive and responsive agency in the coming years.

MWDOC seeks to adopt its final budget in April, in an effort to facilitate the budget and Prop 218 processes of our member agencies. Please note that the draft budget will also be reviewed at the Elected Officials Forum which will be scheduled for early April 2024, with final Board adoption tentatively scheduled for later that month.

As always, we invite and welcome formal participation in the development of our FY2024-25 draft budget through your initial suggestion of activities and subsequent comments. This input is vital to ensure the services and resources we provide meet the needs of our service area.

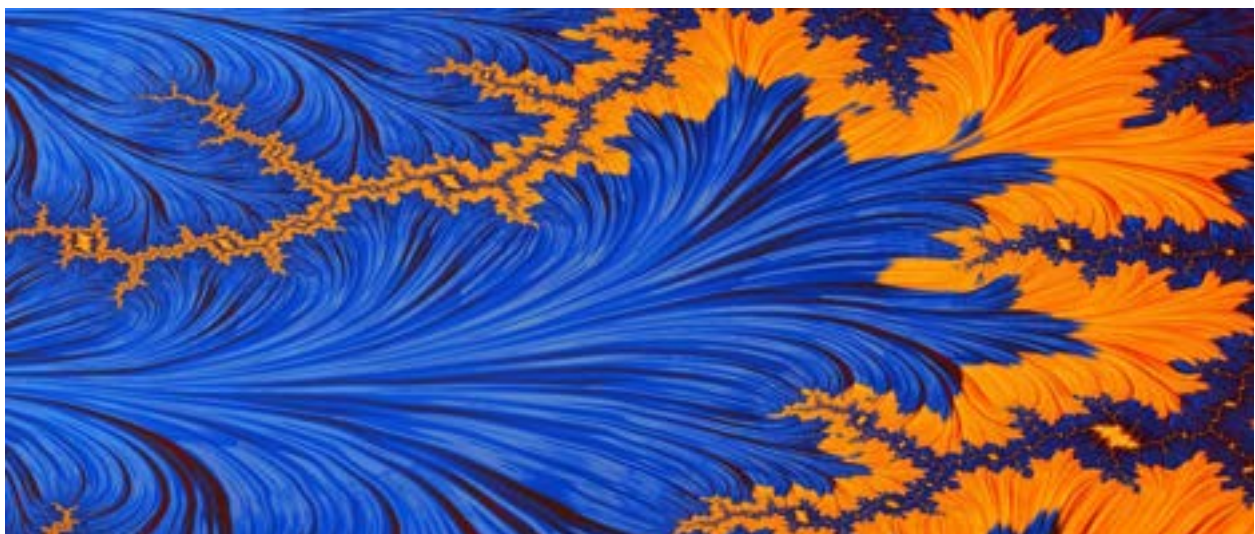
I look forward to our budget discussions.

Sincerely,



Harvey F. De La Torre
General Manager
Municipal Water District of Orange County

"I am honored and excited to lead MWDOC into the future. Ensuring a sustainable and reliable water supply for Orange County is a responsibility I take very seriously. We have a great team, and together, we will continue to innovate and excel in our service to our partner agencies and the public we serve."



DISTRICT OVERVIEW

The Municipal Water District of Orange County (MWDOC) was formed in 1951 to serve the majority of Orange County as its Metropolitan 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 Metropolitan 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 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.

In June 2023, the MWDOC Board identified seven (7) Strategic Priorities in a public multi-session process that incorporated feedback and input from various stakeholders, including member agency representatives. This effort was intentionally built upon the foundational work completed through the Member Agency Facilitated Discussions Project to ensure MWDOC's Strategic Priorities aligned with the needs of the community and MWDOC member agencies. Through a facilitated process these key priorities were developed to be consistent with MWDOC's authority, mission and roles.

Topic Area	Board Strategic Priorities
<i>MWDOC's Mission</i>	Clarify MWDOC's mission and roles by defining those functions and actions that help provide cost-effective, long-term water reliability and security for its member agencies and Orange County constituents.
<i>Metropolitan Policy Positions</i>	Balance support for Metropolitan's regional mission and Orange County values and interests, with an emphasis on completing the IRP and shaping a sustainable business model.
<i>Metropolitan Director Consultation</i>	Ensure that Metropolitan Directors regularly reach out to and collaborate with MWDOC's member agencies to represent their interests and needs at Metropolitan.
<i>Reliability Planning</i>	Work with member agencies to develop water supply and demand objectives that take a broad view of cost-effective options to increase supply and manage demands.
<i>Member Agency Collaboration</i>	Solicit input and feedback from member agencies to support their needs and create opportunities that benefit Orange County's water future.
<i>Communications</i>	Strengthen communications and coordination of messaging with member agencies, tailored to large and small agency needs.
<i>Staff Development</i>	Invest in workforce development and succession planning to continuously strengthen and renew MWDOC's staff capabilities.

In September 2023, the Board adopted the Staff Implementation Plan², which outlines the “means” (actions/programs) that staff have developed to help achieve these overarching Board Priorities. The Implementation Plan is a cornerstone for the General Manager's annual goal-setting process. Integrating the strategic priorities into the General Manager's goals ensures that the top leadership of MWDOC is fully committed to, and accountable for, driving these priorities forward. It also provides clear direction as to what is expected by the Board.

The Implementation Plan also identifies resource needs, which will be integrated into the annual budgeting process. It ensures that resources, whether financial, personnel, or technological, are allocated efficiently to support the strategic priorities. Information has been utilized to identify on whether a resource gap exists that could hinder progress, and if necessary, gives guidance on whether additional resources should be recommended during the budget setting process.

To utilize the lessons learned through the 2022 Member Agency Facilitated Discussions³, a number of member agencies comments and suggestions were woven into the Implementation Plan. This included the core objective: for MWDOC and its member agencies to work together in a more collaborative manner. Through this process, there was consensus in feedback from the member agencies that MWDOC should avoid setting up a process that is perceived as “telling agencies what is needed,” but rather seeking out what the agencies want and need MWDOC to provide for them. This has been reflected in the improved methods of communication in how MWDOC developed the programs, studies, and shared services in the Choice Programs for FY 2024-25.



² Staff Implementation Plan: https://www.mwdoc.com/wp-content/uploads/2023/06/Strategic-Goals-Implementation-Plan_September-2023-3.pdf

³ Facilitated Discussions with MWDOC Member Agencies, Phase 1 (February 2022) <https://tinyurl.com/4yp97vde>; Facilitated Discussions, with MWDOC Member Agencies, Phae 2 (December 2022) <https://tinyurl.com/mrrtmd26>

1. MWDOC BUDGET PROCESS & SCHEDULE

MWDOC's Budget schedule seeks to adopt the FY 2024-25 Budget at the April 17 Board meeting. This timeline was implemented to facilitate the budget and rate schedules of our member agencies. The Draft Budgets presented to the A&F Committee. The 1st, 2nd, and 3rd Draft Budgets are scheduled for the February, March, and April A&F Committee meetings.

The Budget will include a list of proposed key financial changes, adjustments, and annotations, along with updates to the reserve targets and the proposed merit pool percentage (based on the final 12-month CPI-U average).

Furthermore, there will be a detailed description of each department's key priorities and initiatives for FY 2024-25. As part of the budget process, the General Manager is currently meeting with each department head to review their current and projected department budgets, including anticipated Choice budget activity. The goal of these discussions is to identify what funds are needed and/or not needed for the coming year to help achieve the Board's strategic priorities and District mission.

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 2024 to reflect the reconciliations and final program commitments of our member agencies. It should be noted that changes in Choice programs do not have an impact on the rates and charges passed in April for Core activities.

FY 2024-25 BUDGET SCHEDULE

NOVEMBER 2023

- Notification to member agencies of start of budget process and solicitation of input

DECEMBER 2023

- 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 2024

- Initial review of budget issues with A&F Committee for feedback (1-10-24)
- Initial discussion of budget issues with member agencies for feedback
- Request for member agencies' preliminary indication of participation in Choice

FEBRUARY 2024

- Publish and post the FIRST DRAFT Budget in the packet for the A&F Committee (2-9-24)
- Review First Draft Budget with A&F Committee (2-14-24)
- Formally request comments from all member agencies
- DRAFT 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 (2-20-24) with updated Agreement by the end of March or after the Elected Officials Meeting
- Discuss FIRST DRAFT Budget at Member Agency Managers' Meeting (2-22-24)
- Meet with member agencies as requested or scheduled

MARCH 2024

- 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
- Discuss SECOND DRAFT Budget in A&F Committee (3-13-24)
- Review SECOND DRAFT Budget at Member Agency Managers' Meeting (3-21-24)
- Update Choice Participation
- Member Agencies submit Formal Comments on the Budget (3-29-24)

APRIL 2024

- Conduct meeting with Elected Officials from member agencies to discuss budget and other topics
- THIRD DRAFT Budget and Rates presented to A&F Committee (4-10-24)
- Member agencies' Formal Comments presented to A&F Committee (4-10-24)
- Board approval of FY2024-25 FINAL Budget and Rates (4-17-24)

JUNE 2024

- Member agencies confirm final Choice Participation (6-14-24)

AUGUST 2024

- Reconciliation of FY 2023-24 (previous) WUE & Choice Programs

SEPTEMBER 2024

- REVISED FINAL Choice Budget presented to A&F Committee, if needed (9-11-24)
- Board approval of FY2024-25 REVISED FINAL Choice Budget, if needed (9-18-24)

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 reserve fund impacts. The stated goals of the Board of Directors are to have reserves fully funded and the budget should be balanced relative to meeting those reserve targets. In essence, if the combination of previous Fiscal Year's audited reserve balances and the current Fiscal Year's Year-End estimates indicates that the reserve target will be exceeded, then the proposed budget should include a draw from the reserve balance down to the target. Conversely, if the projected total reserve balance drops below the target, the proposed budget should increase the budgeted contribution to bring the reserves back up to the target.

Last year the Board undertook a comprehensive review of its Reserve Policy, which involved several work group meetings and committee discussions. The goal was to better align the Reserve Funds and their targets with the District's needs and priorities. The result clarified the use and function of each reserve account. Additionally, the Board consolidated and revised MWDOC's Designated Reserves into the following three funds, each serving a specific purpose and described as follows:

- Operating Reserve - The Operating Reserve has been established to fund emergency expenditures, cover unbudgeted and unanticipated costs, and provide working capital if needed. MWDOC has established a target for the Operating Reserve to equal 120 days cash on hand.
- Election Reserve - The Election Reserve manages 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 exceeds the estimated costs, the Board may consider other uses that would lower the long-term costs of the District.
- OPEB Reserve - The Board requested staff to fully fund the OPEB liability in 2016. The Actuarial recommendation is to fund between 85% to 95% of the liability and put the remaining amount in a reserve fund, so as not to 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.

Additional reserves funds are as follows:

- General Operations Fund - Funds used to pay for District annual operating expenses. Revenue generated from this fund includes annual meter charges and groundwater charges.
- Water Purchase Payments Fund - Fund that holds amounts paid by Member Agencies for water purchases in advance of the Metropolitan payment date.
- Conservation Fund - Includes grants, Metropolitan and Member Agency payments for Water Use Efficiency. These funds may have a negative balance as MWDOC pays upfront for Rebates and invoices.
- Trustee Activities - Hold funds for specific trustee activities, such as the AMP.

Municipal Water District of Orange County
Consolidated Summary of Cash and Investment

December 31, 2023

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

Fund	Book Value	% of Portfolio
Restricted Reserves		
WEROC Operating Fund	\$525,930	3.14%
Pension 115 Trust	1,327,664	7.94%
Total Restricted Reserves	1,853,594	11.08%
Designated Reserves		
Operating Reserves	3,819,350	22.83%
Election Reserve	1,146,947	6.86 %
OPEB Reserve	297,147	1.78%
Total Designated Reserves	5,263,444	31.47%
General Operations Fund	11,071,835	66.19%
Water Purchase Payments Fund	165,016	0.98%
Conservation Fund	(1,644,973)	(9.83%)
Trustee Activities - AMP	18,809	0.11%
Total Other Funds	9,610,687	57.45%
Total	\$16,727,725	100.00%

General Fund Cash breakdown

General Operations Fund	\$ 11,071,835
Conservation Fund	(1,644,973)
Remaining Budget FY 2023-24	(6,601,257)
Pension Contribution (Jan 2024)	(1,000,000)
WEROC Mobile EOC	(500,000)
Programs/Projects from Reserve Policy	(500,000)
Project Carryover from prior FY	(976,149)
Prepays/Deposits	(314,827)
Projected Draw on Reserves	\$ (465,371)

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 interrelated 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 2023 CPI average for the LA/Long Beach/Anaheim area was 3.50%. This is 47% lower than the 2022 number of 7.45%. The CPI of 3.50% falls into MWDOC's moderate inflation range.

Every three years MWDOC contracts for a Comprehensive Benchmark Survey that reviews our job classifications with similar agencies and job functions. During the 2021 Comprehensive Benchmark Survey, MWDOC found limited salary range corrections to be necessary, which supported the CPI adjustment process.

We are currently undergoing a Benchmark Survey. Any classification and salary range adjustments will be incorporated into FY 2024-25.

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 2023 annual CPI was 3.50% for the region which is in the *Moderate* inflation effective range (2.4% to 4.7%). Applying the *Moderate* inflation range formula (CPI x 1.85) to the 3.50% CPI yields a compensation pool of 6.48% 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 2023, MWDOC sent a letter to all of its member agencies informing them of the start of the MWDOC FY 2024-25 Budget Process, and invited their formal participation in the process which can include suggestions of activities and general comments. The FY 2023-24 budget year-end projections and the conceptual FY 2024-25 budget were discussed at the January and February 2024 Administration & Finance Committee meetings.

At the February 14 Administration & Finance Committee meeting, there was a request for further detail on the Reserve Policy and Cash breakdown. Additional information regarding the General Fund C

ash breakdown can be found in Section 3. District Reserves (page 14).

At this time, MWDOC has not received any comment letters from the member agencies.

6. KEY DEPARTMENTAL PRIORITIES & INITIATIVES

MWDOC's key departmental priorities and initiatives for FY 2024-25 are discussed for the following major departments and cost centers:

- Reliability Planning & Engineering Cost Center 21
- Metropolitan 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 Centers 32, 63
- Government Affairs Department Cost Center 31
- Administration Department Cost Centers 11, 12, 13, 19
- Finance & Information Technology Cost Centers 41, 45

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, Metropolitan 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 Metropolitan 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 and strategic priorities.

KEY INITIATIVES FOR FY 2024-25

Lead and Copper Rule Revisions/Improvements & Service Line Inventory *(new initiative)*

A new shared service to assist Orange County water agencies in their compliance efforts with US EPA Federal regulations known as the *National Primary Drinking Water Regulation: Lead and Copper Rule Revisions* and the pending *Lead and Copper Rule Improvements*. This shared service program focuses on service line inventory in compliance with the Lead and Copper Rule revisions and improvements.

