



# Mojave Water Agency

**Fiscal Year Budget 2016/2017**

**Adopted April 28, 2016**

*As California's water world continues to evolve, MWA ensures water sustainability by building on a platform of science data, strategic investment, and collaboration. The 2016/2017 Fiscal Year Budget reflects plans, programs, and investment that optimize the region's valuable resources.*



**Together, we're securing water for today and tomorrow...**



# ***BUDGET***

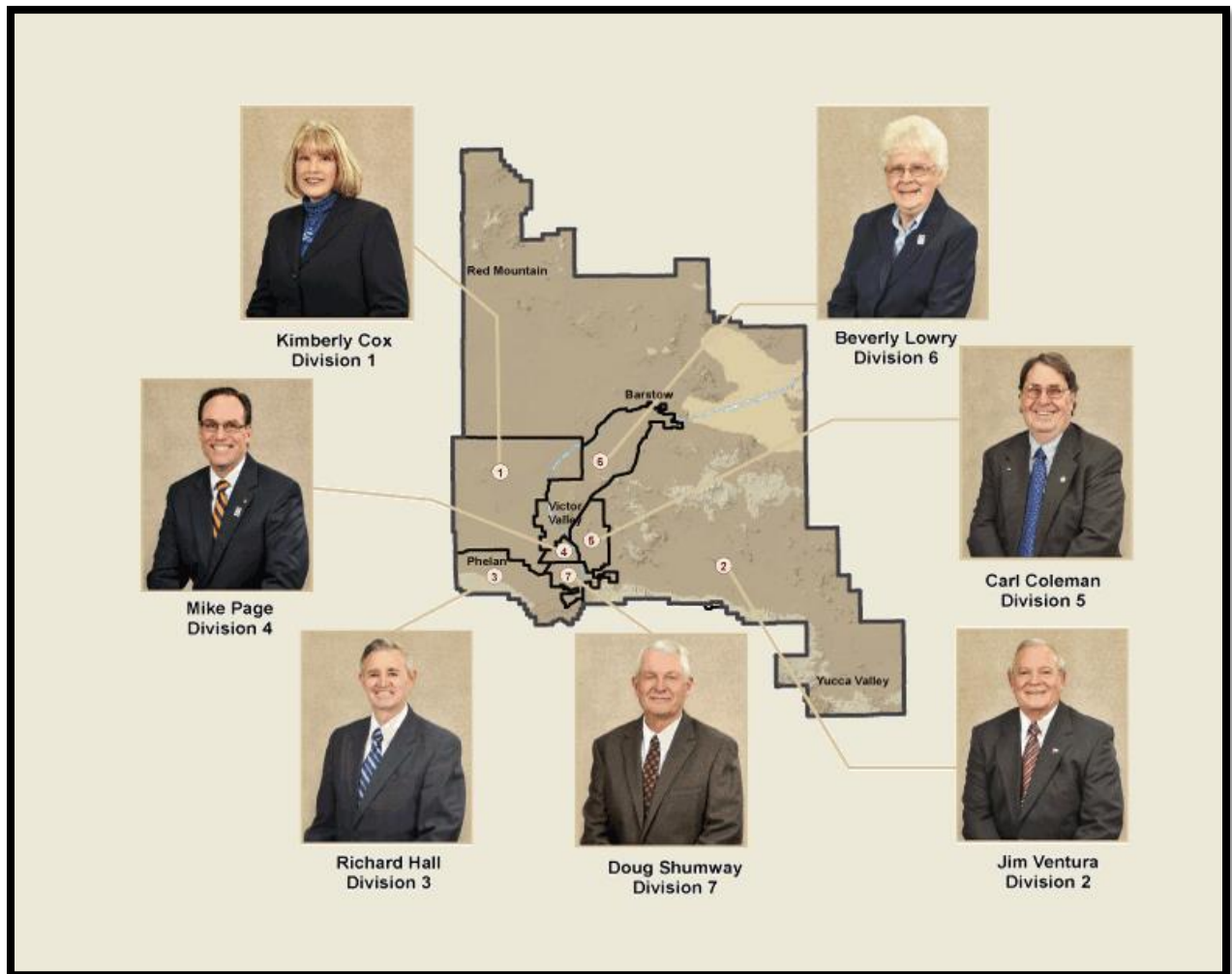
## **Fiscal Year**

**2016/2017**

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# Mojave Water Agency Fiscal Year 2016-2017 Budget

## Board of Directors







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## LETTER OF INTRODUCTION

Members of the Board of Directors:

The hope of an epic El Niño in 2016 has brought little relief to California's ongoing 5-year drought, reminding everyone from state water policymakers to ordinary citizens that ensuring a safe and long-term stable water supply is a collaborative effort paramount to California's future. A changing water world continues to be molded by a variety of competing global and regional issues such as population growth, climate change, environmental law, regional and global economic conditions, all of which are creating unprecedented demand on an aging water supply system in desperate need of an update, as well as increased costs to DWR in response to biological opinions issued in the mid to late 2000's.. Furthermore, increased groundwater regulation, a greater emphasis on water quality and water conservation, and the potential costs of the California WaterFix add to the concern over rising water costs. Collaboration from many stakeholders must take place to effectively counter these challenges in an effort to manage water resources long-term for the common benefit of California and the local region.

The Agency continues to diligently assess a multitude of important issues and opportunities in order to optimize its long-term strategic position in the face of these evolving challenges. Concerning projections of substantial DWR cost increases in upcoming years require careful analysis, including weighing potential mitigation measures and options available to the Agency that will be required to cover these additional costs. Furthermore, limited capital project investment must be prioritized, and strategic feasibility studies initiated to avoid lost opportunities for the Agency, all while actively pursuing and securing any future available funding.

Fortunately, over the years the Agency has implemented sound financial policies, effective cost control measures, and the development and refinement of a robust strategic financial modeling tool that will assist staff in proactively identifying viable solutions utilizing a science-based decision platform. Additionally, the Board's adoption several years ago of a financially sound reserve policy coupled with prudent financial decisions that have contributed to the accumulation of a healthy reserve balance, thus allowing the Agency ample time to thoroughly investigate and implement an optimal course of action to counter many of these obstacles. Moreover, the Agency continues to actively investigate potential opportunities to leverage SWP assets for future benefit to the residents of the Mojave basin.

Last year, the Agency's 2015-2016 budget totaled \$47.3 million with a projected reserve balance of \$48.6 million that included programs and initiatives outlined in the Mojave Integrated Regional Water Management Plan adopted in 2014. The IRWMP directives included capital projects, planning efforts, feasibility studies, and enhanced community partnerships aimed at identifying, evaluating and prioritizing resources to best meet the challenges facing the Agency and its stakeholders in the coming years. Activities and projects funded last year included the 2015 Urban Water Management Plan that is nearing completion, a feasibility study for the Deep Creek Hydroelectric Turbine, further research into the feasibility for the Reoperation of the Forks Dam/Groundwater Recharge Supply, and continued efforts with the Small Water System / Disadvantaged Communities (SWS/DAC) assistance program that utilizes grant funding from the state.

The region's economic climate continues to improve providing necessary funding for the initiatives outlined in this year's budget. Property tax remains the Agency's primary source of income, and assessed value growth continues to steadily rebound from the 2007-2008 Great Recession and financial crisis lows. Beacon Economics forecasts strong growth for the next two years as predicted in their 8.3% growth rate for 2016-17, and slowly tapering back to an average range of 4-5% throughout the remainder of their 2024-2025 forecast. Economic indicators supporting this outlook include continued growth in the labor market and employment growth, increased consumer spending, and new commercial construction activity. HdL Coren & Cone also anticipates improved growth in the local real estate economy for the coming year, including a full restoration of most assessed values by 2019 that are currently subject to the Prop. 8 temporary decline-in-market valuation process brought on by the financial crisis.

The \$49.5 million budget for the 2016-2017 fiscal year includes funds for the continuation of existing programs and initiatives, as well as the initiation of new objectives that will position the Agency for the future. Activities and projects include completion of the 2015 Urban Water Management Plan, further development and refinement of the financial model to assess various scenarios and associated risk, increased investment in the Agency's science data platform including construction of scientifically advanced monitoring wells in Oeste and Alto subareas, interconnection study to complete the feasibility analysis for the Deep Creek Hydroelectric Turbine, feasibility study for the Reoperation of the Forks Dam/Groundwater Recharge Supply, continued efforts with the Small Water Systems/Disadvantaged Communities Program, as well as the Large Scale Cash for Grass program, and expansion of the Agency's Strategic Partners Program.

The Agency continues to strengthen its knowledge base by focusing on refining its strategic planning practices to meet future challenges, including increased investment in the Agency's science data platform, investment in technology, and increased collaboration with local and county agencies to address the new groundwater mandates, water quality regulations, and mandatory drought regulations, the uncertainty of the California WaterFix, and continued negotiations with the Department of Water Resources related to the State Water Project. Furthermore, the budget initiates the onset of employee retention, recruitment and growth efforts to maintain the Agency's knowledge and skill base to strategically place MWA in a more competitive position to fill upcoming vacancies while maintaining salary and benefit costs commensurate with industry.

We wish to express our appreciation to all staff members who contributed to the preparation of the 2016/2017 Fiscal Year Budget, and to the entire staff that tirelessly represent the Agency's vision in their work each day. Finally, we would like to acknowledge the Board of Directors for their foresight that has strategically positioned the Agency to meet the challenges in our ever-changing water world.

Sincerely,



Kirby Brill  
General Manager



Kathy Cortner  
Chief Financial Officer

## PROPOSED FISCAL YEAR 2016/2017 BUDGET

	FY 2015/2016 Budget	FY 2015/2016 Projected	Variance Fav (Unfav)	FY 2016/2017 Budget	Budget vs. Budget Variance	FY 2017/2018 Budget
<b>Beginning Cash Reserves</b>	<b>\$ 55,662,596</b>	<b>\$ 60,883,304</b>	<b>\$ 5,220,708</b>	<b>\$ 58,192,391</b>	<b>\$ 2,529,795</b>	<b>\$ 51,936,849</b>
<u>Revenues</u>						
Water Sales (net of Reliability Assessment)	4,080,861	3,012,395	(1,068,466)	2,698,421	(1,382,440)	2,966,102
Reliability Assessment	2,390,776	1,354,792	(1,035,984)	1,583,045	(807,731)	1,808,490
SWP Water Pool Sales	-	-	-	690,000	690,000	-
Pre-Purchase Program In/(Out) *	(190,000)	(270,200)	(80,200)	-	190,000	-
MWA 1 - 11.5¢	10,284,372	10,038,865	(245,507)	10,591,002	306,630	11,344,023
MWA 2 (a) 3¢	9,190,417	9,269,566	79,149	10,105,132	914,715	10,823,835
MWA 2 (b) 2.5¢	7,658,681	7,724,638	65,957	8,420,943	762,262	9,019,862
General Property Tax	2,916,386	3,693,246	776,860	3,796,300	879,914	3,884,940
ID M Property Tax Assessment	2,701,657	2,712,534	10,877	2,861,724	160,067	3,065,192
ID M Debt Service Support	813,250	813,250	-	812,688	(562)	814,438
Interest	198,210	342,748	144,538	313,341	115,131	247,705
Grants	460,000	732,806	272,806	2,876,444	2,416,444	240,047
Miscellaneous	22,000	39,000	17,000	22,000	-	22,000
<b>Total Revenues</b>	<b>\$ 40,526,610</b>	<b>\$ 39,463,640</b>	<b>\$ (1,062,970)</b>	<b>\$ 44,771,040</b>	<b>\$ 4,244,430</b>	<b>\$ 44,236,634</b>
<u>Expenditures</u>						
DWR Min OMP&R	9,098,838	10,370,962	(1,272,124)	11,148,784	(2,049,946)	11,984,943
DWR Bond and Capital	7,872,540	7,881,335	(8,795)	8,472,435	(599,895)	9,107,868
SWC Member Allocation	216,000	200,000	16,000	216,000	-	216,000
SWP Contractors Authority	56,000	56,000	-	71,402	(15,402)	56,000
Tax Collection Exp	123,000	91,500	31,500	93,000	30,000	93,000
Water Purchases	3,033,180	3,033,180	-	2,868,243	164,937	3,043,188
Departmental Expenses	12,294,912	11,533,600	761,312	13,112,960	(818,048)	11,948,555
DWR Loans	-	-	-	-	-	-
ID M	3,161,625	3,161,625	-	3,155,291	6,334	3,148,250
Dudley Ridge	2,594,533	2,594,533	-	2,596,817	(2,284)	2,592,350
Berrenda Mesa	1,919,267	1,919,267	-	1,737,650	181,617	1,730,550
Capital	6,921,500	1,312,551	5,608,949	7,554,000	(632,500)	2,420,000
<b>Total Expenditures</b>	<b>\$ 47,291,395</b>	<b>\$ 42,154,553</b>	<b>\$ 5,136,842</b>	<b>\$ 51,026,582</b>	<b>\$ (3,735,187)</b>	<b>\$ 46,340,704</b>
A/R & A/P Adj.		\$ -				
<b>Ending Cash Reserves</b>	<b>\$ 48,897,811</b>	<b>\$ 58,192,391</b>	<b>\$ 9,294,580</b>	<b>\$ 51,936,849</b>	<b>\$ 3,039,038</b>	<b>\$ 49,832,779</b>

## **Background**

Mojave Water Agency was formed by popular vote in 1960, when residents, concerned about the overdraft of the region's aquifers, agreed to become part of the State Water Project (SWP) and secure a source of supplemental water for the region. Section 1.5 of the Mojave Water Agency Law states that:

*"...the purpose of the agency shall be to do any and every act necessary to be done so that sufficient water may be available for any present or future beneficial use of the land and inhabitants of the agency..."*

The Agency's adopted mission, which is very similar, reads: *"to manage the region's water resources for the common benefit to assure stability in the sustained use by the citizens we serve."*

California's economy is slowly recovering from the devastating effects of the Great Recession and financial crisis of 2007-08. The housing market is experiencing a gradual rebound in sales of new and existing homes, including many of the homes that had fallen into foreclosure due to sub-prime lending practices. Overall, properties are experiencing an appreciation in value and are forecasted to recover to post-recession valuations in the next few years. This is having a positive effect on the Agency's major source of revenue, property taxes, used to pay for the costs of the State Water Project system as well as overall administration of the Agency. Fortunately, because of past fiscal conservatism, the Agency was able to weather through the past economic downturn. Recent economic indicators are predicting that the Agency will continue to see a steady recovery in its property tax revenue base for the foreseeable future. As we look forward, assessed values are forecasted to slowly continue to increase with no indications of another housing bubble on the horizon. These projections are provided by Beacon Economics, which the Agency has contracted with to provide long-term valuation forecasts, as well as HdL Coren & Cone who provide a short-term outlook more specific to the Agency's service area.

