



# FISCAL YEAR BUDGET 2017 / 2018

ADOPTED JUNE 8, 2017

*“Our goals can only be reached through a vehicle of a plan, in which we must fervently believe, and upon which we must vigorously act. There is no other route to success.”*

*- Stephen A. Brennan*

# BUDGET

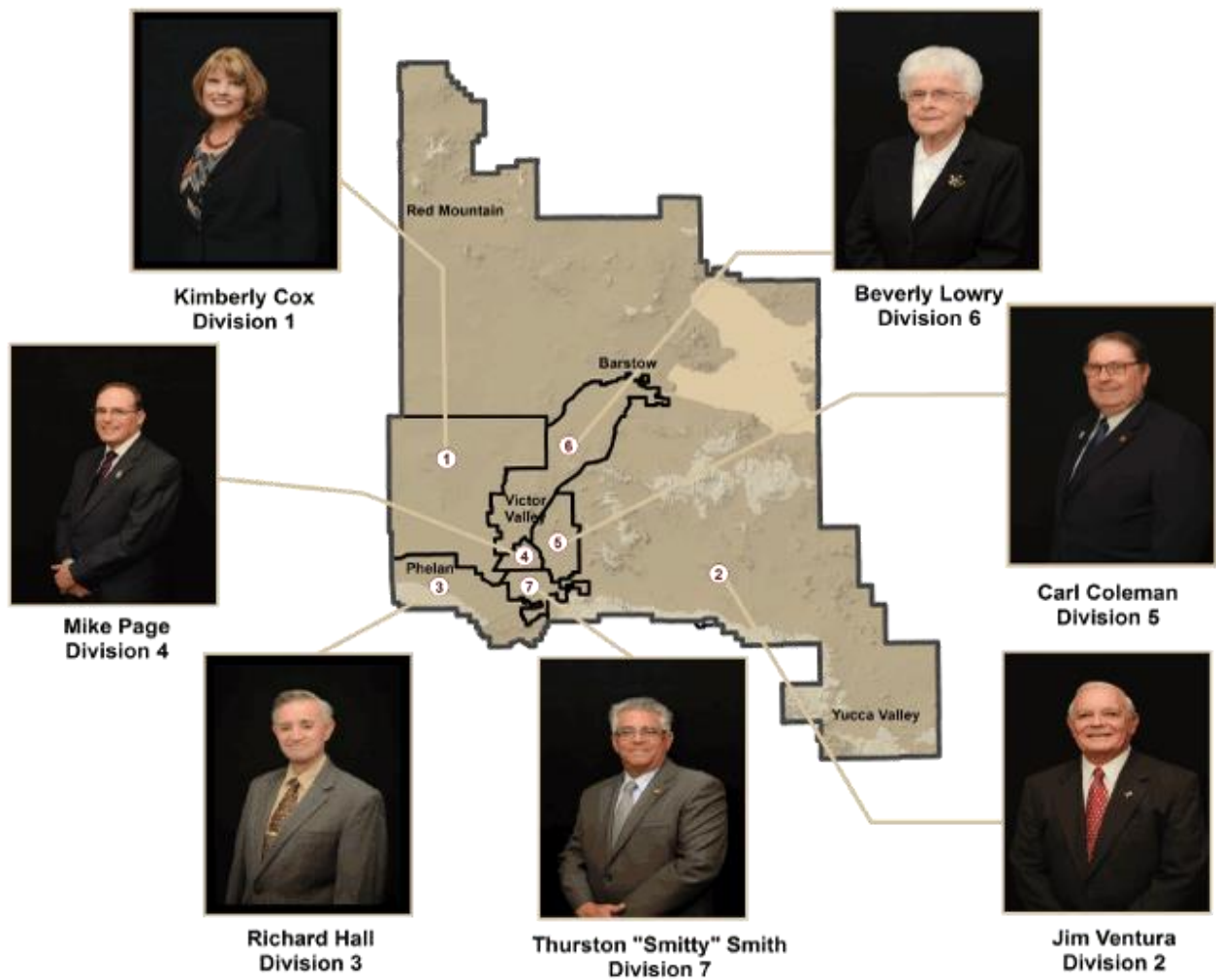
Fiscal Year

2017/2018

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# Mojave Water Agency Fiscal Year 2017-2018 Budget

## Board of Directors





## LETTER OF INTRODUCTION

Members of the Board of Directors:

On April 7, 2017 Governor Edmund G. Brown officially declared the drought emergency over for most of California following one of the wettest winters on record. Unfortunately, the abundance of rainfall in the northern part of the state and the above average snowpack blanketing the Sierra Nevada mountain range this season has exposed the fragile condition of the State Water Project system tasked with managing water delivery throughout the state including the growing Southern California region. The Oroville crisis has become the poster child of California's aging infrastructure, compounding concern over the future of a reliable water supply and rising costs that continue to absorb pressure from global and regional issues including population and economic growth, climate change, and environmental laws. Continued conservation efforts have successfully assisted in reducing current demand, and policymakers are assessing important water infrastructure projects such as the California WaterFix and alternative water sources to address future water reliability. Unfortunately, existing infrastructure upgrades coupled with new projects designed to protecting future water reliability will certainly ensure additional future costs to all stakeholders who must collaborate effectively to meet the challenges of securing California's long-term water resources.