MWDOC staff actions include:

- Project management and agency coordination
- **Board Strategic Priority:** Member Agency Collaboration

Supplemental Reliability Analysis of Water Supplies *(new initiative)*

Following the 2023 OC Water Reliability Study, periodic supplemental analysis of Metropolitan 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.

MWDOC staff goals include:

- Identification of appropriate timing of significant changed water supply conditions meriting additional analysis
- Explore technology advances regarding reliability planning and modeling
- Identification of consultants to leverage technology advances for supplemental reliability analysis
- **Board Strategic Priorities:** MWDOC's Mission and Reliability Planning

METROPOLITAN (MET) ISSUES AND WATER POLICY

COST CENTER 23

The Metropolitan (MET) Issues and Water Policy Department provides analysis on regional issues and policy, as well as water supply and demand coordination and analysis. Over the years, this department 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 MET 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.

KEY INITIATIVES FOR FY 2024-25

MET CAMP4W

Metropolitan is analyzing additional long-term improvements that will be presented through the Climate Adaptation Master Plan for Water (CAMP4W) process. The goal is to create a drought-resilient network of facilities that strengthens the region's water supply reliability.

MWDOC staff actions include:

- Fully engage in this process and evaluate the Time-Bound Targets, Framework for Climate Decision-Making, new policies/initiatives, and alignment with the MET Business Model
- Continue the dialogue and develop meaningful long-term objectives
- Reinforce our collective dedication to the pursuit of advancing the objectives outlined in the Metropolitan mission statement
- **Board Strategic Priorities:** MWDOC's Mission, Metropolitan Policy Position, Metropolitan Director Consultation, Member Agency Collaboration

MET's Long-Term Financial Plan and Business Model

MET will engage in reviewing its Business Model and its Long-Term Financial Plan. This analysis will include its impacts to MET's future Rates and Charges as well as assess whether modifications to MET's rate structure are needed. In addition, there may be Cost of Service Assessment on MET'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 MET considers the predictability of rate requirements, strategies to ensure cost-effectiveness, and how member agencies rely upon MET financial forecasts to inform their own resources and financial planning.
- **Board Strategic Priorities:** MWDOC's Mission, Metropolitan Policy Position, Metropolitan

Broader Water Policy Issues

The Department provides analysis and advocacy for Orange County on water policy issues that extend beyond the scope of MET. 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.

MWDOC staff actions include:

- 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 MET's engagement and investment in further access to storage, in particular its involvement with Sites Reservoir.
- Advocate for MET 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 MET system to ensure a balance reliability to all member agencies.
- Monitor and attend key meetings and discussions on the Colorado River issues.
- Advocate for suitable Colorado River salinity control measures and actions.
- Evaluate and analyze Pure Water Southern California's full-scale operational and financial configuration once it is presented to the MET Board for consideration.
- **Board Strategic Priorities:** MWDOC's Mission, Metropolitan Policy Position, Metropolitan Director Consultation, Member Agency Collaboration

WATER USE EFFICIENCY (WUE)

COST CENTERS 35, 62, 70

The Water Use Efficiency Department offers Core and Choice programs that include Water Use Efficiency and Water Loss Control Programs. Both are designed to assist member agencies to comply with the Conservation as a California Way of Life Framework (Framework) promulgated through Senate Bill 606 and Assembly Bill 1668. In addition to these efforts, MWDOC is also helping member agencies to prepare for compliance with the Framework by assisting with basic Framework understanding, dedicated landscape irrigation meter and residential landscape area measurements, Commercial, Industrial and Institutional (CII) Best Management Practice Implementation Plans, CII Customer Classifications and acquisition of new aerial imagery.

WATER USE EFFICIENCY PROGRAM IMPLEMENTATION

MWDOC collaborates with local water agencies, cities, and stakeholders to promote water use efficiency and sustainable water practices. MWDOC advocates for water-related policies at the state level, pushing for regulations and legislation that promote responsible water use. Conservation and efficient use of water has been the underpinning of a comprehensive long-term water supply reliability strategy for California.

MWDOC and Metropolitan offer a broad menu of incentive, education, pay-for-performance, and technical assistance programs to all customer classes. Metropolitan's Conservation Credits Program provides foundational funding for these programs and MWDOC supplements Metropolitan's incentives with additional local, state, and federal funding. Together, these funding contributions greatly minimize or eliminate funding requirements from member agencies. Member agencies can, however, provide additional funding for their customers if desired. With approximately 60 percent of Orange County's total water use being applied to irrigate landscapes, the majority of our program implementation efforts focus on landscape water efficiency.

KEY INITIATIVES FOR FY 2024-25

Landscape Programs Implementation

Collaborate with member agencies to emphasize the importance of and promote all landscape water use efficiency programs to consumers including Turf Removal, Smart Irrigation Timers, Spray-to-Drip Irrigation Conversions, Low-volume Sprinkler Nozzles, Residential Landscape Design and Maintenance Assistance, and Landscape Management trainings.

MWDOC staff goals include:

- Maximize access to grant funding for program implementation
- **Board Strategic Priorities:** MWDOC's Mission Statement, Member Agency Collaboration, and Communications

Compliance with the Conservation as a California Way of Life Framework

With the Conservation as a California of Life framework scheduled to be adopted by the State Water Board in the summer of 2024, a key initiative MWDOC will be focusing on is assisting member agencies to prepare for and achieve compliance with the framework. Obtaining and finalizing landscape area measurements for residential and dedicated irrigation meters and developing CII BMP implementation plans and customer classification systems will be the primary focus. MWDOC already has a consultant, NV5 under contract to assist with area measurements. A new consultant will be needed to focus on the CII Performance Measures. In both cases, these consultant services are offered to member agencies using the Choice-based framework.

MWDOC staff goals include:

- Completing Dedicated Irrigation Meter Area Measurements in partnership with member agencies and NV5
- Initiating a new choice-based services for member agencies to develop Commercial, Industrial and Institutional (CII) Best Management Practice Implementation Plans and CII Customer Classifications (*new choice initiative*)
- In partnership with the OC Data Acquisition Partnership, acquire new Aerial imagery to assist with landscape area measurements, evaluation of changes in landscape pallet over time, water use efficiency program quality control and share imagery with member agencies (*new core initiative*)
- **Board Strategic Priorities:** MWDOC's Mission Statement and Member Agency Collaboration

Advanced Metering Infrastructure (*new initiative*)

A new initiative for FY 24-25 will focus on offering Advanced Metering Infrastructure as a choice service to member agencies including two components: One-on-one Technical Assistance from a consulting firm specializing in AMI and Grant Funding Assistance for installation of AMI. Agencies can choose to participate in one or both components, depending on their individual needs.

The Technical Assistance will include a feasibility study to evaluate the various technologies, infrastructure needs, implementation costs, and overall benefits. The Grant Funding Assistance would follow on the heels of the Technical Assistance and will include MWDOC acquisition of grant funding for installation of the AMI system. MWDOC's role will be to facilitate the overall AMI Choice Services Program on behalf of the member agencies. It is anticipated that member agencies will choose from a variety of Technical Assistance tasks/services from the consultant, as needed.

MWDOC staff goals include:

- RFP process and obtaining Board authorization to contract for technical assistance
- Offer AMI Choice service program to member agencies
- Facilitate member agency access to all Water Loss Control Technical Assistance and Shared Services in a timely and efficient manner
- **Board Strategic Priorities:** MWDOC's Mission Statement and Member Agency Collaboration

WATER LOSS CONTROL PROGRAMS

Distribution System Water Loss

MWDOC offers a variety of Water Loss Services designed to assist agencies in obtaining compliance with the water loss mandate adopted by the legislature through Senate Bill (SB) 555 in 2015 including one-on-one Technical Assistance from a consultant specializing in water loss reduction and MWDOC provided shared services. These services have been refined from year-to-year to meet member agency needs; adding new services and removing services that are not used. Notably, Distribution System Leak Detection has seen year-over-year growth starting with 500 miles to now more than 1,300 miles per year.

KEY INITIATIVES FOR FY 2024-25

One-on-One Technical Assistance

The Water Loss Control Technical Assistance Program will provide a variety of one-on-one technical assistance tasks for FY 2024-25. Annually agencies select the services they plan to access. Please note, this list below is not exhaustive of all department routine activities, but significant, or initiatives.

MWDOC staff goals include:

- SWRCB Water Loss Standard Assistance
- Water Audit Compilation and Annual Water Balance Validations
- Source or Production Meter Volumetric Accuracy Testing
- Water Loss Compliance Plan Development
- Distribution System Leak Detection and Suspected Leak Detection
- Leak Simulation Model
- Billing Data Chain Assessment
- **Board Strategic Priorities:** MWDOC's Mission Statement and Member Agency Collaboration

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 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.

KEY INITIATIVES FOR FY 2024-25

Below highlights some of the goals for the upcoming fiscal year as already presented and approved by the seven (7) WEROC funding agencies. WEROC continues to use the 2020 WEROC Assessment Report as a strategic plan for the WEROC program.

Maintain WEROC and OC water and wastewater agencies in a state of readiness to respond to emergencies. Key aspects include staffing, training, exercises, updating plans and procedures.

- Continue implementation of the WEROC Assessment Plan and continue to build upon the lessons learned from various training, exercises, and real events. In 2025, Director of Emergency Management will do an updated Strategic Plan.
- Development and implementation of the Logistics Plan with after action items captured from the Regional Tabletop Exercise that will incorporate how resources are coordinated within the WEROC Organization.
- Development of a GIS dashboard allowing for visibility of information in a non-linear form using open-source information and current in-house mapping information. Also develop out the Damage Assessment as the tool was qualified during the 2023 May Exercise.
- Finalize and implement WEROC 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 23rd, 2023, Operational Area Exercise.
- 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 back in 2017 and infrastructure and water system oversight in some areas have changed. This is a carryover project. Additional costs so this project can contain GIS layers will come out of the WEROC reserves.
- Development of the Regional Water and Wastewater Fuel Plan. Agencies have provided their preliminary information.
- Establish a contract for the update of the Orange County Regional Water and Wastewater Hazard Mitigation Plan and AWIA. This is a choice contract. For AWIA, agencies will be able to opt in for risk assessment again as required every 5 years by EPA.

MWDOC staff goals include:

- Daily administration, including the WEROC staff's work area, day-to-day management, technical support, and accounting services.
- MWDOC staff will spend an estimated 800+ hours participating in WEROC training, exercises, and programs.
- MWDOC's Engineering Department staff will continue to support technical projects and planning as it relates to WEROC and emergency planning.
- MWDOC Member Agencies contribute to the program by providing technical support throughout the year for items such as generator maintenance, technical expertise for a request for proposals development, exercise staffing assistance, and more.



COMMUNICATIONS/PUBLIC AFFAIRS

COST CENTERS 32, 63

The Public Affairs Department (PA or Department) of the Municipal Water District of Orange County (MWDOC or District) promotes and delivers water-centric and water-saving resources and opportunities that impact the region. PA highlights the District's activities and priorities, enhancing public knowledge about critical water issues through various events, materials, presentations, programs, and activities. The Department collaborates closely with MWDOC member agencies and the Three Cities (Santa Ana, Anaheim, and Fullerton) to ensure that valuable programs, initiatives, and incentives reach all corners of the County.

- **Consumer Confidence Reports:** For decades, MWDOC has provided coordination and professional consulting services to MWDOC's member agencies and the Three Cities to prepare mandated water quality Consumer Confidence Reports (CCRs). This effort saves participating agencies time and money and provides a consistent regional, water quality message throughout Orange County.
- **Regional Communications Collaboration and Support:** MWDOC hosts quarterly meetings of the Public Affairs Workgroup for MWDOC's 27-member agency Public Information Officers (PIOs), other industry PIOs, and partners throughout Southern California. These meetings provide critical updates to programs and activities, facilitate unified regional messaging, and provide professional communications support and training.
- **Community Engagement and Social Media:** MWDOC further engages the public by actively seeking out and participating in highly visible community events – with and without MWDOC's Ricky the Rambunctious Raindrop (Ricky) mascot – having an active speaker's bureau, and engaging the public through a robust, award-winning social media presence that focuses on social targeting, listening, and Edvocacy™.
- **Digital Outreach and Publications:** MWDOC produces public service announcements and educational collateral that include videos, media and tool kits, flyers, news articles, presentations, and briefing papers to ensure our stakeholders are adequately equipped with sharable information and well-versed on significant issues facing the water industry.
- **Special Events:** Every year, MWDOC coordinates and presents its signature Policy Forum & Dinner events and co-hosts an annual O.C. Water Summit with the Orange County Water District to engage and educate elected officials, community and business leaders, water industry professionals, and the general public about water issues affecting Orange County and the rest of the state.

KEY INITIATIVES FOR FY 2024-25

'Ricky Turns 50'

For the upcoming fiscal year, MWDOC Public Affairs plans to launch an engaging water awareness campaign centered around 'Ricky Turns 50.' Celebrating the 50th birthday of long-time water stewardship

mascot Ricky the Rambunctious Raindrop, this campaign will inform, educate, and inspire our Orange County communities to prioritize water use efficiency and conservation. With Ricky's charismatic presence and celebrity status, he will lead a year-long series of events, workshops, and educational programs to underscore the significance of preserving our limited water resources and inspire community members to make conscious choices to protect and preserve our water supply.

MWDOC staff goals include:

- Mwdoc.com website and social media
 - 'Ricky Turns 50' landing page (information, resources, metrics)
 - Introduce quizzes, polls, and contests for giveaways (engagement, metrics)
- Media engagement opportunities
 - News releases and articles
 - 50th Anniversary giveaways
 - 'Special appearances'
- Education initiatives
 - Handouts
 - Grab and Go activities
- **Board Strategic Priorities:** MWDOC's Mission, Member Agency Collaboration, Communications

Orange County Water Ambassador Program (*new initiative*)

As prescribed by the Board Strategic Priorities, the creation of an MWDOC Water Ambassador Program will aim to empower key stakeholders with knowledge and tools to become champions of water stewardship and sustainability in their communities.

'Water Ambassadors' will undergo comprehensive training, including attendance at MWDOC Water Policy Dinners, Metropolitan Inspection Trips, and Water 101 presentations. These experiences will give them insights into water policy, infrastructure, and the broader water landscape. Additionally, the program will enable 'Water Ambassadors' to see the various entities responsible for delivering quality water service.

MWDOC staff goals include:

- Increase public awareness about Orange County water supply challenges, the benefits of good water stewardship, and investments towards long-term water reliability for the region.
- Promote responsible water use.
- Foster community engagement and advocacy for water-related issues.
- Build a network of informed individuals who can educate others.
- **Board Strategic Priorities:** MWDOC's Mission, Metropolitan Policy Positions, Member Agency Collaboration, Communications

GOVERNMENTAL AFFAIRS

COST CENTER 31

Governmental Affairs 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 and opportunities. This department relies on 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, along with MWDOC to obtain funding for various programs and infrastructure.