## **Budget Preparation**

In order to better prepare for meeting present and future water demands, Mojave Water Agency adopted its Strategic Plan in 2006 and the Integrated Water Resources Plan in 2006, which the Agency revisits each year and updates as part of the budget preparation. Over the past several years, the Agency carried out the projects identified in the 2006 Water Management Plan. The Agency is coming out of a capital intensive period and is now planning projects identified in the recent 2014 Integrated Regional Water Management Plan.

The Strategic Plan contains the Agency's Vision and Mission Statements, defines our goals as a public agency, and establishes our culture as an organization of individuals. The primary purpose of the Strategic Plan is to provide the framework and focus for the Agency that will facilitate the organization fulfilling its legislative mandate – *"...to do any and every act necessary to be done so that sufficient water may be available for any present or future beneficial use of the land and inhabitants of the agency..."* The Strategic Plan forms our response to the challenges that we must address in managing this vital resource by providing a venue to develop specific goals and objectives for the organization, including "Key Elements" or concepts, management plans, and programs that require action by the Agency. The Integrated Water Resources Plan sets out the major initiatives necessary to assure stability in the sustained water use by the citizens we serve. The plans and major initiatives that are necessary to carry out this goal are the foundation for the capital projects included in the budget now and into the next five year's planning efforts.



Linking important objectives with necessary resources requires a process that identifies Goals and Key Elements of those goals at the very beginning of the budget process. For this reason, each year the budget process begins with re-assessing the Key Elements and confirming that all the projects in progress and planned truly reflect the goals of the Agency and the Board of Directors, which reflect the needs of the Stakeholders and Community, and reflect any fiscal constraints revealed through the budget process.

The goals identified in the Strategic Plan are:

- Goal 1: Develop sound fiscal and organizational policies that allow the Agency to be effective, innovative and responsive.
- Goal 2: Manage SWP entitlement to meet future demands while maintaining independence during periods of water shortages.
- Goal 3: Coordinate efforts to maintain adequate water quality so that groundwater is safe for drinking and other beneficial uses.
- Goal 4: Develop public awareness so that individuals and stakeholder organizations support our efforts and understand their role in contributing to the Agency's mission.
- Goal 5: Advance understanding of basin hydrogeology to support efficient management of water resources.
- Goal 6: Promote efficient use of the region's water resources through regional conservation programs.

Major Key Elements identified as necessary in achieving the goals above and included in this years' budget are listed in the sections titled "Capital Projects" and "Departmental Initiatives/Budgets".

### **Review & Control**

The budget is a management tool intended to aid in the planning efforts of the Agency and to serve as a control in expenditures to ensure the fiscal health and financial future of the Agency. When managed properly, public trust is developed and maintained. To aid in the management of the budget, certain "rules" or "controls" have been established that require appropriate levels of approval on the expenditure of Agency funds as well as reporting requirements of financial information to the Board and the public.

Once the budget is approved, financial statements are issued to report the results of operations which include the budget amounts to measure the performance, efficiency, and planning. This report is provided to both the Personnel, Finance & Security Committee of the Board on a monthly basis, as well as to the full Board on a quarterly basis and provides a check and balance of the expenditure of public funds.

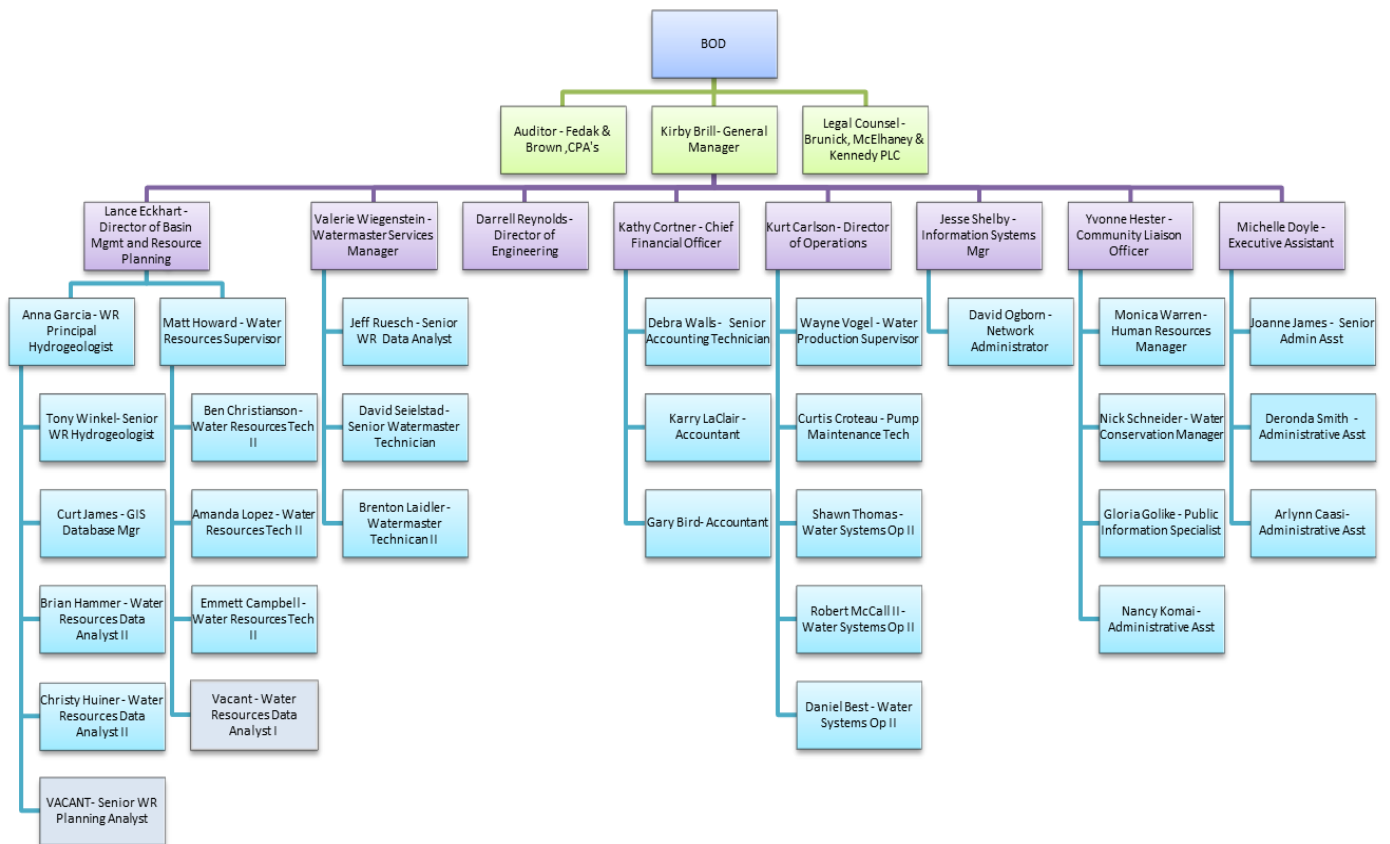
In addition to reporting the results of operations each month, spending limits have been established in the Agency Purchasing Policy as follows:

- ❖ Over \$25,000 Requires Board approval
- ❖ Over \$ 5,000 Requires General Manager approval
- ❖ Over \$ 2,000 Requires either Assistant General Manager or Chief Financial Officer approval
- ❖ Over \$ 1,000 Requires approval of Director of Engineering, Director of Operations, Information Systems Manager, Community Liaison Officer, Watermaster Services Manager, or the Executive Assistant to the General Manager
- ❖ Up to \$ 1,000 Requires approval of any exempt employee.

Once the budget is adopted, managers are expected to stay within the constraints of the departmental budgets they submitted. Line items in the department budget can be modified during the year; however the total departmental budget cannot be exceeded without the Chief Financial Officer and General Manager's approval.

In addition, the budget provides the annual authorization for employee pay. The Fiscal year 2016/2017 Budget includes a 3% adjustment in pay ranges (increasing potential future pay, not to be confused with actual pay raises), and a merit pool amount of 5% that will be allocated to employees based on performance. In addition, employees now contribute 100% of their share of retirement benefits. The following pages include the organization chart for the Fiscal Year 2016/2017 as well as a list of positions and salary ranges reflecting the adjustment in ranges.

## Organization Chart



## Salary Schedule

Effective: July 1, 2016 (Fiscal 2016/2017)														
Grade	Monthly Rate				Bottom to Mid	Bottom to Top	Bottom to Max	3.00%	Min % to Grade	Max % to Grade	Annual Rate			
	Compounding			Non-Comp* Max				Compounding			Non-Comp* Max			
	Bottom	Mid	Top					Bottom				Mid	Top	
Non-Exempt														
1	2,809	3,371	3,933	4,326	20%	40%	54%		n/a	n/a	33,708	40,452	47,196	51,912
2	3,101	3,721	4,342	4,776	20%	40%	54%		110.4%	110.4%	37,212	44,652	52,104	57,312
3	3,394	4,073	4,750	5,225	20%	40%	54%		109.4%	109.4%	40,728	48,876	57,000	62,700
4	3,746	4,494	5,244	5,768	20%	40%	54%		110.4%	110.4%	44,952	53,928	62,928	69,216
5	4,185	5,127	6,068	6,675	23%	45%	59%		111.7%	115.7%	50,220	61,524	72,816	80,100
6	4,872	5,969	7,066	7,773	23%	45%	60%		116.4%	116.4%	58,464	71,628	84,792	93,276
7	5,618	7,023	8,426	9,269	25%	50%	65%		115.3%	119.2%	67,416	84,276	101,112	111,228
Exempt														
10	4,832	6,040	7,247	7,972	25%	50%	65%		n/a	n/a	57,984	72,480	86,964	95,664
11	5,484	6,992	8,500	9,350	27%	55%	70%		113.5%	117.3%	65,808	83,904	102,000	112,200
12	6,265	7,990	9,713	10,684	28%	55%	71%		114.2%	114.3%	75,180	95,880	116,556	128,208
13	7,216	9,202	11,187	12,306	28%	55%	71%		115.2%	115.2%	86,592	110,424	134,244	147,672
14	8,157	10,603	13,050	14,355	30%	60%	76%		113.0%	116.7%	97,884	127,236	156,600	172,260
15	9,507	12,358	15,211	16,732	30%	60%	76%		116.6%	116.6%	114,084	148,296	182,532	200,784
Non-Exempt														
1	2,809	3,371	3,933	4,326							33,708	40,452	47,196	51,912
2	3,101	3,721	4,342	4,776							37,212	44,652	52,104	57,312
3	3,394	4,073	4,750	5,225							40,728	48,876	57,000	62,700
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* Non-Compounding compensation is earned each year. Following the annual performance evaluation, employees increase or decrease in pay will be determined based on the performance evaluation score percent multiplied by the Top of the range.														

\* Non-Compounding compensation is earned each year. Following the annual performance evaluation, employees increase or decrease in pay will be determined based on the performance evaluation score percent multiplied by the Top of the range.

## **ANALYSIS OF REVENUES AND EXPENDITURES**

### **Financial Direction**

The 2015 year marked the completion of those projects carried out in the 2006 Integrated Regional Water Management Plan. The financial direction of the agency has now shifted into a new phase of study, planning, and design. The Agency is now planning out its response to the 2014 Integrated Regional Water Management Plan priorities. In addition, a number of challenges are facing the Agency that will be part of the dialogue and priority setting over the next several years and actions are reflected in the FY 2016/2017 budget. Some of the challenges identified by management are the following:

- A Continued Statewide Drought
- Greater Pressures on MWA relating to Land Use
- Cost and timing of the Delta fix to MWA
- A greater emphasis on water quality
- Inevitability of rising water costs
- An increasingly competitive Grant Arena
- The 2014 Urban Water Management Plan
- Groundwater Regulation
- Groundwater Storage Policy
- Continued trend of greater water efficiencies and conservation efforts
- Greater Expectations out of MWA

In the midst of these challenges are opportunities that the Agency can use against these challenges. These opportunities are:

- Greater flexibility in the water market
- Continued focus on groundwater management
- Greater need to plan and share resources
- Increased regional collaboration
- Public policy urgency on water supply
- A recovering local economy
- Continued cultural shift to conservation

With all these challenges and opportunities in mind, the Agency determined that there is a need for a dynamic financial model to assist Management in planning for the Agency's future. During Fiscal Year 2014, the Agency contracted with Raftelis Financial Consultants to develop a dynamic financial model. The model has allowed Management to forecast and assess the risks associated with various financial and hydrological scenarios, including water markets (sales of annual State Water Project water to other State Water Project contractors), assessed value changes (utilizing Beacon Economics for long range forecasting), declining water demands, capital projects, water allocations, State Water Project (SWP) costs, and so on.



The Agency's investment in this dynamic financial model puts Management in the position of being able to plan now for the future risks the Agency will face. This model sheds some light on the various tools that the Agency can use when facing the challenges ahead.

In 2015, the Agency's costs for the SWP increased over 30%. This is the second such increase in the last five years. As a result of this latest increase, the Agency's tax rate normally used to cover such costs is just short of being able to do that. As a result, the Agency hired Raftelis Financial Consultants to aid in identifying varying alternative paths the Board can take to mitigate the shortfall. This dialogue is currently underway with the Board. Fortunately, the Agency's reserves are sufficient for several years as this conversation unfolds. Identifying risks early and allowing plenty of time to respond has been an overarching goal of the Board. As such, there are no immediate risks.

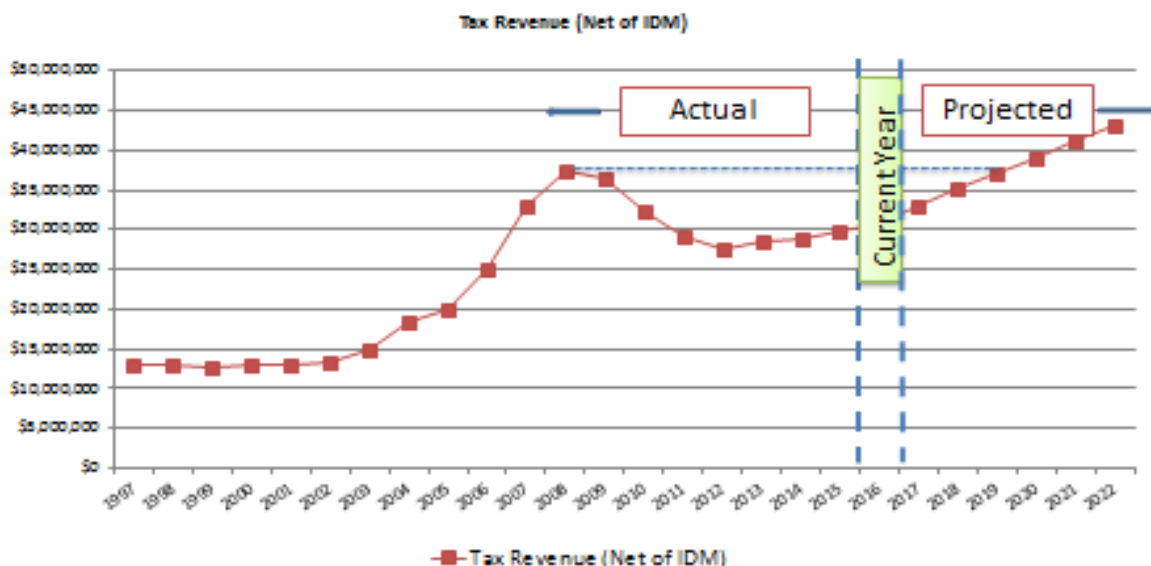
## Revenue Projections

### Tax Receipts

The MWA economic outlook is currently positive with indicators pointing towards slightly faster growth during the next two years before trending back to a historic average. The Agency estimates assessed values to increase by 5.2% for fiscal year 2016/2017. The Agency uses two firms to assist in the property tax projections. First, HdL Coren & Cone provides the short-term 1 year outlook based on actual valuation data prepared by the County Assessor along with current local economic data. Second, Beacon Economics provides a long-term forecast extending out to the 2024-2025 fiscal year using standard time-series econometric techniques based on historic correlations and forecasts of future economic trends.