The Agency is proactively monitoring and assessing 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 thoughtful analysis, including weighing potential mitigation measures and options available to the Agency that will be required to cover these additional costs. Furthermore, the Agency continues to prioritize limited capital project investment along with careful scrutiny of strategic feasibility studies initiated to avoid lost opportunities for the Agency, all while actively pursuing and securing sources of available future funding.

Fortunately, over the years the Agency has successfully implemented sound financial policies, effective cost control measures, increased staff development opportunities, and continued 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's willingness to engage in important issues with DWR and the Delta Stewardship Council has begun to bear fruit, while continuing to pursue potential opportunities to leverage SWP assets for future benefit to the residents of the Mojave basin.

Last year, the Agency's 2016-2017 budget totaled \$51.0 million with a projected reserve balance of \$51.9 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 that will best meet the challenges facing the Agency and its stakeholders in the coming years. Activities and projects funded last year include completion of

the 2015 Urban Water Management Plan, completion of final plans and specifications leading up to the bid process for the Deep Creek Hydroelectric Turbine, continued efforts with the Small Water System / Disadvantaged Communities (SWS/DAC) assistance program that utilizes grant funding from the state, and a new education outreach program aimed at STEAM high school students to engage the next generation in water resource management.

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 rebound steadily from the 2007-2008 Great Recession and financial crisis lows. Beacon Economics 2017-18 fiscal year forecast of 4.53% assessed value growth continues to support evidence of the region's recovery, with moderate growth averaging in the range of 4-5% throughout the remainder of their 10-year forecast. Economic indicators supporting this outlook include continued growth in the labor market and improved employment statistics, increased consumer spending, and new residential and commercial construction activity. HdL Coren & Cone also anticipates improved development in the local real estate economy for the coming year, including the restoration of additional properties currently subject to the Prop. 8 temporary decline-in-market valuation process brought on by the financial crisis.

The \$45.2 million budget for the 2017-2018 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 an update of the Ground 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, award of bid and the start of construction of the Deep Creek Hydroelectric Turbine, full upgrade of the Mojave River and Morongo Basin pipeline SCADA system, and continued involvement with the Small Water Systems/Disadvantaged Communities 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 and technology. Additionally, efforts are under way to reach out to local and county agencies to facilitate input and collaboration to address a multitude of competing issues including the new groundwater mandates, water quality regulations, mandatory drought regulations, the uncertainty of the California WaterFix, and continued negotiations with the Department of Water Resources related to the State Water Project contract. 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 current water industry compensation.

We wish to express our appreciation to all staff members who contributed to the preparation of the 2017-2018 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 members of 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 2017/2018 BUDGET