KEY INITIATIVES FOR FY 2024-25

The first part of the legislative session will focus on legislation held over from 2023. Two of the three water rights bills are still pending in the Senate: AB 1337 (Wicks) and AB 460 (Bauer-Kahan). Of the two, AB 1337 is the more likely one to still move. One of the initiatives below also relates to legislation from last session; SB 366 (Caballero)—the Solve the Water Crisis bill.

Budget and Climate Bond

The Budget and Climate bond presents important opportunities to provide support for recycling and other programs important to water agencies and special districts.

MWDOC staff goals related to the Budget and Climate Bond include:

- Meet with legislative budget subcommittees and advocate for restoring the \$174 million cut from the budget earmarked for groundwater and recycling programs
- Coordinate and participate in advocacy efforts with regional partners and organizations
- Continue engagement in various working groups seeking to maintain and/or increase resource funding pots that are important to MWDOC and its member agencies
- Monitor budget subcommittees for attempts to restrict special district's authority over budget reserves and/or property tax revenue
- **Board Strategic Priority:** MWDOC's mission

Solve the Water Crisis

SB 366 (Caballero) is the vehicle for the effort that MWDOC joined, and help fund, starting in 2022 that would establish long-term water supply targets, including new supply sources and expanding water storage. The goal remains to move past defensive actions and identify a path to expanding California's water supply.

MWDOC staff goals include:

- Support CMUA (sponsor of SB 366) by attending member meetings with policy committee

members and staff

- Meet with members of the Orange County Delegation and ask for support for SB 366
- Engage and participate in related working groups
- Support advocacy requests from ACWA relating to Sites Reservoir
- **Board Strategic Priority:** MWDOC's mission

Colorado River – Post 2026 Operations

Several reservoir and water management documents and agreements that govern the operation of the Colorado River facilities and management of the Colorado River are set to expire at the end of 2026. These include interim guidelines and drought contingency plans, among others. In an effort to support Metropolitan, the water rights holder for MWDOC's imported water from the Colorado River, it is critical that MWDOC staff remain engaged.

MWDOC staff goals include:

- Identify opportunities for engagement with the CA congressional delegation to support any related legislation that helps California and/or the Basin
- Continue to ensure that IRA dollars help California
- Continue to raise the visibility of the salinity control program both at the state level and across the Basin and support S. 2514, the Salinity Control Act Fix, co-sponsored by Senators Romney and Bennet
- **Board Strategic Priority:** MWDOC's mission

Grant Procurement and Advocacy

Government Affairs works collaboratively with Reliability Planning & Engineering, Water Use Efficiency, and WEROC to enhance MWDOC's program by highlighting its success while actively working to increase federal funding opportunities, identifying, and seeking funding. Currently the Bureau of Reclamation's (Bureau) WaterSMART grant program does not include grants for distribution system leak detection, only residential. This will be an ongoing effort.

MWDOC staff goals include:

- Meet with members of the Orange County delegation to discuss the program benefits and water savings, and our work with the Bureau laying the foundation for a future Congressionally Directed Spending request
- Meet with the WaterSMART program staff and others at the Bureau about the program to request funding
- Seek to have infrastructure upgrades covered by grants
- Work with Bureau staff or Congress to change funding criteria
- **Board Strategic Priority:** Member Agency Collaboration

Conservation as a California Way of Life Regulations

The State Water Resources Control Board (Board) has proposed Outdoor Water Use Efficiency standards, however, the proposed regulations are not yet adopted.

MWDOC staff goals include:

- Continue lobbying the SWRCB to consider a higher LFT in 2030 and more flexibility in land classification and calculation of the outdoor water budget
- Meet with key legislative staff to lay the groundwork for legislation next session to modify the outdoor water use efficiency standards if unsuccessful at the SWRCB
- Participate in coalition meetings and working groups with regional partners and associations
- Monitor related proposed legislation
- **Board Strategic Priority:** MWDOC's Mission and Member Agency Collaboration

ADMINISTRATION

COST CENTERS 11, 12, 13, 19

The Administrative Department is comprised of Board Administration, General Administration, Human Resources 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 District email and mailing lists 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 purchasing of office supplies, furniture and equipment
- Coordination of District Travel and Accommodations for Board and Staff ⁴
- Oversight of all items related to building facilities management

⁴ 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. After the budget adoption, any new out-of-state conferences will be brought to the Board for consideration and approval.

KEY INITIATIVES FOR FY 2024-25

Building Maintenance and Upgrades

- Evaluate existing tile roof and seek proposals to replace office roof
- Coordinate with OCWD to replace Joint Boardroom audio-visual equipment (*new initiative*)

Training, Coaching, and Development (*new initiative*)

- Initiate Behavior Assessments for all staff. Based on review of assessment, coaching, training and development plans will be implemented.
- Hold an all- staff training
- **Board Strategic Priority:** Staff Development

Evaluate 401 and 457 Plans (*new initiative*)

- Review of District's 401 and 457 Plans by financial advisor to determine whether it would be in District's best interest to solicit an RFP for new 457 and 401 Plan providers and assess whether to have both plans under one provider.
- **Board Strategic Priority:** Staff Development (and retention)

FINANCE & INFORMATION TECHNOLOGY

COST CENTERS 41, 45

The Finance department includes Accounting and Information Technology (IT). Finance and IT 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

The Finance department provides support to MWDOC through payroll, accounts payable/receivable, fixed assets, investments, grant funding, reconciliations and technology. Finance also provides monthly accounting to our Member Agencies through monthly billing of water deliveries, in-lieu credits, LRP payments, conservation rebates shared services programs, and other choice programs.

KEY INITIATIVES FOR FINANCE IN FY 2024-25

Add to Staff (*new initiative*)

Due to the increase in conservation rebates over the last two years and the success of shared services, accounting needs a part-time accountant to process the transactions for these choice programs. There has been a 30% increase in transactions over the last three years and we forecast this to remain the same or slightly increase over time.

MWDOC staff goals include:

- To be funded through the Choice Program
- Support the District with any financial needs
- **Board Strategic Priority:** MWDOC's Mission and Staff Development

INFORMATION TECHNOLOGY

Information technology administers computers, software, networks, and other electronic devices to enable staff to leverage information. It encompasses a wide range of technologies and applications, which reside on-premises, in the cloud, and hybrid environments. Paramount to the success of the Information Technology Department is having cybersecurity at the forefront to protect assets, maintain trust, and ensure business continuity.

KEY INITIATIVES FOR IT IN FY 2024-25

Infrastructure Modernization/Optimization

As IT equipment approaches end-of-life, it is necessary to replace infrastructure with new equipment to strengthen cybersecurity defenses, ensure high availability, and improve efficiencies.

MWDOC staff goals include:

- Replacement of Wireless Access Points (AP)
- Replacement of Storage Area Network (SAN) used for backup/archival
- Consolidation of networks and firewalls
- **Board Strategic Priority:** MWDOC's Mission

Cybersecurity

By prioritizing cybersecurity, the IT department actively works to mitigate the risk of data breaches, financial loss, and reputation damage.

MWDOC staff goals include:

- Conduct weekly Cyber Hygiene scans in coordination with Department of Homeland Security (DHS)
- Conduct cyber vulnerability scans and analysis with our Managed Service Provider (MSP)
- Test the reliability and effectiveness of backup systems (integrity testing)
- Implement enhanced Security Information and Event Management (SIEM) software
- Monitor intelligent end-point detection and response systems for real-time and historical visibility
- Conduct periodic security awareness training and testing
- **Board Strategic Priority:** MWDOC's Mission

7. CHOICE PROGRAMS FOR FY 2024-25

MWDOC also offers several programs through a shared service via the Choice Program format.⁵ This provides MWDOC's member agencies with the framework to pool resources together to get a high-quality program with an economies-of-scale approach. Many of these program offerings provide member agencies with a pathway to meet regulatory requirements, best-management practices, and other common water utility functions at a fraction of the cost or administrative burden compared to administering the program on an individual level. Additionally, by participating in these programs, MWDOC's member agencies can customize these programs to suite their individual needs while ensuring a level of consistency and integration across MWDOC's service area.

K-12 WATER EDUCATION PROGRAM

Through interactive assemblies and in-class, inquiry-based activities that align with academic standards, Orange County's youngest water users build a solid foundation of water knowledge that prepares them to make informed decisions about how water is used and how best to protect the long-term quality and quantity of water. The MWDOC Choice School Programs save participating Orange County water providers significant time and money and provide consistent, vetted, water-centric educational programming for all Orange County students receiving the programs.

WATER USE EFFICIENCY

MWDOC's Water use Efficiency Program is implemented as a hybrid program with policy, work group and grant acquisition related activities funded as a Core activity through MWDOC General Fund and all other activities are Choice activities funded by participating retail agencies. All Orange County retail agencies actively participate in MWDOC's choice-based Water Use Efficiency Programs.

MWDOC is continuing to develop, implement, and evaluate a broad menu of water use efficiency programs on behalf of its member agencies. These programs focus on all customer classes and types of water use, with an emphasis on landscape water saving opportunities; approximately 65% (and sometimes up to 80%) of total water use in Orange County is applied to landscaping. Staff will continue to maximize grant funding to minimize local funding needs.

WATER LOSS CONTROL SHARED SERVICES

Distribution System Leak Detection services have expanded significantly since 2020. There has been more than a 250% increase in miles of distribution system surveyed from FY 2019-20 to FY 2023-24, resulting in a total of 5,006 miles. Additionally, the number of agencies accessing these services each year has also

⁵ The schedule for the budget process impacts the timing of Choice budget elections by member agencies. Therefore, the Choice budget estimates in the Draft Budget should be considered preliminary.

been increasing over time. In FY 2023-24, 24 out of 29 retail water agencies (83%) in Orange County have accessed these services.

To date, 2,198 hidden leaks (leaks that have not surfaced) have been found through this program. Water savings is estimated at more than 683 acre-feet per year with a value of \$557,205 annually (based on variable production cost). Additionally, MWDOC has secured funding from Metropolitan to offset costs to participating retail agencies. In addition to the variable costs, MWDOC's Water Loss Control Program has saved MWDOC's member agencies significant capital costs by detecting and repairing system leaks before they do potentially catastrophic damage to facilities, assets or private property.



LIMITED-TERM PROGRAMS

ADVANCED METERING INFRASTRUCTURE (AMI) TECHNICAL ASSISTANCE

A new initiative for FY 24-25 will focus on offering Advanced Metering Infrastructure (AMI) as a choice service to member agencies including two components: One-on-one Technical Assistance from a consulting firm specializing in AMI and Grant Funding Assistance for installation of AMI. The Technical Assistance will include a feasibility study to evaluate the various technologies, infrastructure needs, implementation costs, and overall benefits. The Grant Funding Assistance would follow on the heels of the Technical Assistance and will include MWDOC acquisition of grant funding for installation of the AMI system. Agencies can choose to participate in one or both components, depending on their individual needs.

AMERICA'S WATER INFRASTRUCTURE ACT (AWIA)

In 2022 WEROC completed an effort to facilitate a contract with participating WEROC member agencies to address the requirements of America's Water Infrastructure Act (AWIA). Per Section 2013 of Title II, the AWIA requires utilities to conduct a Risk and Resilience Assessment of their community water systems and develop a corresponding Emergency Response Plan.

- 26 agencies participated in the Phase 1 Crosswalk Compliance.
- 24 agencies participated in the Phase 2 Risk and Resilience Assessments and Phase 3 Emergency Response Plans.

All agencies successfully self-certified both their Risk and Resilience Assessment and Emergency Response Plans with the US Environmental Protection Agency (EPA) by the regulatory due date.

LEAD & COPPER RULE REVISION SHARED SERVICES PROGRAM

In 2023, at the request of multiple Orange County water agencies, MWDOC added a new shared service to assist Orange County water agencies in their compliance efforts with US EPA Federal regulations known as the *National Primary Drinking Water Regulation: Lead and Copper Rule Revisions and pending Lead and Copper rule Improvements*. This joint effort yields savings of both cost and time through economies of scale. Thirteen agencies in Orange County are participating in this program.

URBAN WATER MANAGEMENT PLANS (UWMP)

Since 2010 MWDOC has led the selection and administration of a consultant to assist over 22 Orange County agencies in complying with state mandated Urban Water Management Plans (UWMP) requirements. This cooperative provides a tremendous cost savings to participating agencies through economy of scale. Savings on a per agency basis ranges between \$20,000 to \$40,000. Moreover, this sharing of services provides efficiency and water planning consistently among all of the agencies. In fall of 2025, MWDOC will begin the process of selecting a consultant to update both the MWDOC and the member agencies UWMPs.

As an early step in this process, MWDOC assists in the development of the service area's retail demands, which focuses on near term and long term imported water demands. Population and demand projections may commence at the tail end of FY 2024-25 in preparation for the next UWMP.

8. WATER RATES AND CHARGES

MWDOC's rates and fees generally fall into three categories: (1) the pass through of costs from Metropolitan for imported water rates and charges; (2) specific charges for services contracted by our member agencies (Choice Budget); and (3) charges for MWDOC services that apply to all our member agencies (Core Budget).

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 used for the FY 2024-25 budget and rates.

PROPOSED NEW RATES

Based on the Proposed Budget and the current rate structure:

- **For FY 2024-25 the proposed Retail Meter Service Charge is \$14.75 per meter**
- **For FY 2024-25 the proposed Groundwater Customer Charge is \$405,463**

All other charges cover the cost of water supply including Metropolitan water purchases and Metropolitan associated charges (i.e., Readiness-to-Serve (RTS) and Capacity Charge).

The proposed Total Water budget for FY 2024-25 is \$199,525,663, which includes Water Purchases, Local Resource Program incentives, RTS and Capacity Charges, and the SCP/SAC Surcharge.