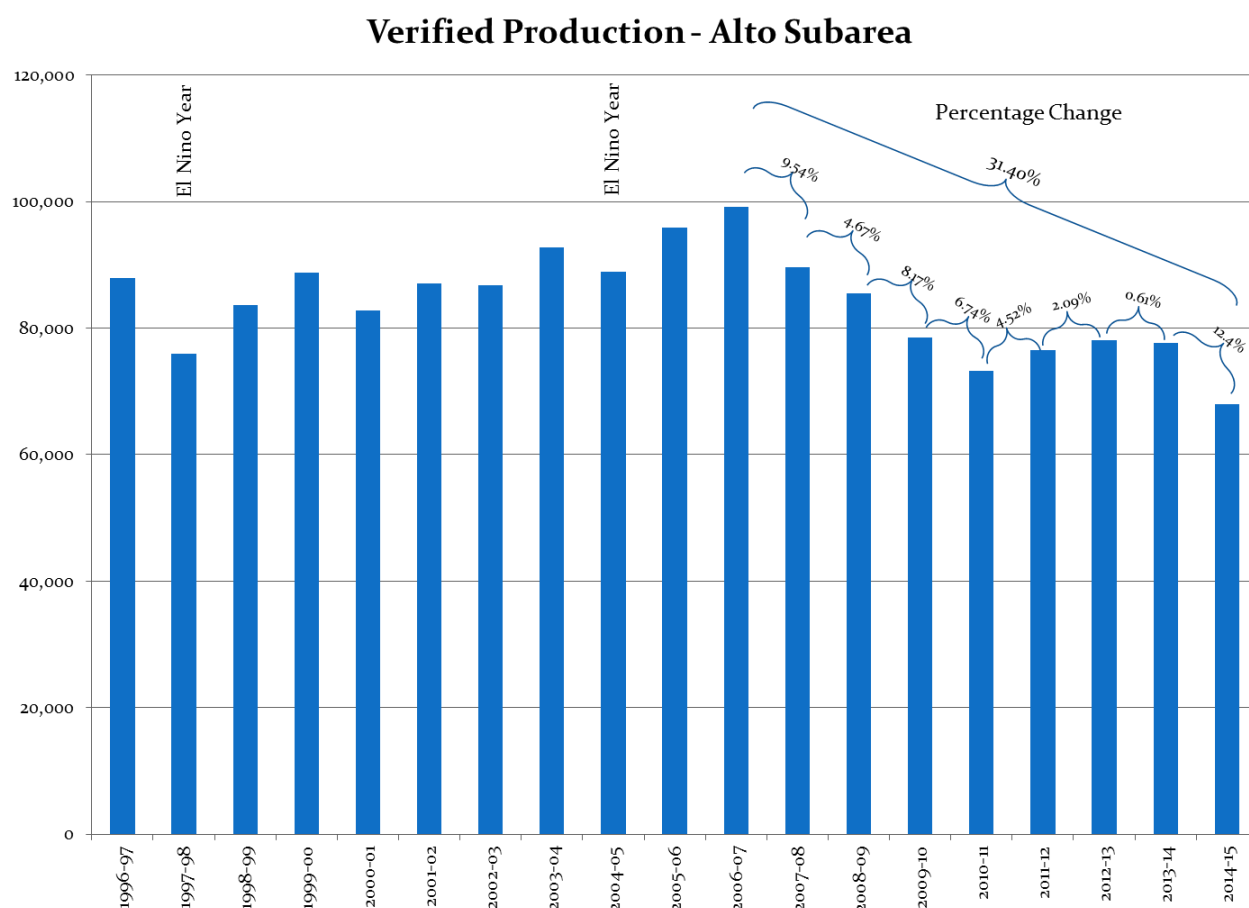
As stated in their recent report, "Beacon Economics' current outlook for the MWA regional economy and real estate market remains optimistic as all major indicators are trending favorably. Home prices should continue to appreciate above historical averages in the near term, and homes sales are projected to pick up in the coming years. Couple this growth with additions to existing real estate stock from increased construction, the MWA region's AV base will continue to grow over the life of the forecast." Below is a graphical representation of Beacon's forecast of future assessed values.

**The future shows the Agency hitting pre-recession levels in 2019**



## Water Sales

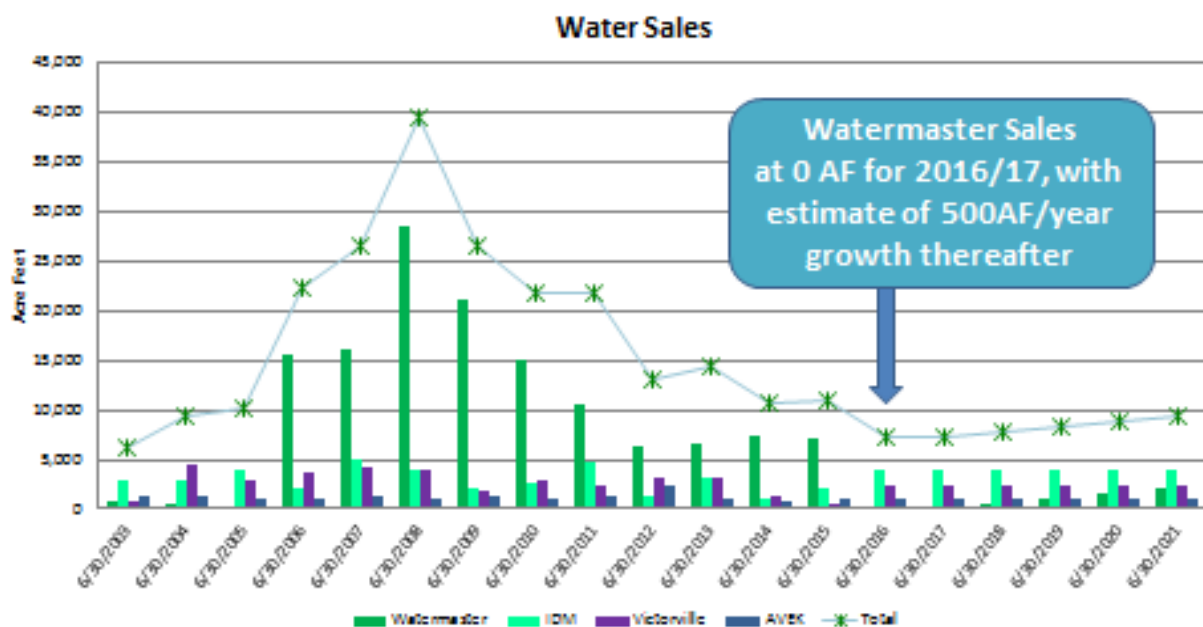
Over the past several years, Replacement Water Obligations to the Watermaster have been in decline since the height in 2007/2008. The Agency's successful Water Conservation Incentive Program is one factor attributable to this decline, most notably its "Cash-for-Grass" program where over 9.1 million square feet of turf have been removed. Below is the trend in total pumping in the Alto Subarea, where the majority of the Replacement Obligations occur. Verified production has seen slight increases over the last couple of years but new mandatory water conservation is likely the cause for the most recent decline. As a result of this decline, and the local ability to market individual "Free Production Allowances" pursuant to the Mojave Basin Judgment, water sales to the Watermaster are anticipated to be zero in 2016 and 2017 before gradually increasing again over the next several years.



On April 21, 2016, the DWR increased the State Water Project allocation for the 2016 calendar year for most recipients to 60% due to improving reservoir levels in Northern California. Allocations from the State Water Project System for 2017 and beyond are unknown. The budget assumes that future allocations plus carryover water will be sufficient to support water sales demand for all other customers. However, because of the total drop in water sales as a result of the drop in sales to Watermaster, MWA will be evaluating alternative sources of revenue to cover

the debt service for the Dudley Ridge Table A water purchase from 2009. This debt has historically been paid by the Reliability Assessment portion of the water rate charged to customers (see section below on Variable Rate/Water Purchases). The work being performed by Raftelis in connection with increasing DWR costs will also include an analysis of this debt service and alternative paths the Board may choose.

## Water Sales Declining as a Result of New Conservation Goals



### Multi Year Water Pool Sales

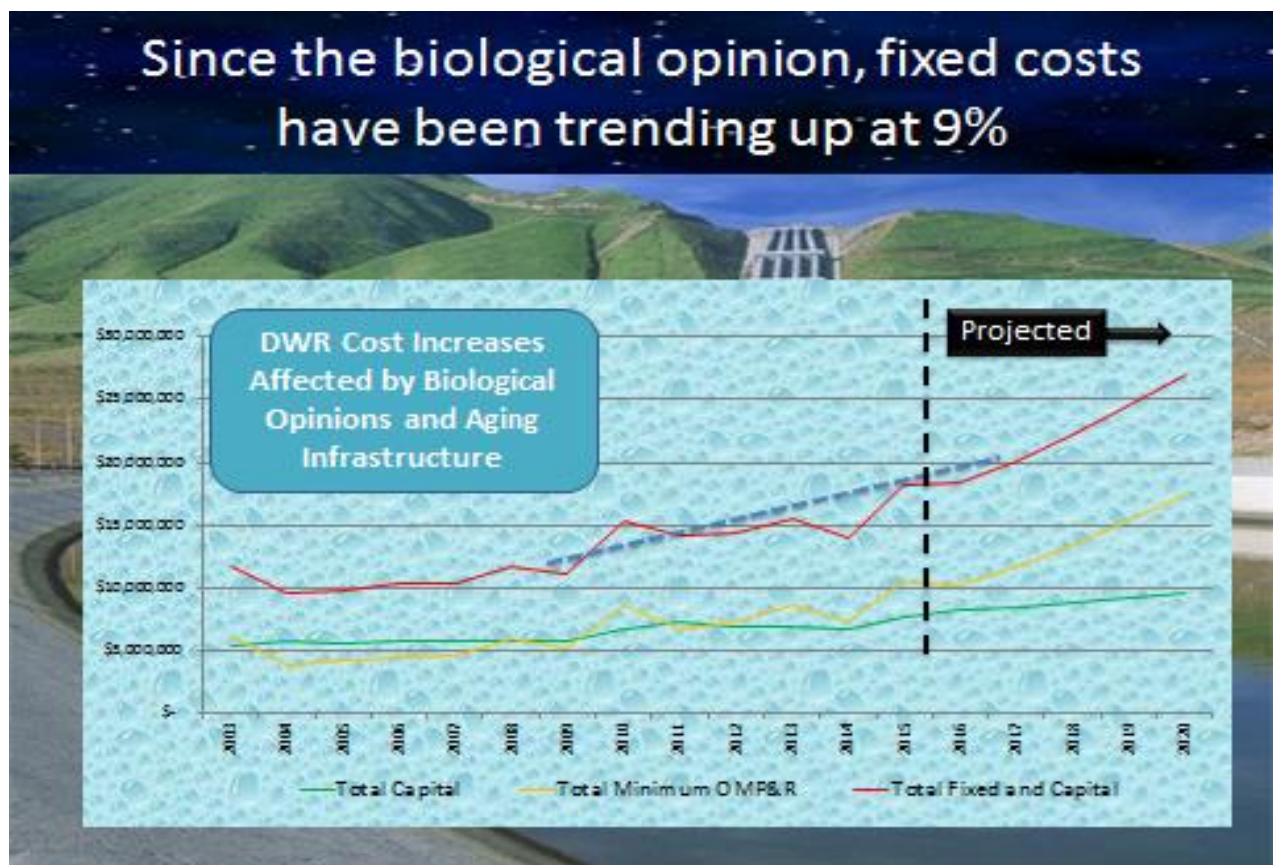
In addition to water sales internally, the Agency has been participating in a Multi-Year Water Pool program with DWR to sell water above what is needed locally to other State Water Contractors. The first agreement to sell covered 2013 and 2014. In 2013, the Agency was able to sell water out of carry over that was available in San Luis Reservoir. This netted the Agency over \$16 million. In 2015, allocations were at just 20%, so the Agency chose not to sell water in that year. In 2016, allocations are at 60%. The Agency has committed to sell 6,000 acre feet into the pool at a rate of \$138/acre foot at 60% allocation and \$115/acre foot at 65% allocation. Because it is anticipated that allocations will increase by June 1<sup>st</sup>, the budget assumes a 65% allocation for additional revenue of \$690,000.

## Expenditure Projections

### State Water Project/Department of Water Resources Fixed Costs

The Department of Water Resources (DWR) Fixed Costs are difficult to anticipate, due largely to the unknowns on the State Water Project system as a result of recent court rulings on the Delta smelt and salmon, aging infrastructure plus potential additional environmental threats to the water supply. However, over the past few years the Agency has seen a steady increase in costs. One reason for a recent increase in the capital portion of the fixed cost is the shortening of the financing period for the replacement of aging infrastructure. The existing contracts State Water Project Contractors have with DWR are set to expire in 2035. While the environmental review of a contract extension is under way, DWR will not issue debt beyond the year 2035 until these contracts are finalized. This has resulted in the financing of major infrastructure for shorter and shorter periods, which is causing the increase in annual debt service payments.

In 2015, all State Water Contractors saw material increases in their projected 2015 Statement of Charges. It is expected that the State Water Contractors will continue to see increased costs for future years as the biological opinions from 2009 mandated actions come into play and deadlines for compliance are fast approaching. The most recent jump in 2015 has put pressure on the tax revenues normally used to pay these costs. The Board is currently evaluating options to deal with the large increase and anticipated future increases with the help of Raftelis and the financial model they developed. Current reserves are sufficient to cover any potential shortfall as this conversation continues into the next fiscal year.





### **DWR Variable Costs (water purchases)**

The variable portion of the rates represents the power costs for moving water throughout the State Water Project system. The two variable components of the Department of Water Resources (DWR) rates set each year are known as the Variable (Power) Rate and the Off-Aqueduct Power Charge for Water Delivery. This is combined with any additional pumping costs required to move water within the Agency's own system once it leaves the aqueduct. In addition, the Agency adds a Reliability Charge which is currently used to pay the debt service for additional Table A water the Agency purchased in 2009 from Dudley Ridge Water District.