	FY 2016/2017 Budget	FY 2016/2017 Projected	Variance Fav (Unfav)	FY 2017/2018 Budget	Budget vs.Budget Variance	FY 2018/2019 Budget
<b>Beginning Cash Reserves</b>	<b>\$ 58,192,391</b>	<b>\$ 64,678,736</b>	<b>\$ 6,486,345</b>	<b>\$ 70,841,661</b>	<b>\$ 12,649,270</b>	<b>\$ 67,483,209</b>
<u>Revenues</u>						
Water Sales (net of Reliability Assessment)	2,698,421	4,264,920	1,566,499	2,572,752	(125,669)	3,549,920
Reliability Assessment	1,583,045	2,447,775	864,730	2,203,300	620,255	2,382,600
SWP Water Pool Sales	690,000	2,428,000	1,738,000	481,297	(208,703)	3,498,951
Pre-Purchase Program In/(Out) *	-	-	-	-	-	-
MWA 1 - 11.5¢	10,591,002	10,650,000	58,998	10,700,917	109,915	11,241,313
MWA 2 (a) 3¢	10,105,132	10,155,149	50,017	10,212,164	107,032	10,725,836
MWA 2 (b) 2.5¢	8,420,943	8,462,624	41,681	8,510,137	89,194	8,938,197
General Property Tax	3,796,300	3,907,224	110,924	4,359,500	563,200	4,422,853
ID M Property Tax Assessment	2,861,724	2,784,803	(76,921)	2,962,026	100,302	3,088,504
ID M Debt Service Support	812,688	814,438	1,750	813,313	625	814,375
Interest	313,341	372,161	58,820	505,477	192,136	473,479
Grants	2,876,444	2,360,770	(515,674)	786,770	(2,089,674)	600,000
Miscellaneous	22,000	22,000	-	22,000	-	22,000
<b>Total Revenues</b>	<b>\$ 44,771,040</b>	<b>\$ 48,669,864</b>	<b>\$ 3,898,824</b>	<b>\$ 44,129,653</b>	<b>\$ (641,387)</b>	<b>\$ 49,758,028</b>
<u>Expenditures</u>						
DWR Min OMP&R	11,148,784	10,340,166	808,618	10,377,515	771,269	10,747,632
DWR Bond and Capital	8,472,435	8,159,149	313,286	8,266,659	205,776	8,644,923
SWC Member Allocation	216,000	177,699	38,301	160,266	55,734	190,000
SWP Contractors Authority	71,402	63,114	8,288	39,706	31,696	39,706
Tax Collection Exp	93,000	86,900	6,100	89,000	4,000	90,156
Water Purchases	2,868,243	2,955,197	(86,954)	4,104,784	(1,236,541)	2,057,016
Departmental Expenses	13,112,960	11,546,929	1,566,031	10,878,942	2,234,018	10,177,598
ID M	3,155,291	3,622,362	(467,071)	2,859,333	295,958	2,862,475
Dudley Ridge	2,596,817	2,592,404	4,413	2,592,350	4,467	2,593,175
Berrenda Mesa	1,737,650	1,737,650	-	1,730,550	7,100	1,719,450
Capital	7,554,000	1,225,369	6,328,631	6,389,000	1,165,000	700,000
<b>Total Expenditures</b>	<b>\$ 51,026,582</b>	<b>\$ 42,506,939</b>	<b>\$ 8,519,643</b>	<b>\$ 47,488,105</b>	<b>\$ 3,538,477</b>	<b>\$ 39,822,131</b>
A/R & A/P Adj.		\$ -				
<b>Ending Cash Reserves</b>	<b>\$ 51,936,849</b>	<b>\$ 70,841,661</b>	<b>\$ 18,904,812</b>	<b>\$ 67,483,209</b>	<b>\$ 15,546,360</b>	<b>\$ 77,419,106</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.

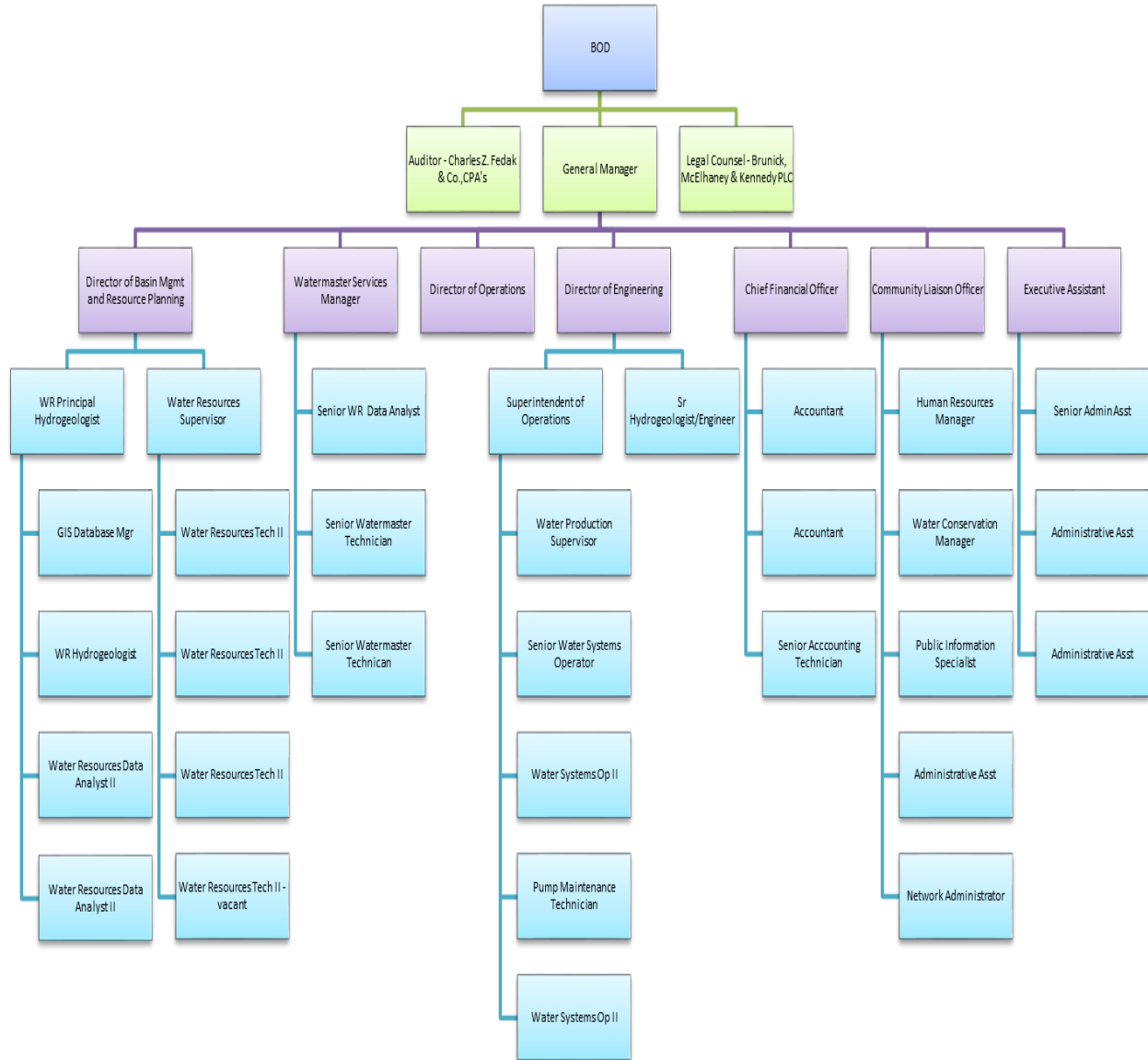
In addition to reporting the results of operations each month, spending limits have been established in the Agency Purchasing Policy as follows:

- ❖ 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 2017/2018 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 2017/2018 as well as a list of positions and salary ranges reflecting the adjustment in ranges.

## Organization Chart



## Salary Schedule

Effective: July 1, 2017 (Fiscal 2017/2018)														
Grade	Monthly Rate				Bottom to Mid	Bottom to Top	Bottom to Max	3.00%			Annual Rate			
	Compounding			Non-Comp*				Increase	Min % to Grade	Max % to Grade	Compounding			Non-Comp*
	Bottom	Mid	Top								Max	Bottom	Mid	
Non-Exempt														
1	2,893	3,472	4,051	4,456	20%	40%	54%		n/a	n/a	34,716	41,664	48,612	53,472
2	3,194	3,833	4,472	4,919	20%	40%	54%		110.4%	110.4%	38,328	45,996	53,664	59,028
3	3,496	4,195	4,893	5,382	20%	40%	54%		109.5%	109.4%	41,952	50,340	58,716	64,584
4	3,858	4,629	5,401	5,941	20%	40%	54%		110.4%	110.4%	46,296	55,548	64,812	71,292
5	4,311	5,281	6,250	6,875	23%	45%	59%		111.7%	115.7%	51,732	63,372	75,000	82,500
6	5,018	6,148	7,278	8,006	23%	45%	60%		116.4%	116.5%	60,216	73,776	87,336	96,072
7	5,787	7,234	8,679	9,547	25%	50%	65%		115.3%	119.2%	69,444	86,808	104,148	114,564
Exempt														
10	4,977	6,221	7,464	8,210	25%	50%	65%		n/a	n/a	59,724	74,652	89,568	98,520
11	5,649	7,202	8,755	9,631	27%	55%	70%		113.5%	117.3%	67,788	86,424	105,060	115,572
12	6,453	8,230	10,004	11,004	28%	55%	71%		114.2%	114.3%	77,436	98,760	120,048	132,048
13	7,432	9,478	11,523	12,675	28%	55%	71%		115.2%	115.2%	89,184	113,736	138,276	152,100
14	8,402	10,921	13,442	14,786	30%	60%	76%		113.1%	116.7%	100,824	131,052	161,304	177,432
15	9,792	12,729	15,667	17,234	30%	60%	76%		116.5%	116.6%	117,504	152,748	188,004	206,808
Non-Exempt														
1	2,893	3,472	4,051	4,456	Office Assistant						34,716	41,664	48,612	53,472
2	3,194	3,833	4,472	4,919	Administrative Asst. General (P/Eng/WR/OM/Records) Account Clerk (Accounting Technician)						38,328	45,996	53,664	59,028
3	3,496	4,195	4,893	5,382	Water Resources Data Analyst I Watermaster Technician I Computer Tech I Water Resources Technician I						41,952	50,340	58,716	64,584
4	3,858	4,629	5,401	5,941	Senior Accounting Technician Senior Administrative Asst. General (P/Eng/WR/OM/Records) Senior Human Resources Assistant Water Systems Operator I						46,296	55,548	64,812	71,292
5	4,311	5,281	6,250	6,875	Accountant Cad Systems Technician Public Information Specialist Construction Inspector Watermaster Technician II Water Resources Technician II Pump Maintenance Technician Computer Tech II Water Systems Operator II Water Resources Planning Analyst I						51,732	63,372	75,000	82,500
6	5,018	6,148	7,278	8,006	Water Resources Data Analyst II Financial Analyst Senior Accountant Senior CAD Systems Technician Senior Watermaster Technician Network Administrator Senior Water Resources Technician Water Resources Hydrogeologist (non-certified) Water Resources Planning Analyst II Water Systems Operator, Senior						60,216	73,776	87,336	96,072
7	5,787	7,234	8,679	9,547	Senior Water Resources Data Analyst Water Production Supervisor Senior Water Resources Planning Analyst Senior Construction Inspector						69,444	86,808	104,148	114,564
Exempt														
10	4,977	6,221	7,464	8,210	Executive Assistant Water Resources Hydrogeologist (certified) Human Resources Generalist Water Conservation Manager						59,724	74,652	89,568	98,520
11	5,649	7,202	8,755	9,631	GIS Database Manager Senior Human Resources Generalist Water Resources Supervisor						67,788	86,424	105,060	115,572
12	6,453	8,230	10,004	11,004	Civil Engineer Senior Water Resources Hydrogeologist Land Acquisition Manager Human Resources Manager Accounting Manager Finance Manager						77,436	98,760	120,048	132,048
13	7,432	9,478	11,523	12,675	Senior Project Manager/Engineering Controller Water Resources Principal Hydrogeologist Information System Manager Watermaster Services Manager Superintendent of Operations Director of Operations Community Liaison Officer						89,184	113,736	138,276	152,100
14	8,402	10,921	13,442	14,786	Chief Financial Officer Director of Engineering Director of Basin Management and Resource Planning						100,824	131,052	161,304	177,432
15	9,792	12,729	15,667	17,234	Assistant General Manager Director Engineering & Operations						117,504	152,748	188,004	206,808
General Manager (Effective 10/1/16 per contract)											253,075			
* 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 2016/2017 fiscal 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 continues to plan 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 these actions are reflected in the FY 2017/2018 budget. Some of the challenges identified by management are the following:

- 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.

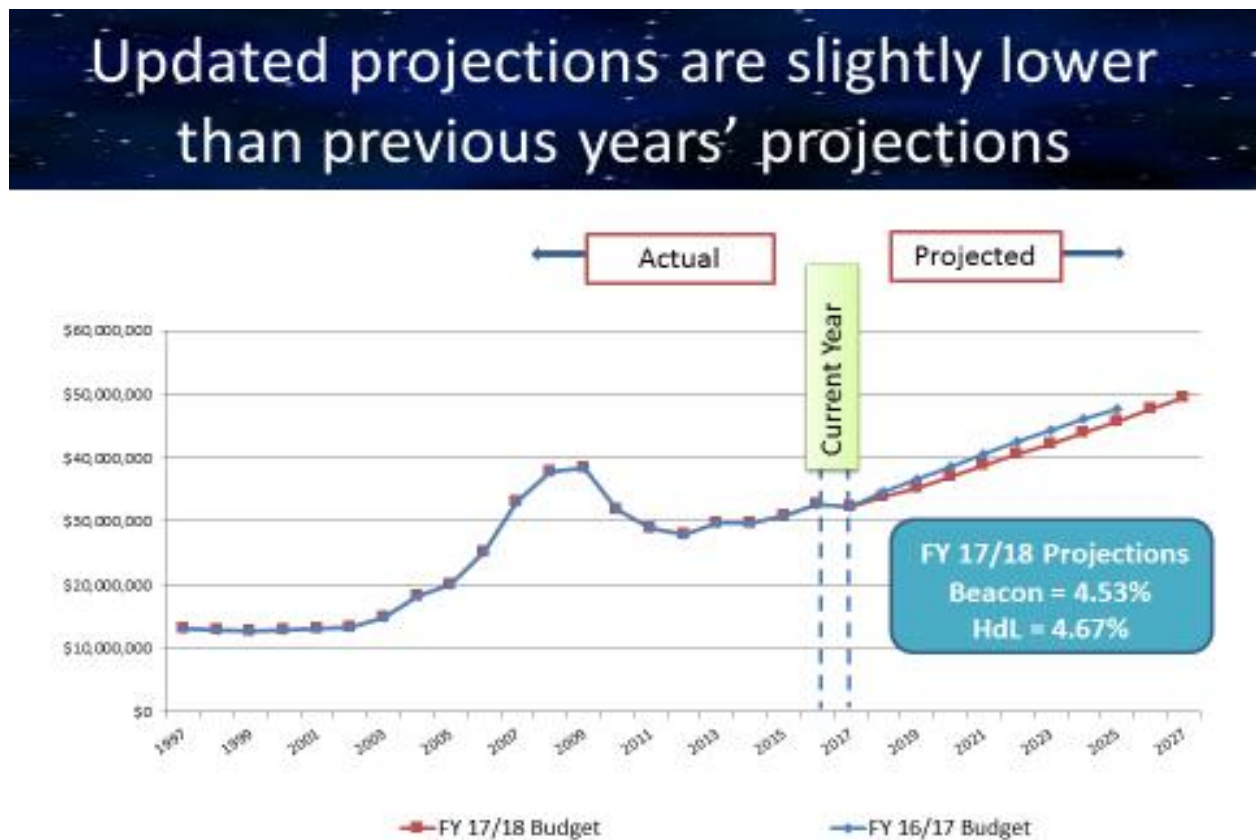
In 2016, the Agency's costs for the SWP were relatively flat compared to the prior year. Unfortunately, even with DWR efforts to control costs the Agency's tax rate that normally covers such costs is just short of being able to do that. As a result, the Agency hired Raftelis Financial Consultants to 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 4.5% for fiscal year 2017/2018. 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 2026-2027 fiscal year using standard time-series econometric techniques based on historic correlations and forecasts of future economic trends.