Annual Budget for Fiscal Year 2024-25

Draft 2

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

	FY23/24 ADOPTED BUDGET	FY23/24 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY24/25 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 4,372,578	\$ 4,543,359	\$ 170,780	\$ 4,674,242	\$ 130,883	\$ 301,664
Employee Benefits	1,291,472	1,364,639	73,167	1,359,165	(5,474)	67,693
Director Compensation	275,041	271,439	(3,602)	275,041	3,602	-
Director Benefits	104,447	130,360	25,913	149,557	19,197	45,110
MWD Representation	117,875	142,433	24,558	157,166	14,733	39,292
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-
Overhead Reimbursement	(439,274)	(442,965)	(3,691)	(416,570)	26,395	22,704
Health Insurance Coverage for Retirees	84,847	83,788	(1,059)	81,349	(2,439)	(3,498)
Audit Expense	36,500	31,500	(5,000)	36,500	5,000	-
Automotive & Toll Road Expenses	9,575	9,835	260	12,100	2,265	2,525
Conference Expense - Staff	49,832	38,382	(11,450)	40,002	1,620	(9,830)
Conference Expense - Directors	23,065	15,835	(7,230)	16,955	1,120	(6,110)
Outside Consulting Expense	307,000	147,000	(160,000)	293,000	146,000	(14,000)
Insurance Expense	182,976	132,875	(50,101)	198,000	65,125	15,024
Legal Expense - General	241,000	236,000	(5,000)	260,000	24,000	19,000
Maintenance Expense	181,860	169,871	(11,989)	348,680	178,809	166,820
Membership / Sponsorship	167,366	188,900	21,534	293,688	104,788	126,322
CDR Participation	62,433	62,433	-	67,789	5,356	5,356
Miscellaneous Expense	147,800	126,900	(20,900)	150,700	23,800	2,900
Postage / Mail Delivery	11,275	7,100	(4,175)	9,600	2,500	(1,675)
Professional Fees	1,191,325	1,133,652	(57,673)	1,101,750	(31,902)	(89,575)
Rents & Leases	1,800	894	(906)	1,200	306	(600)
Outside Printing, Subscription & Books	94,000	95,700	1,700	119,000	23,300	25,000
Office Supplies	27,000	22,000	(5,000)	30,000	8,000	3,000
Building Repair & Maintenance	25,200	20,000	(5,200)	30,200	10,200	5,000
Computer Maintenance	5,000	5,000	-	17,500	12,500	12,500
Business Expense	2,000	4,000	2,000	5,000	1,000	3,000
Software Support & Expense	154,483	154,483	-	86,188	(68,295)	(68,295)
Computers and Equipment	43,000	43,000	-	29,250	(13,750)	(13,750)
Telecommunications Expense	43,918	32,980	(10,938)	43,006	10,026	(912)
Temporary Help Expense	5,000	9,639	4,639	5,000	(4,639)	-
Training Expense	35,000	35,000	-	40,000	5,000	5,000

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

	FY23/24 ADOPTED BUDGET	FY23/24 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY24/25 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
Tuition Reimbursement	5,000	4,000	(1,000)	6,000	2,000	1,000
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	102,200	68,426	(33,774)	89,580	21,154	(12,620)
Travel & Accommodations - Directors	42,400	28,584	(13,816)	39,925	11,341	(2,475)
MWDOC's Contribution to WEROC: Operations	293,307	296,290	2,983	300,808	4,518	7,501
Election Expense	-	-	-	-	-	-
Capital Acquisition (excluding building)	25,892	222,686	196,794	37,000	(185,686)	11,108
Capital Acq Prior Year Carryover Dr/(Cr)	-	-	-	-	-	-
OPERATING EXPENSES	\$ 9,531,193	\$ 9,643,019	\$ 111,826	\$ 10,195,371	\$ 552,353	\$ 664,178
MWDOC's Building Expense	\$ 389,000	\$ 222,686	\$ (166,314)	\$ 366,376	\$ 143,690	\$ (22,624)
Building Expense Prior Year Carryover Dr/(Cr)	\$ (166,314)	\$ (123,307)	\$ 43,007	\$ (366,376)	\$ (243,069)	\$ (200,062)
Contribution to Election Reserve	\$ 563,020	\$ 664,360	\$ 101,340	\$ 725,642	\$ 61,282	\$ 162,622
TOTAL EXPENSES	\$10,316,899	\$10,406,758	\$ 89,859	\$ 10,921,013	\$ 514,256	\$ 604,114

REVENUES:						
Retail Meter Charge	\$ 9,206,255	\$ 9,206,255	\$ -	\$ 9,580,818	\$ 374,563	\$ 374,563
Ground Water Customer Charge	383,697	383,697	-	405,463	21,766	21,766
Reimb for PARS OPEB Trust Reimbursement	-	80,000	80,000	80,000	-	80,000
Interest Revenue	319,410	728,429	409,020	738,960	10,531	419,550
Miscellaneous Income	3,000	3,000	-	3,000	-	-
TOTAL REVENUES	\$ 9,912,362	\$10,401,381	\$ 489,020	\$ 10,808,241	\$ 406,860	\$ 895,880

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (404,537)	\$ (5,376)	\$ 399,161	\$ (112,772)	\$ (107,396)	\$ 291,765

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

	FY23/24 ADOPTED BUDGET	FY23/24 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY24/25 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 762,777	\$ 778,617	\$ 15,840	\$ 736,644	\$ (41,973)	\$ (26,133)
less for Recovery from Grants	(30,000)	(40,000)	(10,000)	(65,000)	(25,000)	(35,000)
Employee Benefits	215,911	208,294	(7,616)	200,121	(8,173)	(15,789)
Director Compensation	-	-	-	-	-	-
Director Benefits	-	-	-	-	-	-
MWD Representation	-	-	-	-	-	-
Overhead Reimbursement	439,274	442,965	3,691	416,570	(26,395)	(22,704)
Health Insurance Coverage for Retirees	-	-	-	-	-	-
Audit Expense	-	-	-	-	-	-
Automotive & Toll Road Expenses	800	500	(300)	600	100	(200)
Vehicle Expense	12,000	10,000	(2,000)	12,000	2,000	-
Conference Expense - Staff	-	-	-	-	-	-
Conference Expense - Directors	-	-	-	-	-	-
Outside Consulting Expense	-	-	-	-	-	-
Insurance Expense	-	-	-	-	-	-
Legal Expense - General	-	-	-	-	-	-
Maintenance Expense	-	-	-	-	-	-
Membership / Sponsorship	-	-	-	-	-	-
Miscellaneous Expense	9,000	8,000	(1,000)	8,500	500	(500)
Postage / Mail Delivery	400	400	-	500	100	100
Professional Fees	607,100	466,467	(140,633)	628,700	162,233	21,600
Rents & Leases	-	-	-	-	-	-
Outside Printing, Subscription & Books	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Supplies - Water Loss Control	4,000	4,000	-	4,500	500	500
Computer Maintenance	-	-	-	-	-	-
Software Support & Expense	2,200	2,425	225	2,825	400	625
Telecommunications Expense	2,520	1,560	(960)	2,520	960	-
Computers and Equipment	-	-	-	-	-	-
Temporary Help Expense	-	-	-	-	-	-
Training Expense	1,000	60	(940)	1,000	940	-

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

	FY23/24 ADOPTED BUDGET	FY23/24 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY24/25 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
Tuition Reimbursement	-	-	-	-	-	-
OPERATING EXPENSES: continued						
Capital Acquisition	-	-		15,000	15,000	15,000
Subtotal Expenses	\$ 2,026,982	\$ 1,883,289	\$ (143,693)	\$ 1,964,480	\$ 81,192	(62,501.46)
TOTAL EXPENSES	\$ 2,026,982	\$ 1,883,289	\$ (143,693)	\$ 1,964,480	\$ 81,192	\$ (62,501)

REVENUES:						
Choice Revenue	\$ 2,026,982	\$ 1,883,289	\$ (143,693)	\$ 1,964,480	\$ 81,192	\$ (62,501)
TOTAL REVENUES	\$ 2,026,982	\$ 1,883,289	\$ (143,693)	\$ 1,964,480	\$ 81,192	\$ (62,501)

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY23/24 ADOPTED BUDGET	FY23/24 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY24/25 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 5,135,355	\$ 5,321,976	\$ 186,620	\$ 5,410,886	\$ 88,910	\$ 275,530
less for Recovery from Grants	(30,000)	(40,000)	(10,000)	(65,000)	(25,000)	(35,000)
Employee Benefits	1,507,382	1,572,933	65,551	1,559,286	(13,647)	51,904
Director Compensation	275,041	271,439	(3,602)	275,041	3,602	-
Director Benefits	104,447	130,360	25,913	149,557	19,197	45,110
MWD Representation	117,875	142,433	24,558	157,166	14,733	39,292
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-
Overhead Reimbursement	-	-	-	-	-	-
Health Insurance Coverage for Retirees	84,847	83,788	(1,059)	81,349	(2,439)	(3,498)
Audit Expense	36,500	31,500	(5,000)	36,500	5,000	-
Automotive & Toll Road Expenses	10,375	10,335	(40)	12,700	2,365	2,325
Vehicle Expense - Water Loss Control	12,000	10,000	(2,000)	12,000	2,000	-
Conference Expense - Staff	49,832	38,382	(11,450)	40,002	1,620	(9,830)
Conference Expense - Directors	23,065	15,835	(7,230)	16,955	1,120	(6,110)
Outside Consulting Expense	307,000	147,000	(160,000)	293,000	146,000	(14,000)
Insurance Expense	182,976	132,875	(50,101)	198,000	65,125	15,024
Legal Expense - General	241,000	236,000	(5,000)	260,000	24,000	19,000
Maintenance Expense	181,860	169,871	(11,989)	348,680	178,809	166,820
Membership / Sponsorship	167,366	188,900	21,534	293,688	104,788	126,322
CDR Participation	62,433	62,433	-	67,789	5,356	5,356
Miscellaneous Expense	156,800	134,900	(21,900)	159,200	24,300	2,400
Postage / Mail Delivery	11,675	7,500	(4,175)	10,100	2,600	(1,575)
Professional Fees	1,798,425	1,600,119	(198,306)	1,730,450	130,331	(67,975)
Rents & Leases	1,800	894	(906)	1,200	306	(600)
Outside Printing, Subscription & Books	94,000	95,700	1,700	119,000	23,300	25,000
Office Supplies	27,000	22,000	(5,000)	30,000	8,000	3,000
Supplies - Water Loss Control	4,000	4,000	-	4,500	500	500
Building Repair & Maintenance	25,200	20,000	(5,200)	30,200	10,200	5,000
Computer Maintenance	5,000	5,000	-	17,500	12,500	12,500
Business Expense	2,000	4,000	2,000	5,000	1,000	3,000
Software Support & Expense	156,683	156,908	225	89,013	(67,895)	(67,670)
Computers and Equipment	43,000	43,000	-	29,250	(13,750)	(13,750)
Telecommunications Expense	46,438	34,540	(11,898)	45,526	10,986	(912)

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY23/24 ADOPTED BUDGET	FY23/24 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY24/25 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
Temporary Help Expense	5,000	9,639	4,639	5,000	(4,639)	-
Training Expense	36,000	35,060	(940)	41,000	5,940	5,000
Tuition Reimbursement	5,000	4,000	(1,000)	6,000	2,000	1,000
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	102,200	68,426	(33,774)	89,580	21,154	(12,620)
Travel & Accommodations - Directors	42,400	28,584	(13,816)	39,925	11,341	(2,475)
MWDOC's Contribution to WEROC: Operations	293,307	296,290	2,983	300,808	4,518	7,501
Election Expense	-	-	-	-	-	-
Capital Acquisition (excluding building)	25,892	222,686	196,794	52,000	(170,686)	26,108
Capital Acq Prior Year Carryover Dr/(Cr)	-	-	-	-	-	-
OPERATING EXPENSES	\$ 11,558,175	\$ 11,526,307	\$ (31,867)	\$ 12,159,852	\$ 633,544	\$ 601,677
MWDOC's Building Expense	\$ 389,000	\$ 222,686	\$ (166,314)	\$ 366,376	\$ 143,690	\$ (22,624)
Building Expense Prior Year Carryover Dr/(Cr)	\$ (166,314)	\$ (123,307)	\$ 43,007	\$ (366,376)	\$ (243,069)	\$ (200,062)
Contribution to Election Reserve	\$ 563,020	\$ 664,360	\$ 101,340	\$ 725,642	\$ 61,282	\$ 162,622
TOTAL EXPENSES	\$ 12,343,881	\$ 12,290,046	\$ (53,834)	\$ 12,885,494	\$ 595,447	\$ 541,613

REVENUES:						
Retail Meter Charge	\$ 9,206,255	\$ 9,206,255	\$ -	\$ 9,580,818	\$ 374,563	\$ 374,563
Ground Water Customer Charge	383,697	383,697	-	405,463	21,766	21,766
Reimb for PARS OPEB Trust Reimbursement	-	80,000	80,000	80,000	-	80,000
Interest Revenue	319,410	728,429	409,020	738,960	10,531	419,550
Miscellaneous Income	3,000	3,000	-	3,000	-	-
Choice Revenue	2,026,982	1,883,289	(143,693)	1,964,480	81,192	(62,501)
TOTAL REVENUES	\$ 11,939,343	\$ 12,284,670	\$ 345,327	\$ 12,772,721	\$ 488,052	\$ 833,378

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (404,537)	\$ (5,376)	\$ 399,161	\$ (112,772)	\$ (107,396)	\$ 291,765

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

	FY 23-24 ADOPTED BUDGET	FY 23-24 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 24-25 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 23-24 BUDGET
Water Revenues						
Water Sales	\$ 185,749,302	\$ 137,365,827	\$ (48,383,475)	\$ 196,990,933	\$ 59,625,106	\$ 11,241,631
Local Resource Program Incentives	(4,725,194)	(5,033,060)	(307,866)	(4,661,958)	371,102	63,236
Readiness-To-Serve Charge	13,768,707	12,940,558	(828,149)	14,147,663	1,207,106	378,957
Capacity Charge	4,816,710	4,457,310	(359,400)	4,949,280	491,970	132,570
SCP/SAC Pipeline Surcharge	358,000	328,000	(30,000)	471,000	143,000	113,000
TOTAL WATER REVENUES	\$ 199,967,525	\$ 150,058,635	\$ (49,908,890)	\$ 211,896,919	\$ 61,838,283	\$ 11,929,394
Water Expenses						
Water Purchases	\$ 185,749,302	\$ 137,365,827	\$ (48,383,475)	\$ 196,990,933	\$ 59,625,106	\$ 11,241,631
Local Resource Program Incentives	(4,725,194)	(5,033,060)	(307,866)	(4,661,958)	371,102	63,236
Readiness-To-Serve Charge	13,768,707	12,940,558	(828,149)	14,147,663	1,207,106	378,957
Capacity Charge	4,816,710	4,457,310	(359,400)	4,949,280	491,970	132,570
SCP/SAC Pipeline Surcharge	358,000	328,000	(30,000)	471,000	143,000	113,000
TOTAL WATER EXPENSES	\$ 199,967,525	\$ 150,058,635	\$ (49,908,890)	\$ 211,896,919	\$ 61,838,283	\$ 11,929,394
Changes to Fund Balance:						
Tier 2 Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	FY 2023-2024 ADOPTED BUDGET	FY 2023-2024 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2024-2025 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
Funding						
Metropolitan Water District	\$ 10,067,500	\$ 4,757,923	\$ (5,309,577)	\$ 7,743,000	\$ 2,985,077	\$ (2,324,500)
USBR	939,000	289,990	(649,010)	880,902	590,912	(58,098)
DWR	1,190,980	500,444	(690,536)	749,855	249,411	(441,125)
Member Agencies	1,408,240	1,383,580	(24,660)	1,498,286	114,706	90,046
MWDOC	-	-	-	-	-	-
TOTAL OUTSIDE FUNDING	\$ 13,605,720	\$ 6,931,937	\$ (6,673,784)	\$ 10,872,042	\$ 3,940,106	\$ (2,733,678)
Program Expenses Funded from Outside Sources						
Project Administration - Staff Time	\$ 10,000	\$ -	\$ (10,000)	\$ 53,642	\$ 53,642	\$ 43,642
Installation Verification	105,000	99,723	(5,277)	91,000	(8,723)	(14,000)
Rebate Incentives	11,426,720	6,368,770	(5,057,950)	10,159,400	3,790,630	(1,267,320)
Surveys and Audits	2,064,000	462,000	(1,602,000)	568,000	106,000	(1,496,000)
TOTAL PROGRAMS EXPENSES	\$ 13,605,720	\$ 6,930,493	\$ (6,675,227)	\$ 10,872,042	\$ 3,941,550	\$ (2,733,678)