Historically, DWR rates were fairly predictive and the Agency was able to rely on the DWR cost estimate provided each year in the annual Statement of Charges to set rates. However, with the advent of the Energy Crisis in 2000/2001, new volatility in the market created added volatility in the DWR power costs and the Agency was forced to include a 25% contingency to the estimated rate it sets for Watermaster. In the near future, some of the contracts and cheaper energy sources secured by the DWR are set to expire, being replaced with higher cost renewable power (AB 32), which adds to the volatility and uncertainty of future rates. As of this date, the alternative sources are not completely known, however presentations made at Committees with DWR indicate that the rates will continue to go up.

To help mitigate this volatility in the water rate, the Board utilizes the following guidelines in setting its rates:

1. Smooth future rates increases by DWR so that rate increases do not exceed 5% in any year, except due to extreme circumstances.
2. Ensure the Reliability Assessment at a minimum covers pledged debt service.

The budget projects that water purchases will be equal to water sales.

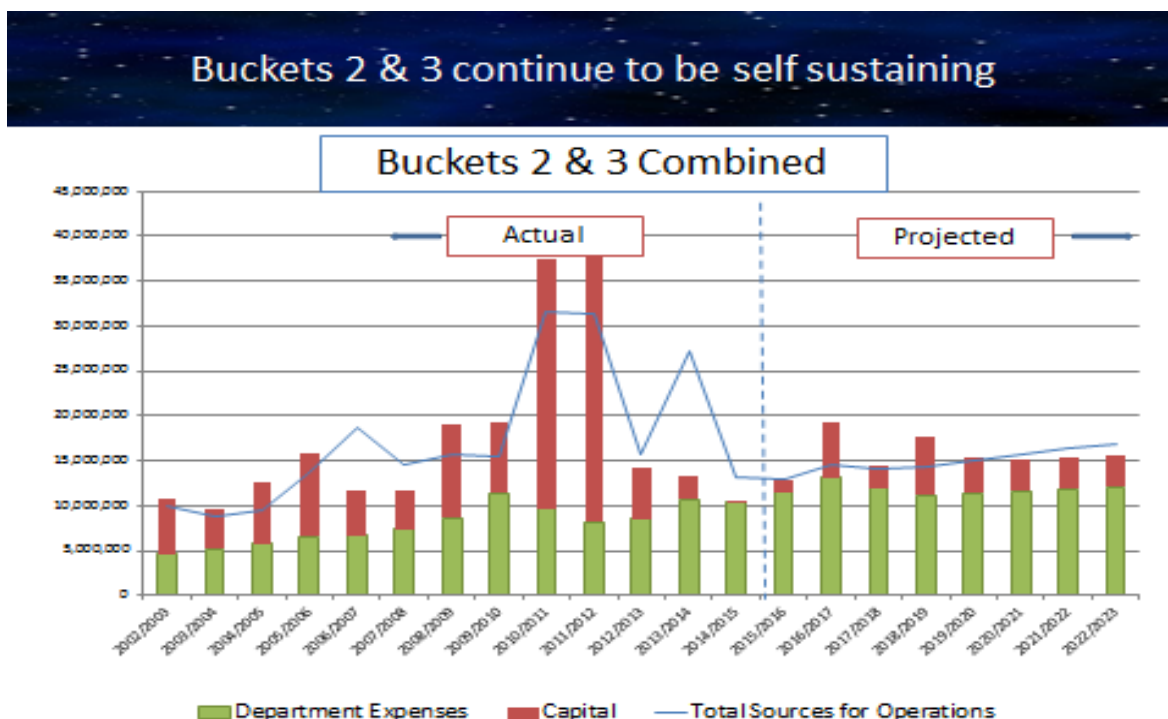
### **Departmental Expenditures**

Departmental expenditures are projected to remain relatively flat for the foreseeable future as the Agency continues to implement effective cost containment measures. The total departmental variance for this year's budget represents an increase \$818k, which is entirely offset with grant revenue of \$1.4 million awarded for the Large Scale Cash for Grass Program (\$1 million) and the small systems leak detection program (\$500k). Without these programs, overall ongoing departmental costs are down approximately \$582k.

Included in this budget is continued investment in the financial model with continued investment in the revenue forecast studies published by Beacon Economics and HdL Coren & Cone (\$32k) and analysis by Raftelis (\$100k) that will assist in long-term financial strategic planning efforts needed to address the DWR cost increases as well as falling water sales.

Continued collaboration and strategic partnership investment (\$375k) is a continuing theme in this budget as well as investment in science and data collections (\$1 million)

The following graph represents the Fiscal Year 2016/2017 Budget for Department Expenses and Capital Expenditures, as well as a line depicting Total Revenue Sources for Operations (General Fund-100, and Debt/Revenue Fund-300) illustrating that current projections for ongoing revenues and expenditures allow for a sustainable future.



The Agency has been successful in maintaining salary and benefit expenses at near 2010/2011 levels over the past several years and anticipates this trend to continue into the near future. This is achieved as the “changing of the guard” unfolds that provides opportunity for structural and/or workload changes as employees retire. In addition, Agency employees began contributions towards PERS retirement and now fund 100% of the employee cost share. All this is done while preserving the knowledge and skill base necessary to strategically place MWA in a more competitive position to fill upcoming vacancies while maintaining salary and benefit costs commensurate with the industry.

## Capital Expenditures

Several capital projects are now entering the planning and feasibility study stage as the Agency enters a new era of capital project investment. Capital project selection is a direct result of the of the recently adopted Integrated Regional Water Management Plan, as the Agency strategically positions itself to act on viable projects determined to be most beneficial to the MWA service area.

Continued investment in our basins includes funding and support for the Small Water Systems in the amount of \$700,000, of which \$500,000 of this total is earmarked for a Small Systems Leak Detection program funded entirely by a grant. Additional basin support projects include the Baja Sustainability program (\$110,000), the Basin Plan Study (\$150,000), and the USGS program (\$400,000).

The capital projects included in the fiscal year 2016/2017 budget are itemized in the section titled "Capital Projects".

### **Debt Service**

The Agency has three outstanding debt issuances. The outstanding debts are as follows:

1. ID M – In 1990, a portion of the Agency voted in favor of forming Improvement District "M" and to incur bonded indebtedness for the construction of the Morongo Basin pipeline extension to bring water from the California Aqueduct in Hesperia to Yucca Valley. In fiscal year 2016/2017, debt service will be \$3,155,291, with a portion of the debt collected on the tax roll from the property owners in that area and the balance collected from the project participants as follows:

a. Hi-Desert Water District	59%
b. Joshua Basin Water District	27%
c. Bighorn-Desert View Water Agency	9%
d. San Bernardino County No. 70	1%
e. Mojave Water Agency	4%
2. In 1997, the Agency issued debt for the purchase of 25,000 acre feet of Table A entitlement from the Berrenda Mesa Water District at a total cost of \$25 million, increasing the total Table A entitlement of the Agency to 75,800 acre feet. This debt is paid with MWA 1 and 2(a) property tax revenue as approved by the courts through a validation action. The 2004 COPs were refunded in 2014 to reduce the annual cost. The annual Debt Service for the 2014 COPs for Fiscal Year 2016/17 will be \$1,737,650.
3. In 2009, Agency issued COP's for additional 14,000 acre feet of Table A entitlement water from the Dudley Ridge Water District for a total cost of \$73.5 million, increasing the total Table A entitlement of the Agency to 89,800 (7,000 acre feet transfer in 2010, 3,000 in 2015 and the final 4,000 in 2020). The debt service for fiscal year 2016/2017 will be \$2,596,817.



## 5 YEAR CAPITAL PROJECT BUDGET

Project Number	Project Name	FY 2015/2016 Budget	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021	Thereafter	Total Project Cost	Future Grants	Net Project Cost
<b>R<sup>3</sup> PROJECTS:</b>											
511	Zone 1 Reservoir and Outlet Modifications	\$ 200,000	\$ 225,000	\$ 200,000	\$ 1,950,000	\$ 1,750,000	\$ 1,750,000	\$ -	\$ 5,875,000	-	\$ 5,875,000
516	Turnout #6 Booster Pump	205,000	-	-	-	-	-	41,500,000	41,700,000	20,750,000	20,950,000
513	R3 Phase II Improvement	-	200,000	-	-	-	-	-	-	-	-
<b>DEEP CREEK PIPELINE PROJECT:</b>											
517	Deep Creek Hydroelectric Project	450,000	3,800,000	-	-	-	-	-	4,028,621	1,500,000	2,528,621
<b>MORONGO BASIN PIPELINE PROJECTS:</b>											
318	Antelope Wash Recharge	450,000	60,000	600,000	1,700,000	1,700,000	-	-	4,130,380	1,700,000	2,430,380
518	River Land Acquisition	1,000,000	200,000	200,000	200,000	200,000	200,000	-	1,200,026	-	1,200,026
520	SCADA Upgrade - Morongo Basin Pipeline	200,000	250,000	-	-	-	-	-	250,000	-	250,000
<b>MOJAVE RIVER PIPELINE PROJECTS:</b>											
519	Helendale Outlet	110,000	110,000	45,000	305,000	275,000	-	-	755,000	-	755,000
521	Casia Cla Valve replacement	34,000	34,000	-	-	-	-	-	34,000	-	34,000
<b>ORO GRANDE WASH RECHARGE PIPELINE PROJECT:</b>											
525	Oro Grande Wash Recharge	32,500	65,000	65,000	-	-	-	-	130,000	-	130,000
<b>OTHER GROUNDWATER RECHARGE &amp; SUPPLY PROJECTS:</b>											
501	Reoperation of Forks Dam/Ground Water Recharge Supply	300,000	50,000	50,000	300,000	250,000	250,000	-	950,000	-	950,000
502	Alto Regional Aquifer Off River Recharge Basins	1,375,000	850,000	800,000	2,300,000	700,000	1,300,000	19,790,000	25,830,000	9,895,000	15,935,000
503	Bandicoot Basin Recharge Project	150,000	130,000	-	-	-	-	3,720,000	3,900,000	1,500,000	2,400,000
504	Oeste/L.A. County Underflow (Phelan CSD)	-	100,000	-	-	-	-	-	100,000	-	100,000
507	Oeste Recharge	900,000	1,000,000	-	-	-	-	-	1,010,000	-	1,010,000
522	Hwy 395 Turnout Recharge Pond	60,000	-	100,000	450,000	-	-	-	550,000	-	550,000
523	Regional Recharge Geotech	-	30,000	300,000	-	-	-	1,200,000	1,530,000	-	1,530,000
<b>FACILITY PROJECTS:</b>											
374	L-T Data Storage	125,000	-	60,000	-	-	-	-	352,660	-	352,660
377	Network Hardware Replacement	20,000	150,000	-	-	-	-	-	170,000	-	170,000
394	Operations Center	125,000	-	-	-	-	-	-	220,865	-	220,865
524	Security Cameras (IT)	-	150,000	-	-	-	-	-	150,000	-	150,000
<b>VEHICLE &amp; EQUIPMENT PURCHASES:</b>											
N/A	Vehicles & Equipment	60,000	150,000	-	-	-	-	-	210,000	-	210,000
<b>TOTAL CAPITAL PROJECT BUDGET</b>											
<b>PER FISCAL YEAR</b>		<b>\$ 5,796,500</b>	<b>\$ 7,554,000</b>	<b>\$ 2,420,000</b>	<b>\$ 7,205,000</b>	<b>\$ 4,875,000</b>	<b>\$ 3,500,000</b>	<b>\$ 66,210,000</b>	<b>\$ 93,076,551</b>	<b>\$ 35,345,000</b>	<b>\$ 57,731,551</b>
<b>FUTURE GRANT AMOUNT</b>											
<b>PER FISCAL YEAR</b>			<b>\$ 1,500,000</b>		<b>\$ 850,000</b>	<b>\$ 850,000</b>		<b>\$ 32,145,000</b>			
<b>NET CAPITAL PROJECT BUDGET</b>											
<b>PER FISCAL YEAR</b>		<b>\$ 5,796,500</b>	<b>\$ 6,054,000</b>	<b>\$ 2,420,000</b>	<b>\$ 6,355,000</b>	<b>\$ 4,025,000</b>	<b>\$ 3,500,000</b>	<b>\$ 34,065,000</b>	<b>\$ 93,076,551</b>	<b>\$ 35,345,000</b>	<b>\$ 57,731,551</b>



## **Fiscal Year 2016/2017 Project Descriptions**

Linking important objectives with necessary resources requires a process that identifies Goals and Key Elements of those goals at the very beginning of the budget process. For this reason, each year the budget process begins with re-assessing the Key Elements and confirming that all the projects in progress and planned truly reflect the goals of the Agency and the Board of Directors, the needs of the Stakeholders and Community, and any fiscal constraints revealed through the budget process.

The goals identified in the Strategic Plan are:

- Goal 1: Develop sound fiscal and organizational policies that allow the Agency to be effective, innovative and responsive.
- Goal 2: Manage SWP entitlement to meet future demands while maintaining independence during periods of water shortages.
- Goal 3: Coordinate efforts to maintain adequate water quality so that groundwater is safe for drinking and other beneficial uses.
- Goal 4: Develop public awareness so that individuals and stakeholder organizations support our efforts and understand their role in contributing to the Agency's mission.
- Goal 5: Advance understanding of basin hydrogeology to support efficient management of water resources.
- Goal 6: Promote efficient use of the region's water resources through regional conservation programs.

### **Regional Recharge & Recovery Project (Project 359):**

R<sup>3</sup> Phase 1 is in operation. Costs for this next fiscal year are related to long term operational issues.

#### **Zone 1 Reservoir and Pipeline Modifications (Project 511):** [Goal 2](#)

Add a second 2.65 MG reservoir south of the existing 2.65 MG reservoir. This additional storage capacity will add operational flexibility to allow continued maximization of well pumping during off peak power rates. Add site piping and tank outlets that will connect to the new reservoir as well as improve circulation and mixing of chlorinated water before being pumped into Zone 2 for delivery to turnouts.

#### **Turnout Enhancements (Project 513):** [Goal 2](#)

The R<sup>3</sup> water being delivered to Victorville from the Zone 2 reservoir through turnout #6 currently requires the City of Victorville to lower water levels in their existing reservoirs. MWA Operations are receiving alarms when the City reservoir levels are too high causing water to flow backwards through turnout #6 which means the valve to turnout #6 must be closed. Adding a booster pump at turnout #6 would allow the City to fully utilize the storage capacity of their reservoirs and result in fewer alarms and manual operation. An alternative to this is the design and construction of Turnout #5. This alternative is preferred by the City as it will allow the City to deliver R<sup>3</sup> water to the new pump station being

designed and constructed at the existing reservoir site near Amethyst and Sycamore. This pump station will allow better mixing of R<sup>3</sup> water with the well water and allow full usage of their reservoir storage.