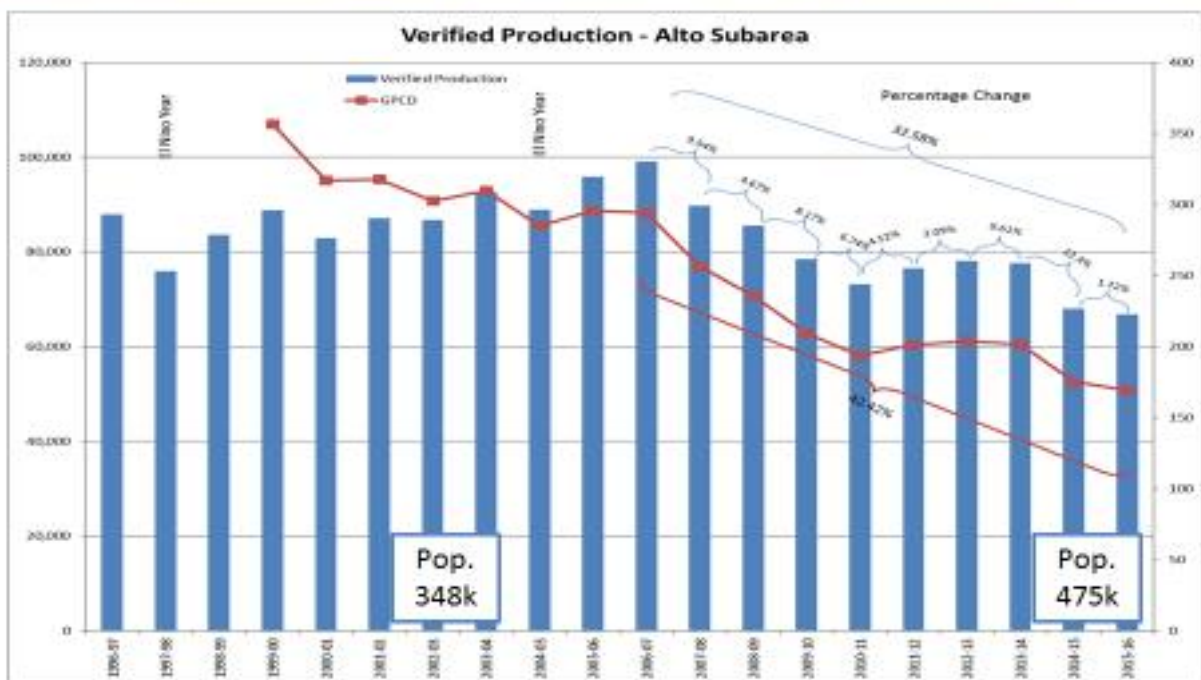
As stated in their recent report, Beacon Economics' current outlook for the MWA regional economy and real estate market remains optimistic as all major indicators are "trending in the right direction" Home prices should continue to appreciate as expected in the near term, and homes sales are projected 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.