Exhibit B
Expenditures by Program

Cost Center	PROGRAM	FY23/24 BUDGET FTE	FY24/25 BUDGET FTE	FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
11	Administrative - Board	1.79	1.88	\$ 1,298,250	\$ 1,356,986	\$ 1,404,336
12	Administrative - General	4.60	4.79	1,035,641	1,051,702	1,204,916
13	Personnel / Staff Development	1.66	1.85	498,697	537,779	548,272
19	Overhead	4.70	4.07	1,238,833	1,123,664	1,394,033
21	Reliability Planning and Engineering	2.68	2.73	817,059	754,668	873,020
23	Metropolitan Issues and Water Policy	2.43	2.10	753,069	563,673	654,565
31	Governmental Affairs	0.85	0.90	657,611	632,573	626,265
35	Water Use Efficiency (Core)	1.09	1.22	457,818	528,693	582,765
32	Public Affairs	5.50	5.76	1,329,287	1,393,260	1,401,430
41	Finance	3.22	3.54	659,023	740,368	745,868
45	Information Technology	1.00	1.00	492,222	466,570	459,093
25	MWDOC's Contribution to WEROC	3.05	3.00	293,307	296,290	300,808
CORE TOTAL		32.57	32.84	\$ 9,530,818	\$ 9,446,225	\$ 10,195,371
62	Water Use Efficiency Program	5.89	6.29	1,039,923	1,148,718	989,455
63	School Programs	0.05	0.06	435,950	287,489	456,647
70	Water Loss Control	3.37	2.57	551,109	447,081	518,379
CHOICE TOTAL		9.31	8.92	\$ 2,026,982	\$ 1,883,289	\$ 1,964,480
CORE & CHOICE TOTAL		41.88	41.76	\$ 11,557,800	\$ 11,329,513	\$ 12,159,852
Includes:	Full-time employees	34.65	34.08	(2)		
	Part-time employees	2.25	2.29			
	Interns	1.92	2.39			
	WEROC employees	3.05	3.00			

(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 2023-2024 are calculated based on 2080 hours of work for the year. FTE's for 2024-2025 are calculated based on 2088 hours worked for the year. This corresponds to the actual working days for the fiscal year which varies year to year.

**Municipal Water District of Orange County
FY24/25 FISCAL MASTER PLAN PROJECTIONS**

(in thousands)

	Projected ACTUALS FY23/24	BUDGET FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
Beginning Designated Reserve Balance - MWDOC	\$5,263	\$ 5,277	\$ 5,069	\$ 4,933	\$ 4,833	\$ 4,766	4,733.13
Net OPEB Asset	0	0	0	0	0	0	0
less OPEB Reserve	297	297	297	297	297	297	297
Adjusted Reserve Balance	4,966	4,980	4,772	4,636	4,535	4,469	4,436
Revenues							
Water Rate Revenues:							
Retail Meter Agency Charge	9,206	9,581	9,936	10,293	10,653	11,014	11,377
Ground Water Customer Charge***	384	405	420	434	450	465	482
Subtotal	9,590	9,986	10,356	10,728	11,102	11,479	11,859
Other Revenues:							
Choice Revenues	1,883	1,964	2,033	2,104	2,178	2,254	2,333
Interest Earnings	728	739	765	797	837	888	952
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	2,615	2,706	2,801	2,904	3,018	3,145	3,288
Total Revenues	12,205	12,693	13,157	13,632	14,120	14,624	15,147
Expenses							
Core Expenses	9,420	10,158	10,514	10,882	11,263	11,657	12,065
Choice Expenses	1,883	1,964	2,033	2,104	2,178	2,254	2,333
Capital Acquisitions (not including building)	223	52	20	20	20	20	20
Total Expenses w/o Election	11,526	12,175	12,567	13,006	13,461	13,931	14,418
Revenue Over Expenses w/o Election	678	518	590	626	660	693	729
ELECTION Reserve Beginning Balance	483	1,147	163	889	315	1,041	57
Annual Election Reserve Contribution	664	726	726	726	726	726	726
Annual Election Expense	-	1,710	-	1,300	-	1,710	-
Election Reserve Ending Balance	1,147	163	889	315	1,041	57	783
Ending General Fund & Designated Reserve:	\$ 3,833	\$ 4,609	\$ 3,747	\$ 4,221	\$ 3,428	\$ 4,379	\$ 3,656
Document does not reflect MWDOC's irrevocable trust towards OPEB Pension liability							
MWDOC Water Rates							
Total Retail Customer Meters	646,053	649,547	651,547	653,547	655,547	657,547	659,547
Connection Charge	\$ 14.25	\$ 14.75	\$ 15.25	\$ 15.75	\$ 16.25	\$ 16.75	\$ 17.25
Fixed Charge %		100%	100%	100%	100%	100%	100%
Rate Increase Proposal:							
Connection Charge		\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50

1 Assumptions for FMP: Projected Inflation rate: 3.50% per year

Rate of return on Investment of portfolio: 3.50% per year

Working Capital and Interest Revenue Projections

	FISCAL MASTER PLAN PROJECTIONS				
	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
Working Capital:					
Designated Reserve Fund	5,069	4,933	4,833	4,766	4,733
Average Revenue from Agencies	5,178	5,364	5,551	5,740	5,929
WUE use of fund	(800)	(800)	(500)	(500)	(500)
Water Payment Float	2,669	2,694	2,719	2,744	2,769
Average Working Capital	12,116	12,191	12,603	12,750	12,931
Interest rate	3.50%	4.20%	5.04%	6.05%	7.26%
Interest Revenue Projections:					
Interest income - General	424	512	635	771	939
Total Interest Revenue Projections	424	512	635	771	939

Exhibit H

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Schedule of Capital Expenditures
Fiscal Year 2024-25

	Proposed Budget	Approval included in <u>Budget Approval</u>
Capital Acquisition-19-8810:		
VOIP Project	\$ 25,000	√
Subtotal 8810 Improvements	<u>\$ 25,000</u>	
Building Improvements-19-8811:		
Roof and wall display	\$ 366,376	√
Subtotal 8811 Improvements	<u>\$ 366,376</u>	
IT - 45-8810:		
Project Wireless Access Point Upgrade (Prof Fees and Equipment)	\$ 12,000	√
Subtotal Cost Center 45	<u>\$ 12,000</u>	
WLC - 70-8810:		
Correlating noise loggers	\$ 15,000	√
Subtotal Cost Center 45	<u>\$ 15,000</u>	
Total	<u>\$ 418,376</u>	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Summary of Conference/Meeting Budget
Proposed District Participation Costs

Grouping	Conference / Meeting	Approval included in Budget Approval	Exh D			Exh E		Exh F		Exh G				
			Proposed District Participation Costs			Proposed Staff Registration & Travel Budget*		Proposed Board Registration & Travel Budget*		Proposed Total Membership that Includes Registration & Travel Cost*				
			Adopted Budget FY23/24	Projected Actuals FY23/24	Proposed Budget FY24/25	Registration	Travel	Registration	Travel	Memberships	Registration	Travel	Total	
Board Related	Association of California Cities- Orange County (ACCOC)	✓	-	-	-	-	-	1,000	3,800	-	-	-	-	-
	Association of California Water Agencies (ACWA)	✓	-	-	-	-	-	7,080	14,000	-	-	-	-	-
	Cal Desal	✓	-	-	-	-	-	500	1,000	-	-	-	-	-
	California Council for Environmental and Economic Balance (CCEEB)	✓	-	-	-	-	-	5,000	-	-	-	-	-	-
	California Special Districts Association (CSDA)	✓	-	-	-	-	-	325	1,000	-	-	-	-	-
	Colorado River Water Users Association (CRWUA)	✓	-	-	-	-	-	2,300	3,300	-	-	-	-	-
	LAFCO	✓	39,795	43,016	45,000	-	-	-	-	45,000	-	-	-	45,000
	Legislative Advocacy	✓	-	-	-	-	-	-	3,800	-	-	-	-	-
	Orange County Business Council (OCBC)	✓	-	-	-	-	-	1,250	2,000	-	-	-	-	-
	Urban Water Institute	✓	-	-	-	-	-	2,500	3,625	-	-	-	-	-
Board Related Total	Miscellaneous	✓	-	-	-	-	-	2,000	2,400	-	-	-	-	-
			39,795	43,016	45,000	-	-	16,955	39,925	45,000	-	-	-	45,000
Staff Related	(DWR)/State Water Resources Control Board (SWRCB)	✓	-	-	-	-	1,800	-	-	-	-	-	-	-
	American Water Works Association (AWWA)	✓	2,056	2,037	2,056	-	6,250	18,000	-	2,056	6,250	18,000	-	26,306
	Association of California Cities- Orange County (ACCOC)	✓	5,200	5,000	5,200	2,000	1,000	2,000	-	5,200	1,000	2,000	-	8,200
	Association of California Water Agencies (ACWA)	✓	25,641	25,395	25,641	-	10,080	20,600	-	25,641	10,080	20,600	-	56,321
	CA Chamber of Commerce (HR California)	✓	904	904	950	-	-	-	-	950	-	-	-	950
	CA Water for all	New	-	-	20,000	-	-	-	-	20,000	-	-	-	20,000
	Cal Desal	✓	5,200	5,000	5,200	-	250	500	-	5,200	250	500	-	5,950
	California Association of Public Information Officers (CAPIO)	✓	982	982	982	-	1,100	1,680	-	982	1,100	1,680	-	3,762
	California Council for Environmental and Economic Balance (CCEEB)	✓	31,500	31,500	29,000	-	5,000	-	-	29,000	-	5,000	-	34,000
	California Employees Public Retirement System(CalPERS)	✓	-	-	-	-	1,347	300	-	-	-	-	-	-
	California Environmental Literacy Initiative	✓	624	624	640	-	-	1,500	-	640	-	1,500	-	2,140
	California Municipal Treasurers Association (CMTA)	✓	182	175	185	-	-	-	-	185	-	-	-	185
	California Municipal Utilities Association (CMUA)	✓	9,657	10,214	10,520	-	350	1,000	-	10,520	350	1,000	-	11,870
	California Society of Municipal Finance Officers (CSMFO)	✓	125	125	130	-	-	-	-	130	-	-	-	130
	California Special Districts Association (CSDA)	✓	9,162	9,050	9,300	-	1,725	3,000	-	9,300	1,725	3,000	-	14,025
	California Water Efficiency Partnership (CalWEP)	✓	6,271	6,271	6,459	-	1,250	5,300	-	6,459	1,250	5,300	-	13,009
	California Water, Energy and Education Alliance (CWEEA)	✓	1,248	1,248	1,285	-	-	-	-	1,285	-	-	-	1,285
	California Data Collaboration	New	-	-	16,500	-	-	-	-	16,500	-	-	-	16,500
	Colorado River Water Users Association (CRWUA)	✓	-	-	-	-	2,300	3,800	-	-	-	-	-	-
	Department of Water Resources Education Committee	✓	1,560	1,560	1,600	-	-	2,400	-	-	1,600	-	2,400	4,000
	Environmental Friendly diversion Project	New	-	-	20,000	-	-	-	-	-	20,000	-	-	20,000
	ESRI-GIS	✓	-	-	-	-	2,075	1,000	-	-	-	-	-	-
	Festival of Butterflies Sponsorship	✓	2,500	2,500	2,500	-	-	-	-	-	2,500	-	-	2,500
	Government Finance Officers Association (GFOA)	✓	177	177	182	-	-	-	-	182	-	-	-	182
	Indep. Special Districts of Or. Co. (ISDOC)	✓	52	52	-	-	-	-	-	-	-	-	-	-
	Information Systems Audit and Control Association (ISACA)	New	-	-	150	-	-	-	-	-	150	-	-	150
	International Association of Business Communicators (IABC)	✓	390	390	400	-	-	-	-	-	400	-	-	400
	League of California Cities	New	-	-	2,500	-	-	-	-	-	2,500	-	-	2,500
	Legislative Advocacy	✓	-	-	-	-	-	5,200	-	-	-	-	-	-
	Liebert, Cassidy Whitmore	✓	-	-	-	-	1,200	200	-	-	-	-	-	-
Multi-State Salinity Coalition	✓	-	-	-	-	245	500	-	-	-	-	-	-	
National Water Resources Assn. Mun. Caucus	✓	567	525	557	-	-	-	-	-	557	-	-	557	
OC Chapter-Calif. Landscape Contractors Assoc.	✓	2,340	2,340	2,400	-	-	-	-	-	2,400	-	-	2,400	
Orange County Business Council (OCBC)	✓	5,200	5,000	5,150	-	1,000	1,600	-	-	5,150	1,000	1,600	7,750	
Orange County Public Affairs Association (OCPAA)	✓	650	650	650	-	-	-	-	-	650	-	-	650	
Orange County Water Association (OCWA)	✓	260	260	500	-	-	-	-	-	500	-	-	500	
Pilot MWD/OC Ambassador Program	New	-	-	40,000	-	-	-	-	-	40,000	-	-	40,000	
Public Relations Society of America/O.C. (PRSA)	✓	1,394	1,394	1,394	-	900	400	-	-	1,394	900	400	2,694	
Public Sector HR Assoc	✓	124	62	64	-	-	-	-	-	64	-	-	64	
Radio and Television News Directors Association	✓	75	75	75	-	-	-	-	-	75	-	-	75	
Society of Human Resources Management (SHRM)	✓	238	238	245	-	-	-	-	-	245	-	-	245	

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Summary of Conference/Meeting Budget
Proposed District Participation Costs

Grouping	Conference / Meeting	Approval included in Budget Approval	Exh D Proposed District Participation Costs			Exh E Proposed Staff Registration & Travel Budget*		Exh F Proposed Board Registration & Travel Budget*		Exh G Proposed Total Membership that Includes Registration & Travel Cost*			
			Adopted Budget FY23/24	Projected Actuals FY23/24	Proposed Budget FY24/25	Registration	Travel	Registration	Travel	Memberships	Registration	Travel	Total
Staff Related	South OC Watershed Management Area Dues	✓	9,100	9,100	9,300	-	-	-	-	9,300	-	-	9,300
	South Orange County Economic Coalition (SOCEC)	✓	1,695	1,695	1,745	-	-	-	-	1,745	-	-	1,745
	Southern California Water Coalition (SCWC)	✓	1,061	1,061	1,092	-	-	-	-	1,092	-	-	1,092
	Urban Water Institute	✓	1,379	5,000	6,000	3,125	5,200	-	-	6,000	3,125	5,200	14,325
	Water Environment Federation	✓	57	57	60	-	-	-	-	60	-	-	60
	Water Smart Innovations	✓	-	-	-	1,305	2,600	-	-	-	-	-	-
	WaterISAC (International Security And Network)	New	-	-	550	-	-	-	-	550	-	-	550
Staff Related Total			127,571	130,661	231,162	40,002	89,580	-	-	231,162	27,030	68,180	326,372
WEROC Related	AWWA CA/NV Section	✓	311	-	311	1,450	1,700	-	-	-	-	-	-
	California Emergency Services Association	✓	239	-	239	1,650	8,000	-	-	-	-	-	-
	International Association of Emergency Managers	✓	400	326	400	800	4,500	-	-	-	-	-	-
WEROC Related Total			950	326	950	3,900	14,200	-	-	-	-	-	-
Grand Total			168,316	174,003	277,112	43,902	103,780	16,955	39,925	276,162	27,030	68,180	371,372