**Deep Creek Hydroelectric Project (Project 517):** [Goal 2](#)

The Deep Creek Hydroelectric Project is located just south of the Central Operations Facility. An existing 48" pipeline outlets just south of the Deep Creek Central Operations Facility into the Mojave River. The Deep Creek pipeline, flow control valve vault, and graded dirt pad were designed and constructed to accommodate a hydroelectric turbine and building at this location. The proposed 0.8 MW (approximated) hydroelectric project is currently going through feasibility studies and completion of the required interconnection applications with SCE. Once SCE interconnection requirements and costs are determined, the Board will decide whether to proceed with the final design and construction.

**Antelope Wash Recharge (Project 318):** [Goal 2](#)

Feasibility study and preliminary designs of a groundwater recharge basin located in the Antelope Wash in southern Hesperia. The Hesperia Master Plan of Drainage identifies a storm water detention basin in the Antelope Valley Wash south of Ranchero Road. The detention basin site will be able to accommodate groundwater recharge making this a "dual use" facility (storm flow and recharge). The Morongo Basin Pipeline passes through this area and would be the source of recharge water.

**River Land Acquisition (Project 518):** [Goal 1](#)

Professional services and costs associated with obtaining easements and land purchases for future recharge efforts in and along the Mojave River aquifer.

**SCADA Upgrade – Morongo Basin Pipeline & Mojave River Pipeline (Project 520):** [Goal 2](#)

The existing SCADA system is older and needs upgrading. With the construction of R3 and Oro Grande Wash Projects, a new SCADA system has been installed which can be expanded to incorporate the Morongo Basin and Mojave River Pipelines. The SCADA system on the Morongo Pipeline was installed in 2000 and the Mojave River Pipeline's initial installation began in 1997. Both SCADA systems have equipment that is no longer supported by the manufacturer. The item also includes money to move the SCADA systems from the current Rock Springs warehouse to the Operations Facility at Deep Creek.

**Helendale Outlet (Project 519):** [Goal 2](#)

Helendale Outlet will be an outlet from the Mojave River Pipeline into the Mojave River, to create a recharge site within the Mojave River near the Helendale area.

**Mojave River Pipeline Cassia Rd. Cla-Valve Replacement (Project 521):** [Goal 2](#)

This is the by-pass flow control valve which low flows to the High Desert Power Project. The valve has failed and we have made "temporary" repairs until the valve can be replaced.

**Oro Grande Wash Recharge (Project 525):** [Goal 2](#)

During this fiscal year the project will continue operating. These costs are for continued efforts with the County of San Bernardino Flood Control District to develop a joint-use detention and recharge basin in the Oro Grande Wash. In addition, costs will be incurred to obtain permits and comply with permit terms and conditions, and continue with ongoing mitigation measures. Costs are included for extending the existing pipeline outlet in the wash to connect to the detention basin inlet.

**Reoperation of Forks Dam/Groundwater Recharge Supply (Project 501):** [Goal 5](#)

This fiscal year's budget includes feasibility studies to begin determining the process/schedule, costs, legal issues, environmental/permitting issues for possible reoperation of the Army Corp of Engineers flood control dam at the headwaters of the Mojave River (Forks Dam). The reoperation would ultimately result in greater groundwater recharge of flood waters in the Mojave River to the groundwater basin influenced by the Mojave River from Alto to Baja, or would be used to store State Water Project Water that could be released and/or recharged into the local groundwater aquifers.

**Alto Regional Aquifer Off River Recharge Basins (Project 502):** [Goal 2](#)

This fiscal year's budget includes feasibility studies and hydro geotech investigative field testing and studies to identify land for future off river recharge. A series of groundwater monitoring wells will be sited and constructed. Once appropriate land is identified initiation of the process for land acquisition will begin.

**Bandicoot Basin Recharge Project (formally called Cedar Street) (Project 503):** [Goal 2](#)

This budget includes the determination of the type/size of recharge facility which can be incorporated into the San Bernardino County's Flood Control detention basin currently being designed and planned for construction. Preliminary feasibility and design report for alternative pipelines and pump stations to transport State Water Project (SWP) water to this basin. This will require coordination with the County in the preparation of design plans and operation of groundwater recharge inside the future detention basin. Ultimately this may lead to acquisition of land and construction of facilities that will allow groundwater recharge of SWP water into the detention basin.

**Oeste/L.A. County Underflow (Phelan CSD) (Project 504):** [Goal 2](#)

Study being conducted regarding investigation of the western Mojave Water Agency boundary along the Oeste Subarea (Los Angeles and San Bernardino County border). This work consists of funding scientific investigations to more accurately define the hydrogeologic boundary and groundwater underflow conditions between the MWA Service Area (San Bernardino County) and the Antelope Valley (Los Angeles County).

**Oeste Recharge Testing and Monitoring Well (Project 507):** [Goal 1, 4 and 6](#)

Scientific study and installation of a sophisticated monitoring well designed to assist with the identification of a potential future recharge site in and around the Oeste Subarea.

**395 Turnout Recharge Pond (Project 522):** [Goal 2](#)

A feasibility study/preliminary design for a potential off river groundwater recharge pond located on the MWA property adjacent to the 395 turnout. This location is upstream of the well pumping depression in South West Victorville. Turnout and pipeline capacity already exists for this proposed recharge pond site. This could operate along with the recharge area in the Oro Grande Wash.

**Regional Recharge Hydro Geotech (Project 523):** [Goal 2](#)

This fiscal year's budget includes feasibility studies and hydro geotech investigative field testing and studies to identify land for future off river recharge. A series of groundwater monitoring wells will be sited and constructed. Once appropriate land is identified initiation of the process for land acquisition will begin.

**Long Term Storage (iSCI) (Project 374):** [Goal 1](#)

As part of the overall technology strategy it is necessary to continually monitor the volume of electronic data that is either, originated at, modified by, or delivered for archival purposes to the Mojave Water Agency. Provision for expanding volumes and their security is addressed through this ongoing project in support of the Agency Storage Area Network (SAN).

**Network Hardware Replacement (Project 377):** [Goal 1](#)

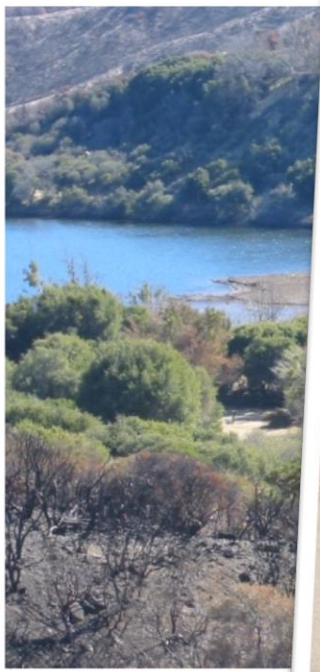
Provides funding for network infrastructure such as routers, switches, patch panels etc., as needed for the next fiscal year.

**Security Cameras (Project 524):** [Goal 1](#)

Provides funding for the replacement of legacy hardware that is no longer supported by the original equipment manufacturer (OEM) such as cameras, monitoring software, video file storage equipment, etc., as needed at both the 13846 Conference Center Drive and 7620 Deep Creek Road facilities.









## BUDGET DETAIL – COMBINED

Summary	Acct	Description	FY 2014/15 Actual*	FY 2015/16 Budget*	Actual YTD 12/31/15	FY 2015/16 Projected	FY 2016/17 Budget	FY 2017/18 Budget
<b>DWR (Fund 600)</b>	5215	State Water Project Minimum OMP&	7,853,629	9,098,838	5,280,043	10,370,962	11,148,784	11,984,943
	1111	State Water Project Bond & Capital	7,433,459	7,872,540	3,751,863	7,881,335	8,472,435	9,107,868
		<b>Subtotal</b>	<b>15,287,088</b>	<b>16,971,378</b>	<b>9,031,906</b>	<b>18,252,297</b>	<b>19,621,219</b>	<b>21,092,811</b>
<b>SWC Member Allocation (Fund 600)</b>	5731	Legal Fees	26,000	26,000	-	13,000	26,000	26,000
	5219	SWC Member Allocation	190,000	190,000	142,384	187,000	190,000	190,000
		<b>Subtotal</b>	<b>216,000</b>	<b>216,000</b>	<b>142,384</b>	<b>200,000</b>	<b>216,000</b>	<b>216,000</b>
<b>SWP Contractors Authority (Fund 600)</b>	5220	DSPC	20,000	20,000	26,875	20,000	26,987	20,000
	5221	Member Dues	11,000	11,000	13,168	11,000	19,415	11,000
	5222	Municipal Water Quality Investigation	25,000	25,000	-	25,000	25,000	25,000
		<b>Subtotal</b>	<b>56,000</b>	<b>56,000</b>	<b>40,043</b>	<b>56,000</b>	<b>71,402</b>	<b>56,000</b>
<b>Water Purchase (Fund 300 &amp; 600)</b>	1455	Inventory	90,623	1,388,672	910,674	1,362,830	1,109,848	1,016,020
	5211	COGS: Variable Trans. & Off Aquedu	1,445,757	1,644,508	369,570	1,670,350	1,758,395	2,027,168
		<b>Subtotal</b>	<b>1,536,380</b>	<b>3,033,180</b>	<b>1,280,244</b>	<b>3,033,180</b>	<b>2,868,243</b>	<b>3,043,188</b>
<b>Departmental Expenses (Fund 100)</b>	5600	Salaries	3,298,906	3,441,133	1,585,961	3,196,922	3,534,942	3,640,990
	5612	Overtime	22,366	55,700	11,830	21,300	27,000	27,000
	5613	Health Insurance-Medical	407,469	463,953	202,180	404,360	459,684	466,498
	5614	Payroll Taxes	102,617	112,326	50,917	101,834	115,845	119,320
	5615	Misc. Benefit	9,923	26,251	12,000	24,000	32,250	32,250
	5616	Workers' Compensation Expense	57,496	75,947	54,426	54,426	74,729	76,971
	5618	Health Insurance Exp. Dental/Vision	86,975	97,814	41,438	82,876	98,147	101,092
	5620	Health Expense Reimb. FSA	50,031	59,500	28,723	57,446	58,500	58,680
	5621	Retirement Contribution	14,009	15,185	7,490	14,980	15,640	16,109
	5623	PERS: Employees	531,919	576,163	369,736	554,943	634,867	653,915
		<b>SUBTOTAL WAGES &amp; BENEFITS</b>	<b>4,581,711</b>	<b>4,923,972</b>	<b>2,364,701</b>	<b>4,513,087</b>	<b>5,051,604</b>	<b>5,192,825</b>
	5900	Director Fees	121,569	150,000	56,205	130,000	150,000	150,000
	5910	Dir. Health Insurance Premium	90,019	130,000	54,731	120,000	130,000	130,000
	5911	In Lieu of Retirement	3,432	5,000	1,869	5,000	5,000	5,000
	5935	Dir. Legislative Travel	787	15,000	-	15,000	15,000	15,000
	5940	Dir. Travel: Conferences & Expenses	15,985	29,750	6,948	20,000	35,000	29,750
	5960	Travel Drs. In	16,473	21,000	7,076	21,000	27,000	27,000
	5617	Employee Relations	8,159	15,000	3,164	15,000	12,000	15,000
	5622	OPEB	191,380	194,965	68,893	194,965	195,029	200,406
	5700	Office Rent	-	-	-	-	-	-
	5701	Equip. Lease/Rent	59,790	70,000	25,928	70,000	70,000	70,000
	5702	Safety Supplies	12,557	15,000	5,574	11,750	15,000	15,045
	5703	Recruiting Expense	2,936	10,000	3,606	8,000	10,000	10,000
	5704	Temporary Services	31,553	-	15,617	40,000	-	-
	5705	Building & Equipment Maintenance	188,690	220,000	171,212	250,000	205,000	205,000
	5706	Utilities	1,070,859	1,375,000	457,750	1,098,558	1,022,270	975,000
	5707	Photo Expense	-	-	-	-	-	-
	5708	Postage & Mailing Costs	5,480	5,000	3,222	6,000	6,000	6,000
	5709	Office Supplies & Expenses	44,496	35,750	17,739	35,000	35,000	35,000
	5710	Small Tools	13,407	31,600	18,310	34,300	29,100	31,603
	5711	Books & Subscriptions	13,914	12,050	1,337	3,800	14,550	12,052