## Water Sales

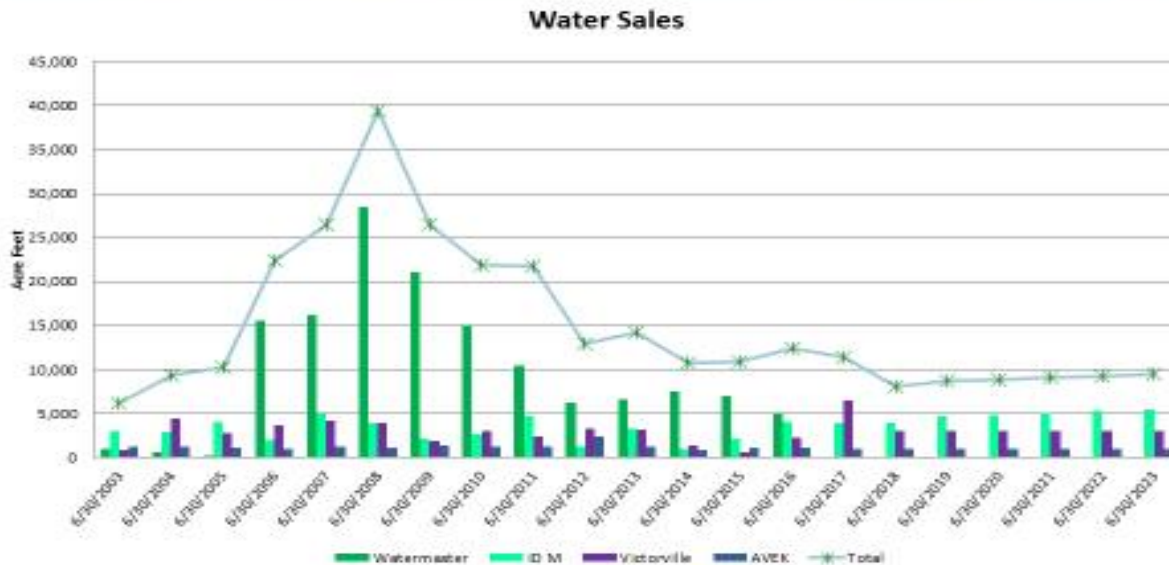
Over the past several years, Replacement Water Obligations to the Watermaster have been in decline since the height in 2007/2008. The Agency's successful Water Conservation Incentive Program is one factor attributable to this decline. Below is the trend in total pumping in the Alto Subarea, where the 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. Because 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 minimal for the next several years.

## Overall Pumping Is Down Despite Population Growth



On April 14, 2017, the DWR increased the State Water Project allocation for the 2017 calendar year for most recipients to 85% due to improving reservoir levels in Northern California as a result of record rainfall. Allocations from the State Water Project System for 2018 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 Flat With Low Pumping Anticipated In The Near Future



## 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 2017, allocations are at 85%.

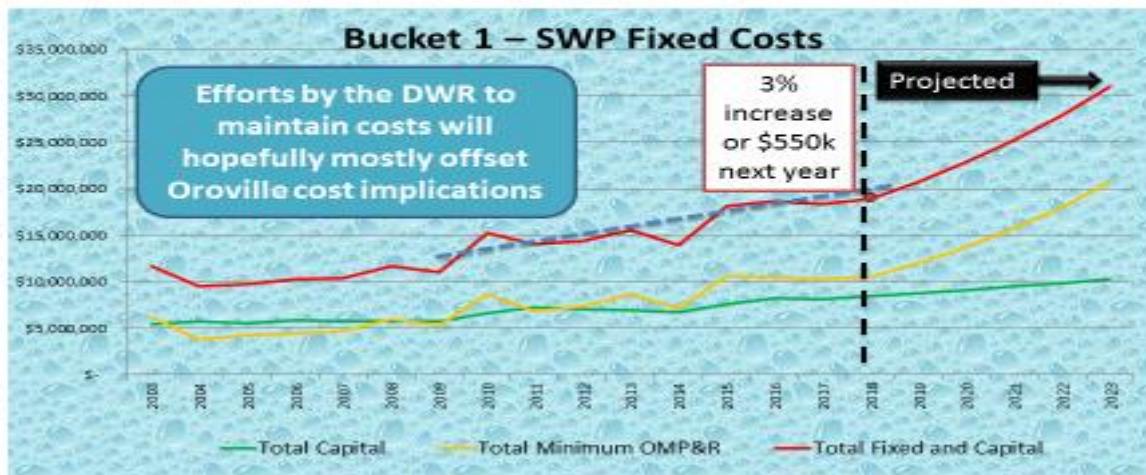
## Expenditure Projections

### 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.

Since 2009, the MWA's share of costs have gone up by 71%



### 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 that 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 greater than water sales due to the Board's decision to purchase 10,000 acre feet of water for storage in the Mojave basin.

### **Departmental Expenditures**

Departmental expenditures are projected to remain relatively flat for the foreseeable future as the Agency continues to implement effective cost containment measures. 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 and analysis by Raftelis 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 is a continuing theme in this budget as well as investment in science and data collections.

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 \$530,000. Additional basin support projects include the Groundwater Management Plan Update (\$80,000), the Basin Plan Study (\$150,000), and the USGS program (\$388,200).

The capital projects included in the fiscal year 2017/2018 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 2017/2018, debt service will be \$2,875,800, 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 2017/2018 will be \$1,748,750.
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 2017/2018 will be \$2,595,650.