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

Exhibit J
Professional / Special Services Authorized
Core Fund

Department	Consultant	Service	Budget FY 23-24	Budget FY 24-25	* Approval included in Budget Approval
Outside Consulting Expense					
Planning & Operation (21)	CDR	GIS Work	\$ 20,000	\$ 28,000	✓
	(To be determined)	Supplemental Analysis of Water Supplies	\$ 65,000	\$ 50,000	✓
	(To be determined)	On Call Work	\$ 35,000	\$ 25,000	✓
	(To be determined)	Demand Projections 2025 UWMP by Oct 2025	\$ -	\$ 65,000	New
	Hazen, Ed Means Consulting	EOCF#2 Pilot Project	\$ 75,000	\$ 20,000	✓
Met Issues & Special Projects (23)	Ed Means Consulting	Consulting on MET issues	\$ 25,000	\$ -	✓
	(To be determined)	Financial & Rate Consulting	\$ -	\$ 25,000	New
	Dopudja & Wells Consulting- Paul Jones	MET and Reliability Planning (IRP & Delta)	\$ 67,000	\$ 80,000	✓
	(To be determined)	Financial Model for MWD	\$ 20,000	\$ -	✓
Total Outside Consulting Expense			\$ 307,000	\$ 293,000	
Legal Expenses					
Administration (11 & 13)	Best, Best & Krieger	General Legal Counsel Services	\$ 200,000	\$ 219,000	✓
	Aleshire & Wynder	Legal Counsel Services Regarding San Diego CWA	\$ 16,000	\$ 16,000	✓
	Best, Best & Krieger	Labor Counsel Services	\$ 25,000	\$ 25,000	✓
Total Legal Expenses			\$ 241,000	\$ 260,000	
Audit Expenses					
Finance (41)	Davis Farr, LLP	Annual Financial Audit and Federal Single Audit	\$ 36,500	\$ 36,500	✓
Training					
Administration (13)	Cal State University Fullerton/Municipal Resources Group/Centre for Organization Effectiveness/HR Strategic Competitive Gains/Predict Success	Staff Development/Technical Training/Leadership Training	\$ 35,000	\$ 40,000	✓
Professional Fees					
Administration (12 & 13 & 19)	Economic Group Pension Services (EGPS)	Pension Plan Administration	\$ 4,000	\$ 4,500	✓
	(To be determined)	Advisor to assist with review of 401a and 457 Plans and investments	\$ 50,000	\$ 25,000	✓
	(To be determined)	Consultant to assist with Strategic Planning Workshop and Facilitation	\$ 50,000	\$ -	✓
	(To be determined)	Triennial Benchmark Salary and Benefits Study	\$ 45,000	\$ -	✓
	(To be determined)	Various Lunch and learn+training	\$ -	\$ 6,000	New
	IGOE	Cafeteria Plan Administration	\$ 750	\$ 795	✓
	Docusign	Docusign	\$ -	\$ 7,000	✓
	Gladwell Services	Records Management Consulting	\$ 600	\$ 3,000	✓
Governmental Affairs (31)	Health Equity	Health Equity	\$ 125	\$ 205	✓
	BBK Legislation	State Legislative Advocate	\$ 96,000	\$ 96,000	✓
	Natural Resource Results	Federal Legislative Advocate	\$ 96,000	\$ 96,000	✓
	Dopudja & Wells	Legislative and Local GA Assistance	\$ 60,000	\$ 25,000	✓
	Whittingham Public Affairs Adv.	County Advocate	\$ 90,000	\$ 90,000	✓
	Soto Services	Grant Research and Acquisition Assistance	\$ 39,000	\$ 39,000	✓
	Ackerman	Legal and Regulatory	\$ 42,000	\$ 42,000	✓
	Travel	Travel	\$ 5,000	\$ 5,000	✓
Public Affairs (32)	Stetson Engineers	Consumer Confidence Report	\$ 55,000	\$ 60,000	✓
	So Cal Water Coalition	Delta Conveyance Program Support	\$ 30,000	\$ -	✓
	(To be determined)	Collateral materials update and	\$ 5,000	\$ -	New
	Hashtag Pinpoint	Strategic Digital Consulting Services	\$ 120,000	\$ 95,000	✓
	Ricky Turns 50	Water Awareness Campaign	\$ -	\$ 30,000	New
	(To be determined)	Website Maintenance	\$ -	\$ 5,000	New
	(To be determined)	Drought Campaign	\$ 50,000	\$ -	✓
	(Various)	Special Events	\$ 40,000	\$ 50,000	✓
WUE - Core (35)	VoxCivic, SCNG, etc.	Advertising	\$ 40,000	\$ 40,000	✓
	(To be determined)	General WUE Research	\$ 75,000	\$ 75,000	New
	E Source	Water Loss Control Work Grp (WLC)	\$ 55,000	\$ 55,000	✓
	E Source	WLC Business Plan Implementation	\$ 35,000	\$ 35,000	✓
	OC Data Acquisition P/S (OCDAP)	Aerial Imagery and Landscape Measurement Project	\$ -	\$ 75,000	✓
	U.S. Bank	Custodial Bank fees	\$ 12,000	\$ 10,000	✓
Finance (41)	CalPERS	CalPERS GASB 68 Report	\$ 700	\$ 700	✓
	Demsey Filliger & Assoc., LLC	OPEB Actuarial	\$ 750	\$ 3,750	✓
	Tracker C2	Investment Tracking	\$ -	\$ 3,300	✓
	(To be determined)	Managed Service Provider	\$ 95,000	\$ 70,000	✓
IT (45)	(To be determined)	IT Projects	\$ -	\$ 19,500	New
	CrowdStrike	Cybersecurity	\$ -	\$ 45,000	✓
Total Professional Fees			\$ 1,191,925	\$ 1,111,750	

WEROC

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

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

Exhibit J1
Professional / Special Services Authorized
Choice Funds

Department	Consultant	Service	Budget FY 23-24	Budget FY 24-25	* Approval included in Budget Approval
Training					
Water Loss Control (70)	(To be determined)	Water loss training	\$ 1,000	\$ 1,000	√
Professional Fees					
Water Loss Control (70)	(To be determined)		\$ -	\$ -	√
	Westerley & McCall's	Meter Accuracy Testing	\$ 35,000	\$ 55,000	√
Water Use Efficiency (62)	Various Printers	Printing of marketing materials for all WUE programs	\$ 60,000	\$ 40,000	√
	Droplet	Web Based Rebate Processing Platform (Turf & Drip)	\$ 30,000	\$ 37,100	√
	Droplet	E-Signature Rebate Processing	\$ 7,100	\$ -	√
	Mission Resource Cnsvr District	Residential Installation Verification Inspections	\$ 50,000	\$ 50,000	√
School Program (63)	Shows that teach/The OC Department of Education	Assemblies (Elementary School)	\$ 293,400	\$ 286,600	√
	The OC Department of Education	Assemblies (High School)	\$ 65,000	\$ 70,000	√
	The OC Department of Education	Assemblies (Middle School)	\$ 66,600	\$ 90,000	√
Total Professional Fees			\$ 608,100	\$ 629,700	

* 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 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	4,372,578	4,543,359	4,674,242
6090	Directors Compensation - MWDOC	275,041	271,439	275,041
6095	Directors Compensation - MWD	117,875	142,433	157,166
6105	Benefits - Admin	1,291,472	1,364,639	1,359,165
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
6111	Overhead Reimbursement	(439,274)	(442,965)	(416,570)
6115	Benefits - Directors	104,447	130,360	149,557
6120	Health Insurance Coverage for Retirees	84,847	83,788	81,349
6205	Training	35,000	35,000	40,000
6210	Tuition Reimbursement	5,000	4,000	6,000
6220	Temporary Help	5,000	9,639	5,000
7010	Outside Consulting Services	307,000	147,000	293,000
7020	Legal - General	241,000	236,000	260,000
7030	Audit	36,500	31,500	36,500
7040	Other Professional Fees	1,191,325	1,133,652	1,101,750
7110	Conference - Employee	49,832	38,382	40,002
7115	Conference - Directors	23,065	15,835	16,955
7150	Travel & Accommodations - Employee	102,200	68,426	89,580
7155	Travel & Accommodations - Director	42,400	28,584	39,925
7210	Membership / Sponsorship	167,366	188,900	293,688
7250	CDR Participation	62,433	62,433	67,789
7305	Business Expense	2,000	4,000	5,000
7310	Office Maintenance	175,860	169,871	348,680
7315	Building Repair & Maintenance	25,200	20,000	30,200
7320	Rents & Leases	1,800	894	1,200
7330	Office Supplies	27,000	22,000	30,000
7340	Postal / Mail Delivery	11,275	7,100	9,600
7350	Subscriptions / Books	1,000	900	10,000
7360	Reproduction Expense	93,000	94,800	109,000
7410	Computer & Peripherals Maint	5,000	5,000	17,500
7430	Software Purchase	104,298	104,298	81,540
7440	Software Support	50,185	50,185	4,648
7510	Site Maintenance	-	-	-
7450	Computers and Equipment	43,000	43,000	29,250
7580	Maintenance Expense	6,000	-	-
7610	Automotive / Mileage	9,000	9,500	11,500
7615	Toll Road Charges	575	335	600
7620	Insurance Expense	182,976	132,875	198,000
7640	Utilities - Telephone	43,918	32,980	43,006
7650	Bank Fees	2,600	2,600	2,400
7670	Miscellaneous Expenses	145,200	124,300	148,300
8810	Capital Acquisition	25,892	25,892	37,000
	Total Expenditure	9,237,886	9,149,935	9,894,564
	MWDOC's Contribution to WEROC Oper	293,307	296,290	300,808
	MWDOC's Contribution to Election Rsrv	563,020	664,360	725,642
	MWDOC's Building Expense (8811)	389,000	222,686	366,376
	Building Prior Year Carryover Dr/(Cr)	(166,314)	(123,307)	(366,376)
		10,316,899	10,209,964	10,921,013

Total Choice Revenue and Expense

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
4215	Choice Revenue	2,026,982	1,190,854	1,964,480
4205	School Contracts	-	-	-
4705	Prior Year Carry Over	-	-	-
		-	-	-
	Choice billing over/under	-	692,435	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	Total Revenue	2,026,982	1,883,289	1,964,480

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	762,777	778,617	736,644
	S & B Reimb. DSC or Recov from Grants	(30,000)	(40,000)	(65,000)
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	215,911	208,294	200,121
6111	Overhead Reimbursement	439,274	442,965	416,570
6115	Benefits - Directors	-	-	-
6120	Health Insurance Coverage for Retirees	-	-	-
6205	Training	1,000	60	1,000
6210	Tuition Reimbursement	-	-	-
6220	Temporary Help	-	-	-
7010	Outside Consulting Services	-	-	-
7020	Legal - General	-	-	-
7030	Audit	-	-	-
7040	Other Professional Fees	182,100	189,004	182,100
	Other Professional Fees - School Programs	425,000	277,463	446,600
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	4,500
7340	Postal / Mail Delivery	400	400	500
7350	Subscriptions/Books	-	-	-
7360	Reproduction Expense	-	-	-
7410	Computer & Peripherals Maint	-	-	-
7430	Software Purchase	2,200	2,425	2,825
7440	Software Support	-	-	-
7450	Computers and Equipment	-	-	-
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	400	300	400
7612	Vehicle Expense	12,000	10,000	12,000
7615	Toll Road Charges	400	200	200
7620	Insurance Expense	-	-	-
7640	Utilities - Telephone	2,520	1,560	2,520
7650	Bank Fees	-	-	-
7670	Miscellaneous Expenses	9,000	8,000	8,500
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	-	-	15,000
	Total Expenditure	2,026,982	1,883,289	1,964,480

Total Core and Choice Expenses

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	5,135,355	5,321,976	5,410,886
	S & B Reimb. DSC or Recov from Grants	(30,000)	(40,000)	(65,000)
6090	Directors Compensation - MWDOC	275,041	271,439	275,041
6095	Directors Compensation - MWD	117,875	142,433	157,166
6105	Benefits - Admin	1,507,382	1,572,933	1,559,286
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
6111	Overhead Reimbursement	-	-	-
6115	Benefits - Directors	104,447	130,360	149,557
6120	Health Insurance Coverage for Retirees	84,847	83,788	81,349
6205	Training	36,000	35,060	41,000
6210	Tuition Reimbursement	5,000	4,000	6,000
6220	Temporary Help	5,000	9,639	5,000
7010	Outside Consulting Services	307,000	147,000	293,000
7020	Legal - General	241,000	236,000	260,000
7030	Audit	36,500	31,500	36,500
7040	Other Professional Fees	1,373,425	1,322,656	1,283,850
	Other Professional Fees - School Programs	425,000	277,463	446,600
7110	Conference - Employee	49,832	38,382	40,002
7115	Conference - Directors	23,065	15,835	16,955
7150	Travel & Accommodations - Employee	102,200	68,426	89,580
7155	Travel & Accommodations - Director	42,400	28,584	39,925
7210	Membership / Sponsorship	167,366	188,900	293,688
7250	CDR Participation	62,433	62,433	67,789
7305	Business Expense	2,000	4,000	5,000
7310	Office Maintenance	175,860	169,871	348,680
7315	Building Repair & Maintenance	25,200	20,000	30,200
7320	Rents & Leases	1,800	894	1,200
7330	Office Supplies	27,000	22,000	30,000
7332	Supplies - Water Loss Control	4,000	4,000	4,500
7340	Postal / Mail Delivery	11,675	7,500	10,100
7350	Subscriptions / Books	1,000	900	10,000
7360	Reproduction Expense	93,000	94,800	109,000
7410	Computer & Peripherals Maint	5,000	5,000	17,500
7430	Software Purchase	106,498	106,723	84,365
7440	Software Support	50,185	50,185	4,648
7450	Computers and Equipment	43,000	43,000	29,250
7580	Maintenance Expense	6,000	-	-
7610	Automotive / Mileage	9,400	9,800	11,900
7612	Vehicle Expense	12,000	10,000	12,000
7615	Toll Road Charges	975	535	800
7620	Insurance Expense	182,976	132,875	198,000
7640	Utilities - Telephone	46,438	34,540	45,526
7650	Bank Fees	2,600	2,600	2,400
7670	Miscellaneous Expenses	154,200	132,300	156,800
8810	Capital Acquisition	25,892	25,892	52,000
	Total Expenditure	11,264,868	11,033,223	11,859,044
	MWDOC's Contribution to WEROC Oper	293,307	296,290	300,808
	MWDOC's Contribution to Election Rsrv	563,020	664,360	725,642
	MWDOC's Building Expense (8811)	389,000	222,686	366,376
		<u>12,343,881</u>	<u>12,093,252</u>	<u>12,885,494</u>