## **BUDGET DETAIL – COMBINED (Continued)**

Summary	Acct	Description	FY 2014/15 Actual*	FY 2015/16 Budget*	Actual YTD 12/31/15	FY 2015/16 Projected	FY 2016/17 Budget	FY 2017/18 Budget
<b>Departmental Expenses (Fund 100) (Continued)</b>	5712	Telephone	87,813	95,000	42,442	95,000	95,000	95,000
	5713	Printing	633	5,000	2,078	4,750	5,500	5,015
	5720	Computer Licenses & Maintenance	299,985	295,800	172,487	303,800	280,800	355,800
	5721	Data Collections	164,479	185,000	57,281	150,000	175,000	185,000
	5722	Insurance	283,794	305,000	91,853	135,000	150,000	150,000
	5724	Licenses/Dues & Fees	104,664	99,500	63,980	94,500	105,000	99,500
	5725	Auto Expenses	123,459	110,000	36,186	83,000	102,000	102,015
	5726	Travel Expenses	65,788	85,500	26,410	85,000	91,000	90,515
	5727	Water Conferences	-	-	-	-	-	-
	5728	Education & Training	22,951	44,500	5,252	20,000	77,100	77,545
	5729	Consulting	784,664	1,475,000	377,515	1,480,000	1,950,000	1,325,000
	5731	Legal	107,606	115,000	40,921	100,000	115,000	115,000
	5732	Legislative Advocacy	133,180	145,000	61,678	145,000	145,000	145,000
	5733	Audit & Accounting	47,006	40,000	30,628	40,000	40,000	40,000
	5734	Environmental	1,773	60,000	3,038	47,000	60,000	60,000
	5735	Water Quality	10,104	55,000	6,317	55,000	55,000	55,000
	5736	Engineering, General	83,829	89,500	46,934	89,500	123,500	125,705
	5737	USGS	300,369	420,000	283,639	420,000	420,000	350,000
	5741	Aerial Photos	69,500	87,500	43,500	53,375	132,500	137,875
	5742	Public Relations	89,698	123,500	42,832	123,500	118,500	123,500
	5743	Water Conservation	1,279,203	1,365,000	658,862	1,580,000	1,905,000	1,365,000
	5800	Election Costs	300	-	-	-	110,000	-
	5801	IDM: 4% Debt Service Support	32,530	32,600	-	32,600	32,600	32,600
	5803	MWA 25% Watermaster Support	-	-	-	-	-	-
	5805	Contingency	-	2,500	-	2,500	2,500	2,500
	5810	Other Expenses	38,315	61,500	29,409	61,500	66,500	66,500
		<b>Total Before Transfers Out</b>	<b>10,604,840</b>	<b>12,556,487</b>	<b>5,407,124</b>	<b>11,792,485</b>	<b>13,385,053</b>	<b>12,228,751</b>
	5610	Labor & Benefits to WM	(251,212)	(261,575)	-	(258,885)	(272,093)	(280,196)
		<b>TOTAL NET DEPT EXPENSES:</b>	<b>10,353,628</b>	<b>12,294,912</b>	<b>5,407,124</b>	<b>11,533,600</b>	<b>13,112,960</b>	<b>11,948,555</b>
<b>Tax Collection Exp (All Funds)</b>	5820	General Fund	13,635	13,636	10,645	13,636	14,000	14,000
	5820	Debt Service Fund	35,000	35,000	1,530	35,000	4,000	4,000
	5820	SWP Fund	66,365	66,364	8,534	34,864	67,000	67,000
	5820	ID M	8,000	8,000	3,545	8,000	8,000	8,000
		<b>Subtotal</b>	<b>123,000</b>	<b>123,000</b>	<b>24,254</b>	<b>91,500</b>	<b>93,000</b>	<b>93,000</b>
<b>DWR Loans (Fund 300)</b>	5850	Interest Expense	40,646	-	-	-	-	-
	2700	Principal Pmt - 860-880	363,682	-	-	-	-	-
		<b>Subtotal</b>	<b>404,328</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ID M (Fund 800)</b>	5850	Interest Expense	1,037,500	926,625	509,875	926,625	810,291	688,250
	2627	Principal Pmt	2,130,000	2,235,000	2,235,000	2,235,000	2,345,000	2,460,000
	5810	Reserve Fund Release	-	-	-	-	-	-
		<b>Subtotal</b>	<b>3,167,500</b>	<b>3,161,625</b>	<b>2,744,875</b>	<b>3,161,625</b>	<b>3,155,291</b>	<b>3,148,250</b>
<b>COP-Dudley Ridge (Fund 300)</b>	5853	Interest Expense	1,811,033	1,779,533	891,125	1,779,533	1,746,817	1,712,350
	2623	Principal Pmt	785,000	815,000	-	815,000	850,000	880,000
		<b>Subtotal</b>	<b>2,596,033</b>	<b>2,594,533</b>	<b>891,125</b>	<b>2,594,533</b>	<b>2,596,817</b>	<b>2,592,350</b>
<b>COP-Berrenda Mesa (Fund 600)</b>	5854	Interest Expense	550,381	639,267	244,525	639,267	417,650	365,550
	2640	Principal Pmt	1,335,000	1,280,000	1,280,000	1,280,000	1,320,000	1,365,000
		<b>Subtotal</b>	<b>1,885,381</b>	<b>1,919,267</b>	<b>1,524,525</b>	<b>1,919,267</b>	<b>1,737,650</b>	<b>1,730,550</b>
		<b>TOTAL EXPENSES</b>	<b>35,625,338</b>	<b>40,369,895</b>	<b>21,086,480</b>	<b>40,842,002</b>	<b>43,472,582</b>	<b>43,920,704</b>

## INDIVIDUAL DEPARTMENT BUDGETS & INITIATIVES

### Administration (AD) – Dept #10

#### Department Budget Summary

		FY 14/15 Actual	FY 15/16 Budget	Actual YTD as of 12/31/2015	FY 15/16 Projected	FY 16/17 Budget	FY 17/18 Budget
	<b>EXPENSES:</b>						
5600	Dept Wages	814,549	874,047	359,054	743,108	848,628	874,087
5612	Dept Overtime	224	10,000	127	254	1,000	1,000
5613	Health Insurance - Medical	93,191	95,713	39,836	79,672	92,484	95,259
5614	Payroll Taxes	25,393	27,889	11,996	23,992	27,294	28,113
5615	Misc Benefit	5,769	6,000	3,000	6,000	6,000	6,000
5616	Workers Compensation Expense	4,373	6,341	4,156	4,156	6,341	6,531
5618	Dental/Vision Insurance	27,277	33,235	12,884	25,768	32,919	33,907
5620	Health Ins Reimb - FSA	10,684	13,500	6,288	12,576	13,500	13,500
5621	Deferred Comp Contributions GM	14,009	15,185	7,490	14,980	15,640	16,109
5623	PERS Retirement	137,769	139,583	87,254	128,803	141,289	145,528
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>1,133,238</b>	<b>1,221,493</b>	<b>532,085</b>	<b>1,039,309</b>	<b>1,185,095</b>	<b>1,220,034</b>
5900	Director Fees	121,569	150,000	56,205	130,000	150,000	150,000
5910	Directors Pooled Health	90,019	130,000	54,731	120,000	130,000	130,000
5911	In Lieu of Retirement	3,432	5,000	1,869	5,000	5,000	5,000
5935	Dir. Legislative Travel	787	15,000		15,000	15,000	15,000
5940	Dir. Other: Conferences & Expenses	15,985	29,750	6,948	20,000	35,000	29,750
5960	Travel Drs. In	16,473	21,000	7,076	21,000	21,000	21,000
5622	OPEB	191,380	194,965	68,893	194,965	195,029	200,406
5701	Equip. Lease/Rent	52,378	55,000	25,764	55,000	55,000	55,000
5702	Safety Supplies	4,696	5,000	1,129	3,000	5,000	5,000
5703	Recruiting Expense	2,936	5,000	3,606	5,000	5,000	5,000
5704	Temporary Services	31,553	-	15,617	40,000	-	-
5705	Building Maintenance & Expense	2,911	4,000	1,865	4,000	5,000	5,000
5706	Utilities	145,229	175,000	68,149	163,558	175,000	175,000
5708	Postage & Mailing Costs	5,480	5,000	3,222	6,000	6,000	6,000
5709	Office Supplies & Expenses	44,496	35,000	17,739	35,000	35,000	35,000
5711	Books & Subscriptions	4,328	1,000	190	1,000	1,000	1,000
5712	Telephone	80,457	90,000	39,720	90,000	90,000	90,000
5722	Insurance	283,794	305,000	91,853	135,000	150,000	150,000
5724	Licenses/Dues & Fees (ACWA,LAFCO & Misc)	70,497	75,000	54,207	75,000	75,000	75,000
5725	Auto Expenses	6,898	5,000	1,669	5,000	5,000	5,000
5726	Travel Expenses	38,698	42,000	11,443	42,000	42,000	42,000
5728	Education & Training	1,525	5,000	650	2,000	14,800	15,000
5729	Consulting	136,231	160,000	117,400	200,000	250,000	160,000
5731	Legal	107,606	115,000	40,921	100,000	115,000	115,000
5733	Audit & Accounting	47,006	40,000	30,628	40,000	40,000	40,000
5800	Election Cost	300	-	-	-	110,000	-
5801	IDM: 4% Debt Service Support	32,530	32,600	-	32,600	32,600	32,600
5803	MWA 50% Watermaster Support						
5810	Other Expenses (trustee fees)	31,749	56,000	27,775	56,000	56,000	56,000
	<b>NON-LABOR EXP</b>	<b>1,579,102</b>	<b>1,756,315</b>	<b>749,269</b>	<b>1,596,123</b>	<b>1,818,429</b>	<b>1,618,756</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>2,712,340</b>	<b>2,977,808</b>	<b>1,281,354</b>	<b>2,635,432</b>	<b>3,003,524</b>	<b>2,838,790</b>

## Administration (AD) – Dept #10

### Department Budget Initiative Detail

		Department Admin.	Doc Scan 404	Finance Model 406	FY 16/17 Total
	<b>EXPENSES:</b>				
5600	Dept Wages	848,628			848,628
5612	Dept Overtime	1,000			1,000
5613	Health Insurance - Medical	92,484			92,484
5614	Payroll Taxes	27,294			27,294
5615	Misc Benefit	6,000			6,000
5616	Workers Compensation Expense	6,341			6,341
5618	Dental/Vision Insurance	32,919			32,919
5620	Health Ins Reimb - FSA	13,500			13,500
5621	Deferred Comp Contributions GM	15,640			15,640
5623	PERS Retirement	141,289			141,289
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>1,185,095</b>		-	<b>1,185,095</b>
5900	Director Fees	150,000			150,000
5910	Directors Pooled Health	130,000			130,000
5911	In Lieu of Retirement	5,000			5,000
5935	Dir. Legislative Travel	15,000			15,000
5940	Dir. Other: Conferences & Expenses	35,000			35,000
5960	Travel Drs. In	21,000			21,000
5622	OPEB	195,029			195,029
5701	Equip. Lease/Rent	55,000			55,000
5702	Safety Supplies	5,000			5,000
5703	Recruiting Expense	5,000			5,000
5704	Temporary Services	-			-
5705	Building Maintenance & Expense	5,000			5,000
5706	Utilities	175,000			175,000
5708	Postage & Mailing Costs	6,000			6,000
5709	Office Supplies & Expenses	35,000			35,000
5711	Books & Subscriptions	1,000			1,000
5712	Telephone	90,000			90,000
5722	Insurance	150,000			150,000
5724	Licenses/Dues & Fees (ACWA, LAFCO & Misc)	75,000			75,000
5725	Auto Expenses	5,000			5,000
5726	Travel Expenses	42,000			42,000
5728	Education & Training	14,800			14,800
5729	Consulting	180,000	5,000	65,000	250,000
5731	Legal	115,000			115,000
5733	Audit & Accounting	40,000			40,000
5800	Election Cost	110,000			110,000
5801	IDM: 4% Debt Service Support	32,600			32,600
5803	MVA 50% Watermaster Support	-			-
5810	Other Expenses (trustee fees)	56,000			56,000
	<b>NON-LABOR EXP</b>	<b>1,748,429</b>	<b>5,000</b>	<b>65,000</b>	<b>1,818,429</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>2,933,524</b>	<b>5,000</b>	<b>65,000</b>	<b>3,003,524</b>

## Information Technology (IT) – Dept #20

### Department Budget Summary

		FY14/15 Actual	FY15/16 Budget	Actual YTD as of 12/31/2015	FY15/16 Projected	FY16/17 Budget	FY17/18 Budget
	<b>EXPENSES:</b>						
5600	Dept Wages	214,047	221,577	108,497	216,994	229,983	236,882
5612	Dept Overtime	7,323	15,000	3,804	7,608	8,000	8,000
5613	Health Insurance - Medicaid	23,539	24,480	12,240	24,480	24,480	25,214
5614	Payroll Taxes	6,356	7,050	3,330	6,660	7,379	7,600
5615	Misc Benefit	-	-	-	-	-	-
5616	Workers Compensation Expense	836	1,294	823	823	1,294	1,333
5618	Health Insurance - Dental/Vision	5,044	5,471	2,358	4,716	5,500	5,665
5620	Health Ins Reimb - FSA	2,871	3,000	1,839	3,678	3,000	3,000
5621	Deferred Comp Contributions	-	-	-	-	-	-
5623	PERS Retirement	37,857	41,421	26,941	40,227	46,555	47,952
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>297,873</b>	<b>319,293</b>	<b>159,832</b>	<b>305,186</b>	<b>326,191</b>	<b>335,646</b>
5709	Office Supplies & Expenses	-	750	-	-	-	-
5710	Small Tools	19	1,000	98	300	1,000	1,000
5711	Books & Subscriptions	108	-	-	-	-	-
5720	Computer & Equipment Maintenance	288,045	285,000	164,635	285,000	250,000	350,000
5724	Licenses/Dues & Fees	-	5,000	-	5,000	5,000	5,000
5726	Travel Expenses	5,372	15,000	5,200	15,000	17,500	20,000
5728	Education & Training	13,726	25,000	3,026	5,000	25,000	25,000
5729	Consulting	-	25,000	-	20,000	45,000	55,000
5741	Aerial Photos	57,000	75,000	43,500	43,500	120,000	125,000
5805	Contingency	-	2,500	-	2,500	2,500	2,500
5810	Other Expenses	-	500	-	500	500	500
	<b>NON-LABOR EXP</b>	<b>364,270</b>	<b>434,750</b>	<b>216,459</b>	<b>376,800</b>	<b>466,500</b>	<b>584,000</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>662,143</b>	<b>754,043</b>	<b>376,291</b>	<b>681,986</b>	<b>792,691</b>	<b>919,646</b>

## Information Technology (IT) – Dept #20

### Department Budget Initiative Detail

		Department Admin.	GIS	Aerial Photos	2017 Total
	<b>EXPENSES:</b>		<b>376</b>	<b>450</b>	
5600	Dept Wages	229,983			229,983
5612	Dept Overtime	8,000			8,000
5613	Health Insurance - Mediczal	24,480			24,480
5614	Payroll Taxes	7,379			7,379
5615	Misc Benefit	-			-
5616	Workers Compensation Expense	1,294			1,294
5618	Health Insurance - Dental/Vision	5,500			5,500
5620	Health Ins Reimb - FSA	3,000			3,000
5621	Deferred Comp Contributions	-			-
5623	PERS Retirement	46,555			46,555
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>326,191</b>	<b>-</b>		<b>326,191</b>
5709	Office Supplies & Expenses	-			-
5710	Small Tools	1,000			1,000
5711	Books & Subscriptions	-			-
5720	Computer & Equipment Maintenance	200,000	50,000		250,000
5724	Licenses/Dues & Fees	5,000			5,000
5726	Travel Expenses	17,500			17,500
5728	Education & Training	25,000			25,000
5729	Consulting	20,000		25,000	45,000
5741	Aerial Photos	45,000		75,000	120,000
5805	Contingency	2,500			2,500
5810	Other Expenses	500			500
	<b>NON-LABOR EXP</b>	<b>316,500</b>	<b>50,000</b>	<b>100,000</b>	<b>466,500</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>642,691</b>	<b>50,000</b>	<b>100,000</b>	<b>792,691</b>



## Community Outreach & Employee Relations (PI) – Dept #30

### Department Budget Summary

		FY 14/15 Actual	FY 15/16 Budget	Actual YTD as of 12/31/2015	FY 15/16 Projected	FY 16/17 Budget	FY 17/18 Budget
	<b>EXPENSES:</b>						
5600	Dept Wages	301,985	366,403	186,530	373,060	408,705	420,966
5612	Dept Overtime	2,952	1,700	1,160	2,320	3,000	3,000
5613	Health Insurance - Medical	34,671	61,200	27,521	55,042	61,200	63,036
5614	Payroll Taxes	8,012	12,281	5,861	11,722	13,627	14,036
5615	Misc Benefit	923	6,000	3,000	6,000	6,000	6,000
5616	Workers Compensation Expense	2,098	4,929	1,878	1,878	4,929	5,077
5618	Health Insurance - Dental/Vision	7,417	11,156	3,784	7,568	11,334	11,674
5620	Health Ins Reimb - FSA	4,548	7,500	3,016	6,032	7,500	7,500
5623	PERS Retirement	30,495	46,489	33,551	51,930	55,386	57,048
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>393,101</b>	<b>517,658</b>	<b>266,301</b>	<b>515,552</b>	<b>571,681</b>	<b>588,337</b>
5702	Safety Supplies					6,000	6,000
5617	Employee Relations	-	15,000	3,164	15,000	12,000	15,000
5710	Small Tools	-	5,000	6,060	10,000	2,500	5,000
5711	Books & Subscriptions	855	1,000	664	1,000	3,500	1,000
5713	Printing	489	4,500	2,078	4,500	5,000	4,500
5720	Computer & Equipment Maintenance	-	800	146	800	800	800
5724	Licenses/Dues/ Fees/Legal Consort.	10,450	10,000	2,733	5,000	14,500	10,000
5725	Auto Expenses	2,624	-	1,336	2,500	2,500	2,500
5726	Travel Expenses	7,096	10,000	4,316	10,000	8,000	10,000
5728	Education & Training	436	3,000	-	3,000	9,500	9,500
5729	Consulting	1,962	20,000	-	20,000	20,000	20,000
5732	Legislative Advocacy	133,180	145,000	61,678	145,000	145,000	145,000
5742	Public Relations	89,698	123,500	42,832	123,500	118,500	123,500
5743	Water Conservation	1,279,203	1,365,000	658,862	1,580,000	1,905,000	1,365,000
	<b>NON-LABOR EXP</b>	<b>1,525,993</b>	<b>1,702,800</b>	<b>783,869</b>	<b>1,920,300</b>	<b>2,252,800</b>	<b>1,717,800</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>1,919,094</b>	<b>2,220,458</b>	<b>1,050,170</b>	<b>2,435,852</b>	<b>2,824,481</b>	<b>2,306,137</b>

## Community Outreach & Employee Relations (PI) – Dept #30

### Department Budget Initiative Detail (Page 1 of 2)

		Department Admin.	Newsletter 209	Community Relations 226	Limited Strategic Partnerships 227	Fac.Tours 243
	<b>EXPENSES:</b>					
5600	Dept Wages	408,705				
5612	Dept Overtime	3,000				
5613	Health Insurance - Medical	61,200				
5614	Payroll Taxes	13,627				
5615	Misc Benefit	6,000				
5616	Workers Compensation Expense	4,929				
5618	Health Insurance - Dental/Vision	11,334				
5620	Health Ins Reimb - FSA	7,500				
5623	PERS Retirement	55,386				
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>571,681</b>	<b>-</b>	<b>-</b>		<b>-</b>
5702	Safety Supplies	6,000				
5617	Employee Relations	12,000				
5710	Small Tools	2,500				
5711	Books & Subscriptions	3,500				
5713	Printing	5,000	-			
5720	Computer & Equipment Maintenance	800				
5724	Licenses/Dues/ Fees/Legal Consort.	14,500				
5725	Auto Expenses	2,500				
5726	Travel Expenses	8,000				
5728	Education & Training	9,500				
5729	Consulting	20,000				
5732	Legislative Advocacy	145,000				
5742	Public Relations	-	1,000	90,000		7,500
5743	Water Conservation	-			250,000	
	<b>NON-LABOR EXP</b>	<b>229,300</b>	<b>1,000</b>	<b>90,000</b>	<b>250,000</b>	<b>7,500</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>800,981</b>	<b>1,000</b>	<b>90,000</b>	<b>250,000</b>	<b>7,500</b>

## Community Outreach & Employee Relations (PI) – Dept #30

### Department Budget Initiative Detail (Page 2 of 2)

		Annual Water Symposium 259	AWAC 305	Demo Gard 344	County Conf. 381	WCIP 386	2017 Total
	<b>EXPENSES:</b>						
5600	Dept Wages						408,705
5612	Dept Overtime						3,000
5613	Health Insurance - Medical						61,200
5614	Payroll Taxes						13,627
5615	Misc Benefit						6,000
5616	Workers Compensation Expense						4,929
5618	Health Insurance - Dental/Vision						11,334
5620	Health Ins Reimb - FSA						7,500
5623	PERS Retirement						55,386
	<b>TOTAL WAGES &amp; BENEFITS</b>	-	-	-	-	-	<b>571,681</b>
5702	Safety Supplies						6,000
5617	Employee Relations						12,000
5710	Small Tools						2,500
5711	Books & Subscriptions						3,500
5713	Printing						5,000
5720	Computer & Equipment Maintenance						800
5724	Licenses/Dues/ Fees/Legal Consort.						14,500
5725	Auto Expenses						2,500
5726	Travel Expenses						8,000
5728	Education & Training						9,500
5729	Consulting						20,000
5732	Legislative Advocacy						145,000
5742	Public Relations	15,000			5,000		118,500
5743	Water Conservation		90,000	65,000		1,500,000	1,905,000
	<b>NON-LABOR EXP</b>	<b>15,000</b>	<b>90,000</b>	<b>65,000</b>	<b>5,000</b>	<b>1,500,000</b>	<b>2,252,800</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>15,000</b>	<b>90,000</b>	<b>65,000</b>	<b>5,000</b>	<b>1,500,000</b>	<b>2,824,481</b>

## Engineering (ENG) – Dept #40

### Department Budget Summary

		FY 14/15 Actual	FY 15/16 Budget	Actual YTD as of 12/31/2015	FY 15/16 Projected	FY 16/17 Budget	FY 17/18 Budget
	<b>EXPENSES:</b>						
5600	Dept Wages	241,279	112,155	55,719	111,438	118,885	122,452
5613	Health Insurance - Medical	21,655	12,240	6,120	12,240	12,240	12,240
5614	Payroll Taxes	9,219	3,576	1,964	3,928	3,803	3,917
5615	Misc Benefit	231	-	3,000	6,000	6,000	6,000
5616	Workers Compensation Expense	1,322	1,494	1,643	1,643	1,494	1,539
5618	Health Insurance - Dental/Vision	4,565	2,270	1,132	2,264	2,270	2,338
5620	Health Ins Reimb - FSA	2,692	1,500	750	1,500	1,500	1,500
5623	PERS Retirement	43,038	21,045	13,621	27,242	24,064	24,786
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>324,001</b>	<b>154,280</b>	<b>83,949</b>	<b>166,255</b>	<b>170,256</b>	<b>174,772</b>
5711	Books & Subscriptions	8,275	8,500	-	-	8,500	8,500
5724	Licenses/Dues & Fees	6,765	4,000	2,732	4,000	4,000	4,000
5725	Auto Expenses	15,955	14,500	1,987	4,000	4,000	4,000
5726	Travel Expenses	2,850	6,000	1,938	6,000	6,000	6,000
5729	Consulting	6,687	45,000	5,988	20,000	45,000	45,000
5736	Engineering, General	-	16,000	14,990	16,000	50,000	50,000
	<b>NON-LABOR EXP</b>	<b>40,532</b>	<b>94,000</b>	<b>27,635</b>	<b>50,000</b>	<b>117,500</b>	<b>117,500</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>364,533</b>	<b>248,280</b>	<b>111,584</b>	<b>216,255</b>	<b>287,756</b>	<b>292,272</b>

## Operation & Maintenance (OM) – Dept #50

### Department Budget Summary

	EXPENSES:	FY 14/15 Actual	FY 15/16 Budget	Actual YTD as of 12/31/2015	FY 15/16 Projected	FY 16/17 Budget	FY 17/18 Budget
5600	Dept Wages	451,637	473,168	239,205	478,410	496,333	511,223
5612	Dept Overtime	8,194	20,000	3,909	7,818	10,000	10,000
5613	Health Insurance - Medical	65,908	73,440	36,720	73,440	73,440	73,440
5614	Payroll Taxes	13,800	15,683	7,470	14,940	16,523	17,019
5615	Misc Benefit	-	8,251	-	-	8,250	8,250
5616	Workers Compensation Expense	23,797	25,830	20,980	20,980	25,830	26,605
5618	Health Insurance - Dental/Vision	12,156	13,031	6,404	12,808	13,156	13,551
5620	Health Ins Reimb - FSA	8,031	9,000	4,889	9,778	9,000	9,000
5623	PERS Retirement	71,954	83,052	53,845	80,570	93,821	96,636
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>655,477</b>	<b>721,455</b>	<b>373,422</b>	<b>698,744</b>	<b>746,353</b>	<b>765,724</b>
5701	Equip. Lease/Rent	7,412	15,000	164	15,000	15,000	15,000
5702	Safety Supplies	7,032	7,000	3,712	7,000	7,000	7,000
5705	Building Maintenance & Expense	185,779	216,000	169,347	246,000	200,000	200,000
5706	Utilities	925,630	1,200,000	389,601	935,000	847,270	800,000
5710	Small Tools	9,102	22,000	11,553	22,000	22,000	22,000
5711	Books & Subscriptions	-	1,000	82	1,000	1,000	1,000
5712	Telephone	7,356	5,000	2,722	5,000	5,000	5,000
5720	Computer & Equipment Maintenance	658	5,000	885	3,000	5,000	5,000
5724	Licenses/Dues & Fees	2,365	1,500	741	1,500	1,500	1,500
5725	Auto Expenses	46,242	60,000	21,753	50,000	60,000	60,000
5726	Travel Expenses	522	2,000	-	2,000	2,000	2,000
5728	Education & Training	3,099	5,000	876	5,000	11,500	11,500
5729	Consulting	31,055	75,000	2,808	70,000	185,000	75,000
5734	Environmental	1,773	60,000	3,038	47,000	60,000	60,000
5735	Water Quality	10,104	55,000	6,317	55,000	55,000	55,000
	<b>NON-LABOR EXP</b>	<b>1,238,129</b>	<b>1,729,500</b>	<b>613,599</b>	<b>1,464,500</b>	<b>1,477,270</b>	<b>1,320,000</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>1,893,606</b>	<b>2,450,955</b>	<b>987,021</b>	<b>2,163,244</b>	<b>2,223,623</b>	<b>2,085,724</b>

## Operation & Maintenance (OM) – Dept #50

### Department Budget Initiative Detail

	EXPENSES:	Department Admin.	R3 359A	Mojave Riv. Pipeline 870A	Oro Grande 370A	Rock Springs Security 393	Morongo Pipeline 840	Ames Reche 296	2017 TOTAL
5600	Dept Wages	496,333							496,333
5612	Dept Overtime	10,000							10,000
5613	Health Insurance - Medical	73,440							73,440
5614	Payroll Taxes	16,523							16,523
5615	Misc Benefit	8,250							8,250
5616	Workers Compensation Expense	25,830							25,830
5618	Health Insurance - Dental/Vision	13,156							13,156
5620	Health Ins Reimb - FSA	9,000							9,000
5623	PERS Retirement	93,821							93,821
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>746,353</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>746,353</b>
5701	Equip. Lease/Rent	15,000							15,000
5702	Safety Supplies	7,000							7,000
5705	Building Maintenance & Expense	200,000	-		-				200,000
5706	Utilities	-	639,840				207,430	-	847,270
5710	Small Tools	22,000					-	-	22,000
5711	Books & Subscriptions	1,000							1,000
5712	Telephone	5,000							5,000
5720	Computer & Equipment Maintenance	5,000					-	-	5,000
5724	Licenses/Dues & Fees	1,500							1,500
5725	Auto Expenses	60,000							60,000
5726	Travel Expenses	2,000							2,000
5728	Education & Training	11,500							11,500
5729	Consulting	40,000	10,000	15,000		15,000	95,000	10,000	185,000
5734	Environmental	-	35,000		10,000			15,000	60,000
5735	Water Quality	-	55,000						55,000
	<b>NON-LABOR EXP</b>	<b>370,000</b>	<b>739,840</b>	<b>15,000</b>	<b>10,000</b>	<b>15,000</b>	<b>302,430</b>	<b>25,000</b>	<b>1,477,270</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>1,116,353</b>	<b>739,840</b>	<b>15,000</b>	<b>10,000</b>	<b>15,000</b>	<b>302,430</b>	<b>25,000</b>	<b>2,223,623</b>

## Water Resources (WR) – Dept #60

### Department Budget Summary

		FY 14/15 Actual	FY 15/16 Budget	Actual YTD as of 12/31/2015	FY 15/16 Projected	FY 16/17 Budget	FY 17/18 Budget
	<b>EXPENSES:</b>						
5600	Dept Wages	912,639	1,025,521	447,434	894,868	1,050,965	1,082,494
5612	Dept Overtime	340	5,000	-	-	1,000	1,000
5613	Health Insurance - Medical	123,782	146,880	59,971	119,942	146,880	146,880
5614	Payroll Taxes	28,322	33,647	14,214	28,428	34,737	35,779
5615	Misc Benefit	3,000	6,000	3,000	6,000	6,000	6,000
5616	Workers Compensation Expense	22,958	30,559	22,797	22,797	30,559	31,476
5618	Health Insurance - Dental/Vision	21,058	23,017	10,059	20,118	23,200	23,896
5620	Health Ins Reimb - FSA	15,742	18,000	9,057	18,114	18,000	18,000
5623	PERS Retirement	147,756	178,019	109,113	160,004	196,501	202,396
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>1,275,597</b>	<b>1,466,643</b>	<b>675,645</b>	<b>1,270,271</b>	<b>1,507,842</b>	<b>1,547,921</b>
5702	Safety Supplies	829	1,500	733	1,500	1,500	1,500
5703	Recruiting Expense	-	5,000	-	3,000	5,000	5,000
5710	Small Tools	4,286	3,500	599	2,000	3,500	3,500
5711	Books & Subscriptions	336	500	401	800	500	500
5720	Computer & Equipment Maintenance	11,282	5,000	6,821	15,000	25,000	-
5721	Data Collections	164,479	185,000	57,281	150,000	175,000	185,000
5724	Licenses/Dues & Fees	14,587	4,000	3,567	4,000	5,000	4,000
5725	Auto Expenses	50,546	30,000	8,140	20,000	30,000	30,000
5726	Travel Expenses	11,216	10,000	3,513	10,000	15,000	10,000
5728	Education & Training	4,165	5,000	700	5,000	14,800	15,000
5729	Consulting	608,729	1,150,000	251,319	1,150,000	1,405,000	970,000
5737	USGS	300,369	420,000	283,639	420,000	420,000	350,000
5810	Other Expenses	6,566	5,000	1,634	5,000	10,000	10,000
	<b>NON-LABOR EXP</b>	<b>1,177,390</b>	<b>1,824,500</b>	<b>618,347</b>	<b>1,786,300</b>	<b>2,110,300</b>	<b>1,584,500</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>2,452,987</b>	<b>3,291,143</b>	<b>1,293,992</b>	<b>3,056,571</b>	<b>3,618,142</b>	<b>3,132,421</b>