Administrative - Board

11

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	325,575	321,465	373,108
6090	Directors Compensation - MWDOC	275,041	271,439	275,041
6095	Directors Compensation - MWD	117,875	142,433	157,166
6105	Benefits - Admin	85,603	87,804	93,283
6115	Benefits - Directors	104,447	130,360	149,557
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services			
7020	Legal - General	216,000	221,000	235,000
7030	Audit			
7040	Other Professional Fees	50,000	81,250	-
7110	Conference - Employee			
7115	Conference - Directors	23,065	15,835	16,955
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director	42,400	28,584	39,925
7210	Membership / Sponsorship	39,795	43,016	45,000
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery	7,675	4,600	6,000
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	4,500	6,500	7,000
7615	Toll Road Charges	275	300	300
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	2,400	6,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses	-	-	-
8810	Capital Acquisition			
	Total Expenditure	1,298,250	1,356,986	1,404,336

1 • Best, Best & Krieger \$ 219,000
 • Aleshire & Wynder \$ 16,000
 \$ 235,000

2 • See Exhibit F

2 • See Exhibit F

3 • See Exhibit D

4 • \$1,709,967 is the est election expense. This amount is will not be budgeted as the election expense will be drawn from our Election Reserve

MWDOC's Contribution to Election Reserve	563,020	664,360	725,642
	<u>1,861,270</u>	<u>2,021,346</u>	<u>2,129,978</u>

Administrative - General
12

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	459,888	513,305	519,308
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	168,917	190,846	200,775
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help	5,000	9,639	5,000
7010	Outside Consulting Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	50,000	25,275	25,000
7110	Conference - Employee	49,832	38,382	40,002
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	102,200	68,426	89,580
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	127,571	130,661	231,162
7250	CDR Participation	62,433	62,433	67,789
7305	Business Expense	2,000	4,000	5,000
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books	1,000	900	10,000
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	3,000	4,500
7615	Toll Road Charges	300	35	300
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	2,000	4,800	6,500
8810	Capital Acquisition			
	Total Expenditure	1,035,641	1,051,702	1,204,916

1

• See Exhibit J.

2

• See Exhibit E.

2

3

• See Exhibit D.

Personnel / Staff Development
13

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget	
6010	Salaries & Wages - Admin	289,068	330,910	347,729	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	81,629	90,068	90,744	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training	35,000	35,000	40,000	1
6210	Tuition Reimbursement	5,000	4,000	6,000	
6220	Temporary Help				
7010	Outside Consulting Services				
7020	Legal - General	25,000	15,000	25,000	2
7030	Audit				
7040	Other Professional Fees	45,000	42,800	6,000	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	18,000	20,000	32,800	
8810	Capital Acquisition				
	Total Expenditure	498,697	537,779	548,272	

1 • Staff Development/Technical Training
& Leadership Training

2 • See Exhibit J.

Overhead
19

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	682,474	663,673	644,599
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	195,747	186,811	177,075
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
6111	Overhead Reimbursement from Choice	(439,274)	(442,965)	(416,570)
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees	84,847	83,788	81,349
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	4,875	4,858	5,500
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	175,860	169,871	348,680
7315	Building Repair & Maintenance	25,200	20,000	30,200
7320	Rents & Leases	1,800	894	1,200
7330	Office Supplies	27,000	22,000	30,000
7340	Postal / Mail Delivery	3,600	2,500	3,600
7350	Subscriptions / Books			
7360	Reproduction Expense	6,000	7,800	9,000
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7450	Computers and Equipment			
7580	Maintenance Expense	6,000		
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense	182,601	132,875	198,000
7640	Utilities - Telephone	42,612	32,068	42,000
7650	Bank Fees	2,600	2,600	2,400
7670	Miscellaneous Expenses	4,000	4,000	5,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8810	Capital Acquisition	25,892	25,892	25,000
	Total Expenditure	1,238,833	1,123,664	1,394,033

1 • For 13 Retirees

2 • See Exhibit J.

3 • Binding Machine	\$ 800
• Atrium Maintenance	\$ 14,400
• Building Cleaning	\$ 6,800
• Interior Plant Maintenance	\$ 4,000
• OCWD Shared costs/receptionist/maint/	\$ 154,680
• OCWD A/V Joint boardroom upgrade	\$ 168,000
	<u>\$ 348,680</u>

4 • Roof	350,000
• Wall Display	16,376
	<u>\$ 366,376</u>

MWDOC's Building Exp. (8811)	389,000	222,686	366,376	
Building Exp. Prior Year Carryover Dr/(Cr)	(166,314)	(123,307)	(366,376)	
	<u>1,461,519</u>	<u>1,223,043</u>	<u>1,394,033</u>	

Reliability Planning and Engineering

21

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	494,609	547,016	538,294
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	125,476	171,770	140,726
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services	195,000	35,000	188,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees		881	
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	-	-	0
7650	Bank Fees			
7670	Miscellaneous Expenses	1,600	-	6,000
8810	Capital Acquisition			
	Total Expenditure	817,059	754,668	873,020

1 • See Exhibit J.

Metropolitan Issues and Water Policy

23

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	504,932	347,443	434,306
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	134,681	102,774	113,804
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services	112,000	112,000	105,000
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	456	456
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	1,000	1,000
8810	Capital Acquisition			
	Total Expenditure	753,069	563,673	654,565

1 • See Exhibit J.

Government Affairs
31

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	158,928	163,712	181,762
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	48,183	50,533	50,003
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	428,000	416,328	393,000
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	22,500	2,000	1,500
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	657,611	632,573	626,265

1 Ackerman, Richard C	\$ 42,000
SDA	\$ 96,000
Dopudja & Wells Consulting Inc	\$ 25,000
NRR	\$ 96,000
Soto, Joey C	\$ 39,000
Whittingham Public Affairs Advisors	\$ 90,000
Travel	\$ 5,000
	<u>\$ 393,000</u>

1

Public Affairs

32

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	631,067	718,143	725,661
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	188,645	200,561	214,719
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	340,000	305,000	280,000
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	87,000	87,000	100,000
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	456	550
7650	Bank Fees			
7670	Miscellaneous Expenses	82,100	82,100	80,500
8810	Capital Acquisition			
	Total Expenditure	1,329,287	1,393,260	1,401,430

1 • See Exhibit J.

**Water Use Efficiency
(Core)
35**

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	215,610	261,155	248,008
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	71,208	81,314	71,231
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	165,000	165,000	240,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship		15,223	17,526
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	6,000	6,000
8810	Capital Acquisition			
	Total Expenditure	457,818	528,693	582,765

1 General Research	\$	75,000
Water Loss Control		
Work Group Support	\$	55,000
Business Plan Implementation		
Support	\$	35,000
Aerial Imagery & LiDAR		
OC Data Acquisition Partnership	\$	75,000
	\$	240,000

2 See Exhibit J.

General Finance
41

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget	
6010	Salaries & Wages - Admin	462,570	542,578	528,507	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	145,503	157,841	162,111	
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	36,500	31,500	36,500	1
7040	Other Professional Fees	13,450	7,450	17,750	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	1,000	1,000	
8810	Capital Acquisition				
	Total Expenditure	659,023	740,368	745,868	

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

2 • Custodial Bank fees	\$ 10,000
• OPEB Actuarial	\$ 3,750
• CalPERS GASB 68 Report	\$ 700
• Investment Tracking(trackerC2)	\$ 3,300
	<u>\$ 17,750</u>

Information Technology
45

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget	
6010	Salaries & Wages - Admin	147,859	133,959	132,962	
6090	Directors Compensation - MWDOC				1 • See Exh J
6095	Directors Compensation - MWD				
6105	Benefits - Admin	45,879	44,318	44,693	2 • Computer, iPad, Server and other hardware maintenance
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				3 • Various software upgrades and license
6205	Training				
6210	Tuition Reimbursement				4 • District's ERP
6220	Temporary Help				• Laserfiche
7010	Outside Consulting Services				\$ 2,898
7020	Legal - General				\$ 1,750
7030	Audit				\$ 4,648
7040	Other Professional Fees	95,000	84,810	134,500	1
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				5 • Various long term Hardware replacement/repair
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computers & Peripherals Maint	5,000	5,000	17,500	2
7430	Software Purchase	104,298	104,298	81,540	3
7440	Software Support	50,185	50,185	4,648	4
7510	Site Maintenance				
7450	Computers and Equipment	43,000	43,000	29,250	5
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	1,000	1,000	2,000	
8810	Capital Acquisition	-	-	12,000	
	Total Expenditure	492,222	466,570	459,093	

**Water Use Efficiency
(choice)
62**

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
4215	Choice Revenue	1,039,923	803,364	989,455
4705	Prior Year Carry over			
	Choice billing over/under	-	345,355	-
	Total Revenue	1,039,923	1,148,718	989,455

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	500,332	573,679	506,978
6012	Salaries & Benefits - Recovery from Grants	(30,000)	(40,000)	(65,000)
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	131,500	140,836	130,429
6111	Overhead Reimbursement	283,591	320,703	283,448
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	147,100	147,100	127,100
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery	400	400	500
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	7,000	6,000	6,000
8810	Capital Acquisition			
	Total Expenditure	1,039,923	1,148,718	989,455

1	Marketing of WUE Programs	\$ 40,000
	Installation Verification Inspections	\$ 50,000
	Droplet Rebate Processing Platform	\$ 37,100
		\$ 127,100

**School Program
(choice)
63**

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
4215	Choice Revenue	435,950	96,173	456,647
4205	School Contracts			
4705	Prior Year Carry over			
	Choice billing over/under	-	191,316	-
	Total Revenue	435,950	287,489	456,647

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	5,838	5,491	5,086
6105	Benefits - Admin	1,720	1,429	1,869
6111	Overhead Reimbursement	3,392	3,106	3,092
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	425,000	277,463	446,600
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	435,950	287,489	456,647

1 • High Schools	\$ 70,000
• Elementary Schools	\$ 286,600
• Middle Schools	\$ 90,000
	\$ 446,600

**Water Loss Control
(choice)**

70

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
4215	Choice Revenue	551,109	291,317	518,379
4705	Prior Year Carry over			
	Choice billing over/under	-	155,764	-
	Total Revenue	551,109	447,081	518,379

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	256,608	199,447	224,581
6012	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	82,691	66,029	67,824
6111	Overhead Reimbursement	152,291	119,156	130,029
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	1,000	60	1,000
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	35,000	41,904	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	4,500
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase	2,200	2,425	2,825
7440	Software Support			
7450	Computers and Equipment			
7510	Site Maintenance			
7580	Maintenance Expense			
7610	Automotive / Mileage	400	300	400
7612	Vehicle Expense	12,000	10,000	12,000
7615	Toll Road Charges	400	200	200
7620	Insurance Expense			
7640	Utilities - Telephone	2,520	1,560	2,520
7650	Bank Fees			
7670	Miscellaneous Expenses	2,000	2,000	2,500
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition		-	15,000
	Total Expenditure	551,109	447,081	518,379

**WEROC
25**

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
4320	MWDOC Contribution to Operations	293,307	296,290	300,808
4210	WEROC Contracts	293,307	269,651	300,808
4205				
4230	Reimbursements			
4240				
4410				
4805				
	TOTAL WEROC Revenue	586,614	565,941	601,615

1 • OCSD	\$	58,958
• SOCWA	\$	22,861
• OCWD	\$	150,404
• 3 Cities -- \$22,861/ea	\$	68,584
	\$	300,808

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	400,778	326,342	412,741
6012	Salaries & Benefits - Reimbursed			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	121,886	118,840	135,674
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	8,200	6,000	6,000
7040	Other Professional Fees	4,000	4,000	
7110	Conference - Employee	5,800	2,300	2,000
7115	Conference - Directors			
7150	Travel & Accomodations - Employee	4,500	4,600	6,200
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship	950	934	950
7330	Office & Radio Supplies	1,000	1,000	1,000
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	100		
7410	Computer & Peripherals Maint	4,000	7,352	4,000
7430	Software Purchase		700	-
7440	Software Support	12,000	11,554	12,000
7510	Site Maintenance	700	500	350
7580	Maintenance - Generators	1,000	900	1,000
7581	Maintenance - Radios	3,000	2,551	3,000
7582	Maintenance - EOC's	2,200	2,080	2,200
7610	Automotive / Mileage	1,500	600	1,500
7640	Utilities - Telephone	10,000	6,900	8,000
7650	Bank Fees			
7670	Miscellaneous Expenses	3,000	3,000	3,000
7671	Miscellaneous Training	2,000	1,800	2,000
	Operations Expenditure	586,614	501,954	601,615
	Contribution to Operating Reserves			
	Total Operations Budget	586,614	501,954	601,615
	Capital Expenditures			
	TOTAL Expenditures	586,614	501,954	601,615

- 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 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
4020	Interest Revenue			
4050	O & M Maintenance Deposit			
4230	Reimbursement	1,815	1,992	1,906
4680	Miscellaneous Income			
	Prior Year Carryover			
	Total Revenue	4,567	1,992	1,906

		FY 2023-2024 Budget	FY 2023-2024 Projected Actuals	FY 2024-2025 Proposed Budget
6010	Salaries & Wages - Admin	1,492	1,568	1,491
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	323	424	415
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services			
7020	Legal - General	-	-	-
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8810	Capital Acquisition			
	Total Expenditure	1,815	1,992	1,906