## Water Resources (WR) – Dept #60

### Department Budget Initiative Detail (Page 1 of 2)

		Dept. Admin	USGS Coop.	Data Coll.	Special Projects	Small Systems
	<b>EXPENSES:</b>		230	310	336	505
5600	Dept Wages	1,050,965				
5612	Dept Overtime	1,000				
5613	Health Insurance - Medical	146,880				
5614	Payroll Taxes	34,737				
5615	Misc Benefit	6,000				
5616	Workers Compensation Expense	30,559				
5618	Health Insurance - Dental/Vision	23,200				
5620	Health Ins Reimb - FSA	18,000				
5623	PERS Retirement	196,501				
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>1,507,842</b>	-	-	-	
5702	Safety Supplies	1,500				
5703	Recruiting Expense	5,000				
5710	Small Tools	3,500				
5711	Books & Subscriptions	500				
5720	Computer & Equipment Maintenance	25,000				
5721	Data Collections	-		175,000		
5724	Licenses/Dues & Fees	5,000				
5725	Auto Expenses	30,000				
5726	Travel Expenses	15,000				
5728	Education & Training	14,800				
5729	Consulting	-			175,000	700,000
5737	USGS	20,000	400,000			
5810	Other Expenses	10,000				
	<b>NON-LABOR EXP</b>	<b>130,300</b>	<b>400,000</b>	<b>175,000</b>	<b>175,000</b>	<b>700,000</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>1,638,142</b>	<b>400,000</b>	<b>175,000</b>	<b>175,000</b>	<b>700,000</b>

## Water Resources (WR) – Dept #60

### Department Budget Initiative Detail (Page 2 Of 2)

		Baja Sustainability	UWMP	Spec. Proj./Env.	Bureau of Recl.	2017 TOTAL
	<b>EXPENSES:</b>	407	390	400	403	
5600	Dept Wages					1,050,965
5612	Dept Overtime					1,000
5613	Health Insurance - Medical					146,880
5614	Payroll Taxes					34,737
5615	Misc Benefit					6,000
5616	Workers Compensation Expense					30,559
5618	Health Insurance - Dental/Vision					23,200
5620	Health Ins Reimb - FSA					18,000
5623	PERS Retirement					196,501
	<b>TOTAL WAGES &amp; BENEFITS</b>		-	-	-	<b>1,507,842</b>
5702	Safety Supplies					1,500
5703	Recruiting Expense					5,000
5710	Small Tools					3,500
5711	Books & Subscriptions					500
5720	Computer & Equipment Maintenance					25,000
5721	Data Collections					175,000
5724	Licenses/Dues & Fees					5,000
5725	Auto Expenses					30,000
5726	Travel Expenses					15,000
5728	Education & Training					14,800
5729	Consulting	110,000	40,000	160,000	220,000	1,405,000
5737	USGS					420,000
5810	Other Expenses					10,000
	<b>NON-LABOR EXP</b>	<b>110,000</b>	<b>40,000</b>	<b>160,000</b>	<b>220,000</b>	<b>2,110,300</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>110,000</b>	<b>40,000</b>	<b>160,000</b>	<b>220,000</b>	<b>3,618,142</b>

## Watermaster (WM) – Dept #90

### Department Budget Summary

		FY 14/15 Actual	FY 15/16 Budget	Actual YTD as of 12/31/2015	FY 15/16 Projected	FY 16/17 Budget	FY 17/18 Budget
	<b>ADMINISTRATIVE EXPENSES:</b>						
5600	Dept Wages	362,770	368,262	189,522	379,044	381,443	392,886
5612	Dept Overtime	3,333	4,000	2,830	3,300	4,000	4,000
5613	Health Insurance - Medical	44,723	50,000	19,772	39,544	48,960	50,429
5614	Payroll Taxes	11,515	12,200	6,082	12,164	12,482	12,856
5616	Workers Compensation Expense	2,112	5,500	2,149	2,149	4,282	4,410
5618	Health Insurance - Dental/Vision	9,458	9,634	4,817	9,634	9,768	10,061
5620	Health Ins Reimb - FSA	5,463	7,000	2,884	5,768	6,000	6,180
5623	PERS Retirement	63,050	66,554	45,411	66,167	77,251	79,569
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>502,424</b>	<b>523,150</b>	<b>273,467</b>	<b>517,770</b>	<b>544,186</b>	<b>560,391</b>
5702	Safety Supplies	-	1,500	-	250	1,500	1,545
5710	Small Tools	-	100	-	-	100	103
5711	Books & Subscriptions	12	50	-	-	50	52
5713	Printing	144	500	-	250	500	515
5725	Auto Expenses	1,194	500	1,301	1,500	500	515
5726	Travel Expenses	34	500	-	-	500	515
5728	Education & Training	-	1,500	-	-	1,500	1,545
5736	Engineering, General	83,829	73,500	31,944	73,500	73,500	75,705
5741	Aerial Photos	12,500	12,500	-	9,875	12,500	12,875
	<b>NON-LABOR EXP</b>	<b>97,713</b>	<b>90,650</b>	<b>33,245</b>	<b>85,375</b>	<b>90,650</b>	<b>93,370</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>600,137</b>	<b>613,800</b>	<b>306,712</b>	<b>603,145</b>	<b>634,836</b>	<b>653,761</b>
5610	Labor & Benefits to Watermaster	(251,212)	(261,575)		(258,885)	(272,093)	(280,196)
	<b>TOTAL NET DEPT EXPENSES:</b>	<b>348,925</b>	<b>352,225</b>	<b>306,712</b>	<b>344,260</b>	<b>362,743</b>	<b>373,565</b>

## **Fiscal Year 2016/2017 Departmental Initiatives and Descriptions**

Linking important objectives with necessary resources requires a process that identifies Goals and Key Elements of those goals at the very beginning of the budget process. For this reason, each year the budget process begins with re-assessing the Key Elements and confirming that all the projects in progress and planned truly reflect the goals of the Agency and the Board of Directors, the needs of the Stakeholders and Community, and any fiscal constraints revealed through the budget process.

The goals identified in the Strategic Plan are:

- Goal 1: Develop sound fiscal and organizational policies that allow the Agency to be effective, innovative and responsive.
- Goal 2: Manage SWP entitlement to meet future demands while maintaining independence during periods of water shortages.
- Goal 3: Coordinate efforts to maintain adequate water quality so that groundwater is safe for drinking and other beneficial uses.
- Goal 4: Develop public awareness so that individuals and stakeholder organizations support our efforts and understand their role in contributing to the Agency's mission.
- Goal 5: Advance understanding of basin hydrogeology to support efficient management of water resources.
- Goal 6: Promote efficient use of the region's water resources through regional conservation programs.

### **Administration Department (AD)**

#### **Document Scanning (Project 404):** [Goal 1](#)

This item is the continuation of the Agency's document scanning to relieve physical file storage and continue digital document retention.

#### **Finance Model (Project 406):** [Goal 2](#)

This item provides funding for the continued development and refinement of the Long-Term Financial Risk Model to aid the Agency in anticipating future risks and the assessment of potential risk mitigation measures.

## **Information Technology Department (IT)**

### **GIS (Project 376): Goal 1, 2 & 5**

Mobile communication devices such as Smart Phones & Tablet PC's as well as relevant GIS software applications will be employed throughout the Water Resources & Operations Departments over the coming year that will allow for the development of more efficient methods of data collection and analysis resulting in a more accurate information stream from which decisions can be made to improve the Agency's responsiveness to requests made by its Board of Directors, Partners & Constituents.

### **Aerial Photos (Project 450): Goal 5**

This project deals with the acquisition of digital imagery used for the purpose of verifying information collected as part of the adjudication. Printed and digital images are acquired for the entire adjudicated boundaries using third party aircraft and camera equipment.

## **Community Outreach & Employee Relations Department (PI)**

### **Agency Newsletter (Project 209): Goal 4**

MWA produces a bi-monthly e-newsletter that announces Agency programs, Board actions, conservation tips, and events. The format includes water industry issues, as well as opportunities to participate in surveys and quizzes via links to the Agency website.

### **Community Relations (Project 226): Goal 4**

All costs and labor incurred through a variety of public information endeavors, including but not limited to: consulting fees for specialized services including graphic arts, photography and videography, etc., as well as costs associated with development of publications, public information specific advertising, purchase of outreach materials, unanticipated advertising, and costs for events that don't have their own job code, such as the Newly Elected Officials Orientation.

### **Strategic Partnership Program (Project 227): Goal 4 & 6**

This new funding category offers MWA new education and conservation opportunities for special projects that are open to schools, non-profit organizations, cities, the County of San Bernardino, and more. These projects include demonstration gardens, school projects related to resource conservation, and more.

### **Facility Tours (Project 243): Goal 4**

Bi-annual tours are provided to the public and stakeholder community to reinforce understanding of the Agency and its function. Tours are conducted at local Agency facilities, such as pipeline and recharge sites, and the new Operations Center. These tours provide the participants with a sense of the scope of the programs that involve MWA, and provide understanding of the Agency and its relationship to the State Water Project.

## **Community Outreach & Employee Relations Department (PI) continued**

### **Annual Water Symposium (Project 259): Goal 4**

This program highlights key water issues facing the Mojave region to further reinforce the benefits of integrated, regional planning to develop long-range solutions to ensure a sustainable water supply, as well as reinforce the benefits of water conservation.

### **AWAC (Project 305): Goal 4**

MWA continues to provide leadership to the broad based water coalition known as the Alliance for Water Awareness and Conservation (AWAC). AWAC was formed in 2003 to combine the knowledge and resources of a variety of public and private organizations.

### **Demonstration Garden (Project 344): Goal 6**

MWA has a demonstration garden that displays more than 35 different plant species that will survive and thrive in a desert climate. The Demonstration Garden is open to the public for self-guided tours, and the Agency provides a bibliography describing each of the plants contained in the garden.

### **County Conference (Project 381): Goal 4**

MWA is co-sponsor of the San Bernardino County's Annual Water Conference that brings together water professionals and policy makers to address regional and statewide water issues.

### **Water Conservation Incentive Program WCIP (Project 386): Goal 6**

In cooperation with the Alliance for Water Awareness and Conservation, MWA implemented the WCIP, a regional program offering a variety of incentives to customers of retail water agencies ranging from turf removal to installation of dual flush, low flow toilets. The Program offers cash, vouchers and rebates to reduce per capita water consumption to meet state mandates.

## **Operation & Maintenance Department (OM)**

### **Regional Recharge and Recovery (Project 359A): Goal 2**

The project includes a well field in the Upper Mojave Basin along the river located between Rock Spring Road and Bear Valley Road, an east-west pipeline of approximately nine miles; a pump station and two reservoirs, and several turnouts. This project is a regional project and will benefit the areas of greater Victor Valley. The money in this year's budget will cover costs for inspection services for reservoirs, ongoing permitting compliance costs, energy consumption costs, and general operations and maintenance of the facility.

### **Mojave River Pipeline-Expense (Project 870A): Goal 2**

The money in this year's budget will cover costs for energy consumption costs, and general operations and maintenance of the facility.

## **Operation & Maintenance Department (OM) continued**

### **Oro Grande North Recharge (Project 370A): Goal 2**

The project includes using the existing 395 aqueduct turnout for the siphon facility, over three miles of pipeline, and a recharge site located in the Oro Grande Wash near Victorville. The money in this year's budget will cover costs for ongoing permitting compliance, energy consumption costs, and general operations and maintenance of the facility.

### **Rock Springs Security Services (Project 393): Goal 1**

Security services will be provided during the delivery of water at the Rock Springs Facility. This will minimize the risk exposure by enforcing people to stay out of the active flow channel while water is being delivered.

### **Morongo Basin Pipeline Maintenance (Project 840): Goal 2**

The money in this year's budget will cover costs for inspection services for reservoirs, energy consumption costs, and general operations and maintenance of the facility.

### **Ames Reche Project (Project 296): Goal 2**

The spreading grounds for the Ames Reche project are owned by the Bureau of Land Management (BLM) and multiple permits and conditions are required to allow MWA to recharge water for this project. The money requested in the budget will be used for the environmental compliance required by the permits. Topographical data for the basin recharge area will also be obtained in order to optimize the recharge rates.

## **Water Resources Department (WR)**

### **USGS Cooperative (Project 230): Goals 3 and 5**

The United States Geological Survey is a key partner in the data gathering effort to support resource management in the Mojave Desert. Through a cooperative agreement with the USGS, MWA receives services that include surface water monitoring/sampling, well monitoring, water quality sampling and various other support functions over the course of the year. In most cases, the work is done through a cost sharing arrangement.

### **Data Collection Project 310): Goals 3 and 5**

Costs associated with water quality sampling, groundwater monitoring, weather station data, and etcetera. Funds will also be for monitoring stations maintenance, special data collection projects, and small-directed studies where specific data are needed.

### **Special Projects (Project 336): Goals 3 and 5**

This represents money set aside for unanticipated small projects that may arise throughout the fiscal year that will need expenditures of materials and/or outside services.



## **Water Resources Department (WR) continued**

### **Small Systems (Project 505): Goals 3 and 4**

As identified by stakeholders during the Integrated Regional Water Management (IRWM) Plan process, there was an overwhelming agreement to help and support Disadvantaged Communities (DACs) and a Small Systems Program is being developed to support and assist DACs. In the IRWM Plan process, this objective was ranked as a high importance and a high urgency project. This program is being developed with input from stakeholders and California Rural Water Association (CRWA) with the scope of this program to provide guidance/assistance with grant applications, performing needs assessments and providing specific training to DACs applying for state and/or federal funding related to improving water management practices.

### **Baja Area-Wide Plan (Project 407): Goals 1, 4 and 6**

As a result of the current IRWMP process and community outreach, a lot of interest was generated in the Baja Subarea regarding achieving sustainable water and land use activities. The MWA has partnered with the Mojave Desert Resource Conservation District, the Natural Resources Conservation Service and the Bureau of Reclamation to develop a suite of possible projects for the Baja Subarea in an effort to stabilize the natural resources in the region. The project team will work closely with community members and stakeholders to prioritize efforts in the region and look for opportunities and partnerships to implement projects.

### **UWMP (Project 390): Goals 1, 2, 4 and 6**

Charting our progress toward ensuring a reliable water supply are several of the key performance metrics for the Agency's financial investments contained within the Agency's Urban Water Management Plan (UWMP). These performance metrics require the Agency to plan for a long-term sustainable supply of water to meet growing demands for the next twenty-years. In addition to meeting the long-term demands, the Agency must also demonstrate that it is able to withstand single and multiple year droughts or an interruption of supply from the Delta. The Agency is required to complete an update of the UWMP every five years, due to DWR in years ending in 0 and 5.

### **Special Projects – Environmental (Project 400): Goal 5**

Provides funding for consultant support on miscellaneous water supply projects, specialized hydrogeological studies or California Environmental Quality Act (CEQA) analysis needed to support projects. Money set aside this year includes continued work on the Invasive Species project maintenance for weed removal from the Mojave River.

### **Bureau of Reclamation (Project 403): Goal 1**

Available matching grant funds for potential projects performed within the Agency's boundary by the United States Bureau of Reclamation if Federal Bureau funds are available. Past work has included studies on the amount of water saved as a result of invasive species removal.