Municipal Water District of Orange County
FY24/25 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		\$ 216,558,877 (4,661,958)				\$ 216,558,877 (4,661,958)		\$ 216,558,877 (4,661,958)
Local Resource Program Incentives								
Retail Meter Charge	9,580,818					9,580,818		9,580,818
Ground Water Customer Charge	405,463					405,463		405,463
Reimb for PARS OPEB Trust Reimbursement	80,000					80,000		80,000
Interest Revenue	738,960	-				738,960		738,960
MWDOC's Contribution							(300,808)	-
Outside Fundings	-		10,872,042	300,808	1,906	11,174,756		11,174,756
Choice Revenue	1,964,480			300,808		1,964,480		1,964,480
Miscellaneous Income	3,000					3,000		3,000
Total Revenues	12,772,721	211,896,919	10,872,042	601,615	1,906	236,145,203	(300,808)	235,844,396
Expenses:								
Water Purchases		211,896,919				211,896,919		211,896,919
Salaries & Wages	5,410,886			412,741	1,491	5,825,118		5,825,118
less S & W Reimb. DSC or Recov from Grants	(65,000)			-		(65,000)		(65,000)
Employee Benefits	1,766,286			135,674	415	1,902,375		1,902,375
Outside Consulting Expense	293,000					293,000		293,000
Professional Fees	1,730,450					1,730,450		1,730,450
Contribution to Election Reserve	725,642		10,872,042	-		12,602,492	-	12,602,492
Legal Expense - General	260,000			-	-	260,000		260,000
Maintenance Expense	378,880			4,350		383,230		383,230
Insurance Expense	198,000			-		198,000		198,000
Membership / Sponsorship	293,688			950		294,638		294,638
Director Compensation	275,041					275,041		275,041
MWDOC Contribution to WEROC Operations	300,808					300,808	(300,808)	-
Others:								
MWD Representation	157,166					157,166		157,166
Director Benefits	149,557					149,557		149,557
Health Insurance Coverage for Retirees	81,349				-	81,349		81,349
Audit Expense	36,500				-	36,500		36,500
Automotive & Toll Road Expenses	24,700			1,500		26,200		26,200
Conference Expense - Staff	40,002			2,000		42,002		42,002
Conference Expense - Directors	16,955					16,955		16,955
CDR Participation	67,789					67,789		67,789
Business Expense	5,000					5,000		5,000
Miscellaneous Expense	159,200			7,200	-	166,400		166,400
Postage / Mail Delivery	10,100					10,100		10,100
Rents & Leases	1,200			-		1,200		1,200
Outside Printing, Subscription & Books	119,000			-		119,000		119,000
Office Supplies	34,500			1,000		35,500		35,500
Computer Maintenance	17,500			4,000		21,500		21,500
Software Support & Expense	89,013			12,000		101,013		101,013
Computers and Equipment	29,250			-		29,250		29,250
Telecommunications Expense	45,526			8,000		53,526		53,526
Temporary Help Expense	5,000					5,000		5,000
Training Expense	41,000			6,000		47,000		47,000
Tuition Reimbursement	6,000					6,000		6,000
Travel & Accommodations - Staff	89,580			6,200		95,780		95,780
Travel & Accommodations - Directors	39,925					39,925		39,925
Depreciation Expense (annualized)	-				-	-		-
Overhead Reimbursement	-				-	-		-
MWDOC Building Expense	-				-	-		-
Capital Acquisition	-				-	-		-
All Other Expenses	1,317,813			47,900		1,365,713		1,365,713
Total Expenses	12,885,494	211,896,919	10,872,042	601,615	1,906	236,257,975	(300,808)	235,957,168
EFFECT ON RESERVES / FUND BALANCE	\$ (112,773)	\$ -	(2) \$ -	\$ -	\$ -	\$ (112,772)	\$ -	\$ (112,772)

1 Adjustment for MWDOC's contributions to other funds.
2 Net change to restricted reserves for interest revenue.

Municipal Water District of Orange County
FY23/24 Consolidated Budget Summary

	Core & Choice	Water Fund	WUE Grants and Outside Funding	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers	Less Inter-Fund Transfers ⁽¹⁾	Consolidated Budget Total
Revenues:								
Water Sales		\$ 204,692,719				\$ 204,692,719		\$ 204,692,719
Local Resource Program Incentives		(4,725,194)				(4,725,194)		(4,725,194)
Retail Meter Charge	9,206,255					9,206,255		9,206,255
Ground Water Customer Charge	383,697					383,697		383,697
Reimb for PARS OPEB Trust Reimbursement	-					-		-
Interest Revenue	319,410	-				319,410		319,410
MWDOC's Contribution				293,307		293,307	(293,307)	-
Outside Fundings	-		13,605,720	293,307	1,815	13,900,842		13,900,842
Choice Revenue	2,026,982					2,026,982		2,026,982
Miscellaneous Income	3,000					3,000		3,000
Total Revenues	11,939,343	199,967,525	13,605,720	586,614	1,815	226,101,018	(293,307)	225,807,711
Expenses:								
Water Purchases		199,967,525				199,967,525		199,967,525
Salaries & Wages	5,135,355			400,778	1,492	5,537,626		5,537,626
less S & W Reimb. DSC or Recov from Grants	(30,000)			-		(30,000)		(30,000)
Employee Benefits	1,714,382			121,886	323	1,836,591		1,836,591
Outside Consulting Expense	307,000					307,000		307,000
Professional Fees	1,798,425			4,000		15,408,145	-	15,408,145
Contribution to Election Reserve	563,020		13,605,720			563,020		563,020
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	167,366			950		168,316		168,316
Director Compensation	275,041					275,041		275,041
MWDOC Contribution to WEROC Operations	293,307					293,307	(293,307)	-
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	49,832			5,800		55,632		55,632
Conference Expense - Directors	23,065					23,065		23,065
CDR Participation	62,433					62,433		62,433
Business Expense	2,000					2,000		2,000
Miscellaneous Expense	156,800			7,200	-	164,000		164,000
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	156,683			12,000		168,683		168,683
Computers and Equipment	43,000			-		43,000		43,000
Telecommunications Expense	46,438			10,000		56,438		56,438
Temporary Help Expense	5,000					5,000		5,000
Training Expense	36,000			8,200		44,200		44,200
Tuition Reimbursement	5,000					5,000		5,000
Travel & Accommodations - Staff	102,200			4,500		106,700		106,700
Travel & Accommodations - Directors	42,400					42,400		42,400
Depreciation Expense (annualized)	-				-	-		-
Overhead Reimbursement	-					-		-
MWDOC Building Expense	222,686					222,686		222,686
Capital Acquisition	25,892					25,892		25,892
All Other Expenses	1,486,948			54,300		1,543,248		1,543,248
Total Expenses	12,343,881	199,967,525	13,605,720	586,614	1,815	226,505,555	(293,307)	226,212,248
EFFECT ON RESERVES / FUND BALANCE	\$ (404,538)	\$ -	(2) \$ -	\$ -	\$ -	\$ (404,537)	\$ -	\$ (404,537)

1 Adjustment for MWDOC's contributions to other funds.
2 Net change to restricted reserves for interest revenue.



MWDOC FY 2024-25 BUDGET

2nd Draft Budget

MWDOC Administration & Finance Committee Meeting

Municipal Water District of Orange County

03.13.2024



Budget Presentation Agenda

- Budget Schedule
- Items Incorporated in 2nd Draft
- MWDOC 2nd Draft Budget Overview
- Questions and Answers
- Metropolitan Rates Update
- Discussion & Direction for Final Draft



MWDOC FY 2024-25 Budget - Schedule

January 2024

- Year-End Projections & Conceptual Budget Review @ A&F Committee (1-10)
- Member Agency preliminary participation in Choice

February 2024

- First Draft Budget @ A&F Committee (2-14)
- Member Agency Managers Meeting (2-16)
- Initial Member Agency Choice Participation Confirmation (2-20)

March 2024

- Second Draft Budget @ A&F Committee (3-13)
- CHOICE Program Discussions (staff-level)
- Member Agency Managers Meeting (3-21)
- Member Agencies invited to submit formal Comments on Budget (3-29)

April 2024

- Elected Officials Meeting (4-10)
- Final Draft Budget & Member Agency comments presented @ A&F Committee Meeting (4-10)
- Board Approval of Final Budget & Rates (4-17)

June 2024

- Member Agencies Confirm Final Choice participation (6-14)

August 2024

- Reconciliation of FY 2023-24 WUE & Choice Programs

September 2024

- Revised Final Choice Budget @ A&F Committee (9-11)
- Board Approval of Revised Final FY 2024-25 Choice Budget (9-28)

Direction Received for 2nd Draft Budget

Feb 14 A&F Committee and Board Direction

- Items incorporated in 2nd Draft
 - Pilot MWDOC “Ambassador Program”
 - CA Water for All
 - CA Data Collaborative
 - Environmentally Friendly Diversion Pilot
 - Additional Part-Time Employee for Finance Department
 - New WUE Shared Service

Budget Refinements

- Metropolitan proposed rates and charges for CY 2025
- Choice program refinements



Items Incorporated in 2nd Draft

Pilot MWDOC “Ambassador Program” (\$40,000)

- As prescribed by the Board Strategic Priorities, the creation of an MWDOC Water Ambassador Program will aim to empower key stakeholders with knowledge and tools to become champions of water stewardship and sustainability in their communities.

CA Water for All (\$20,000)

- Contribution of funds for a second year to the “CA Water for All” legislative and advocacy campaign (stemming from the Solve the Water Crisis coalition).

CA Data Collaborative (\$16,500)

- Participation in the CA Data Collaborative, a non-profit organization which focuses on using technology and data analytics tools to enhance a water saving effort, help meet upcoming state conservation regulations, and improve reliability planning.



Items Incorporated in 2nd Draft (cont.)

Environmentally Friendly Diversion Pilot (\$20,000)

- Participation in the pilot project to adapt subsurface diversion technology to water diversions in the Delta without harming the Delta ecosystem nor endangered fish. This is contingent upon other partners’ participation.

Additional Resources (Choice-Funded)

- Addition of one part-time employee to the Finance Department to assist with accounting WUE Choice programs. Due to the increase needs of financial management and assistance related to the Choice program, this employee will be funded through the Choice Program.

New WUE Shared Services (Choice-Funded; pending final numbers)

- Advanced Metering Infrastructure (AMI) One-on-one Technical Assistance and Grant Funding Assistance for installation
- CII Best Management Plan (BMP) Implementation Plans and Customer Classification



MWDOC FY 2024-25 Budget Overview

RATES

- Fixed Meter Charge @ \$14.75 – YTY Increase of 3.5% or \$0.50
- OCWD Contribution @ \$405,463 – YTY Increase of 5.67% or \$21,766

REVENUES

- Core Revenues @ \$10,808,241 – YTY Increase of 9.0% or \$895,879
(Interest Revenue \$738,960 – YTY Increase of \$419,550)

OPERATING EXPENSES

- Core Expenses @ \$10,921,013 – YTY Increase of 5.9% or \$604,114

CHANGE IN STAFF LEVELS (MWDOC + WEROC)

- Total Staffing level YTY decrease (-0.12 FTE)
- Full-time Staffing level YTY decrease (-0.57 FTE)

MWDOC FY 2024-25 Budget Overview (cont.)

EXPENSE CATEGORY Y-T-Y CHANGE HIGHLIGHTS

- Staff Salaries & Benefits (+) \$327,435 (4.93%)
- Director Salaries & Benefits (+) \$84,401 (17.0%)
- Software Support (-) \$68,295 (-44.2%)
- Maintenance Expense (+) \$166,820 (91.7%)
- Contribution to Election Reserve (+) \$162,622 (28.9%)

TOTAL OUTSIDE WUE FUNDING

@ 10,872,042 (-) \$2,733,678 (-20.1%)

INITIAL CHOICE Y-T-Y EXPENSES

@ 1,964,480 (-) \$62,501 (-3.1%)

Questions & Answers

5 Year Total Full-Time Equivalent

	(FTE)
FY20/21	39.74
FY21/22	38.32
FY22/23	39.63
FY23/24	41.88
FY23/25	41.76



Questions & Answers

Water Energy Education Alliance (In-Kind Staff Time)



- WEEA is administered by MWDOC and supported through in-kind staff time.
- It is a collection of over 175 professional organizations that include water and energy agencies, departments of education, school districts, colleges, and technical trade schools working together to build and bolster career pathways to water and energy jobs for all California students.

2023/24 WEEA Sponsors (\$25,000)



California Environmental Education Foundation | California Community Colleges

Questions & Answers

Municipal Water District of Orange County Consolidated Summary of Cash and Investment December 31, 2023

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

Fund	Book Value	% of Portfolio
Restricted Reserves		
WEROC Operating Fund	\$525,930	3.14%
Pension 115 Trust	1,327,664	7.94%
Total Restricted Reserves	1,853,594	11.08%
Designated Reserves		
Operating Reserves	3,819,350	22.83%
Election Reserve	1,146,947	6.86%
OPEB Reserve	297,147	1.78%
Total Designated Reserves	5,263,444	31.47%
General Operations Fund	11,071,835	66.19%
Water Purchase Payments Fund	165,016	0.98%
Conservation Fund	(1,644,973)	(9.83%)
Trustee Activities - AMP	18,809	0.11%
Total Other Funds	9,610,687	57.45%
Total	\$16,727,725	100.00%

General Fund Cash breakdown

General Operations Fund	\$ 11,071,835
Conservation Fund	(1,644,973)
Remaining Budget FY 2023-24	(6,601,257)
★ Pension Contribution (Jan 2024)	(1,000,000)
★ WEROC Mobile EOC	(500,000)
★ Programs/Projects from Reserve Policy	(500,000)
Project Carryover from prior FY	(976,149)
Prepays/Deposits	(314,827)
Projected Draw on Reserves	\$ (465,371)

★ Created as part of Reserve Policy 2023 distribution of funds.

Proposed MET Key Budget Assumptions

NOTE: These are MET Proposed (Feb 2024) Rates and subject to change.

Fiscal Year	2024-25	2025-26
Overall increase January	13.0%	8.0%
Total Water Transactions*	1.44 MAF	1.44 MAF
State Water Project Allocation	51% / 49%	49% / 48%
Colorado River Aqueduct Diversions	830 TAF	845 TAF
Capital Investment Plan (CIP)	\$312 M	\$324 M
PAYGO (% of CIP)	40%	54%

* Includes water sales, exchanges, and wheeling



Proposed MET Rates & Charges (subject to change)

Rates & Charges Effective Jan. 1	2024 (Approved)	2025 (Proposed)	2026 (Proposed)
Supply Rate (\$/AF)	\$332	\$353	\$375
Tier 2 Supply Rate (\$/AF)	\$531	--	--
System Access Rate (\$/AF)	\$389	\$463 (19%)	\$491
System Power Rate (\$/AF)	\$182	\$190	\$203
Full Service Untreated Volumetric Costs (\$/AF)			
Tier 1	\$903	\$1,006	\$1,069
Tier 2	\$1,102	--	--
Treatment Surcharge (\$/AF)	\$353	\$459	\$518
Full Service Treated Volumetric Costs (\$/AF)			
Tier 1	\$1,256	\$1,465 (17%)	\$1,587
Tier 2	\$1,455	--	--
Readiness-to-Serve Charge (\$M)	\$167	\$167	\$185
Capacity Charge (\$/cfs)	\$11,200	\$10,800	\$12,800
Overall Rate Increase	5%	13%	8%

NOTE: On Nov. 14, 2023, the MET Staff proposes to not renew the 2014 Purchase Order, which will end on December 31, 2024. As a result, the Tier 2 rate is not included in the proposed rates and charges. Metropolitan can revisit Purchase Order commitments and structure as needed during the business model review through the CAMP4W process.



Discussion & Direction for Final Draft

March 13 A&F Committee and Board Direction

- Committee Feedback
- Modifications to Items Incorporated in 2nd Draft
 - Pilot MWDOC "Ambassador Program"
 - CA Water for All
 - CA Data Collaborative
 - Environmentally Friendly Diversion Pilot
 - Additional Part-Time Employee for Finance Department
 - New WUE Shared Service

Budget Refinements

- Choice program refinements