## FIVE YEAR CAPITAL PROJECT BUDGET

Project Number	Project Name	Project Costs thru 6/30/2017	FY 2017/2018 Budget	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	Total Project Cost
<b>CAPITAL PROJECTS</b>								
<b>DEEP CREEK PIPELINE PROJECT</b>								
517	Deep Creek Hydroelectric Project	604,911	3,500,000	-	-	-	-	4,104,911
<b>GROUNDWATER RECHARGE &amp; SUPPLY PROJECTS</b>								
507	Oeste Recharge	-	100,000	-	-	1,300,000	-	1,400,000
523	Regional Recharge Projects	30,000	1,300,000	600,000	200,000	-	-	2,130,000
528	Upper Mojave River Off River Channel Recharge		285,000					285,000
<b>REPAIR &amp; REPLACEMENT PROJECTS</b>								
520	SCADA Upgrade - Morongo & Mojave River Pipeline	20,000	300,000	-	-	-	-	320,000
521	Casia Cla Valve Replacement	-	34,000	-	-	-	-	34,000
	Facility/Infrastructure Repair & Replacement	-	100,000	100,000	100,000	100,000	100,000	600,000
<b>FACILITY PROJECTS</b>								
374	L-T Data Storage	-	125,000	-	-	-	-	125,000
377	Network Hardware Replacement	100,000	-	-	-	-	-	100,000
<b>VEHICLE &amp; EQUIPMENT PURCHASES</b>								
	Freightliner M2 Truck - Full service body and crane	-	200,000	-	-	-	-	200,000
	Tank Cleaning Vehicle	-	35,000	-	-	-	-	35,000
	CAT D6 Bulldozer	-	400,000	-	-	-	-	400,000
	Plotter	-	10,000	-	-	-	-	10,000
<b>TOTAL</b>		<b>\$ 754,911</b>	<b>\$ 6,389,000</b>	<b>\$ 700,000</b>	<b>\$ 300,000</b>	<b>\$ 1,400,000</b>	<b>\$ 100,000</b>	<b>\$ 9,743,911</b>

## **Fiscal Year 2017/2018 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.

## **Capital Projects**

### **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 outlet 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 final design and bidding for construction, along with, completion of the required interconnection with SCE.

### **Oeste Recharge (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.

## Capital Projects Con't

### **Regional Recharge Projects (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. Once sites are identified, planning and environmental studies will be initiated.

### **Upper Mojave River Off River Channel Recharge Project (Project 528):** [Goal 2](#)

This item provides funding for the installation of perimeter fencing and equipment access gates at the Deep Creek and Rock Springs off-river channel recharge properties.

## Repair and Replacement Projects

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

With the construction of R<sup>3</sup> 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(s) and need to be updated and/or replaced. Both control systems will be migrated to the ClearScada HMI software, which will control and monitor all of our existing pipeline projects.

### **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.

### **Facility/Infrastructure Repair & Replacement:** [Goal 1](#)

This item is to earmark funds in the current fiscal year budget for the repair and/or replacement of components of the water production and distribution system, such as valves, pumps, electrical equipment, and piping.

## Facility Projects

### **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.

## **BUDGET DETAIL – COMBINED**

Summary	Acct	Description	FY 2015/16 Actual*	FY 2016/17 Budget*	Actual YTD 01/31/17	FY 2016/17 Projected	FY 2017/18 Budget	FY 2018/19 Budget
<b>DWR</b> (Fund 600)	5215	State Water Project Minimum OMP&R	10,370,876	11,148,784	5,090,912	10,340,166	10,377,515	10,747,632
	1111	State Water Project Bond & Capital	5,690,834	8,472,435	3,989,749	8,159,149	8,266,659	8,644,923
		<b>Subtotal</b>	<b>16,061,710</b>	<b>19,621,219</b>	<b>9,080,661</b>	<b>18,499,315</b>	<b>18,644,174</b>	<b>19,392,555</b>
<b>SWC Member Allocation</b> (Fund 600)	5731	Legal Fees	-	26,000	-	-	-	-
	5219	SWC Member Allocation	142,384	190,000	177,699	177,699	160,266	165,000
		<b>Subtotal</b>	<b>142,384</b>	<b>216,000</b>	<b>177,699</b>	<b>177,699</b>	<b>160,266</b>	<b>165,000</b>
<b>SWP Contractors Authority</b> (Fund 600)	5220	DSPC	26,875	26,987	26,987	26,987	27,000	27,000
	5221	Member Dues	13,168	19,415	12,706	12,706	12,706	12,706
	5222	Municipal Water Quality Investigation	-	25,000	-	-	-	-
		<b>Subtotal</b>	<b>40,043</b>	<b>71,402</b>	<b>39,693</b>	<b>39,693</b>	<b>39,706</b>	<b>39,706</b>
<b>Water Purchase</b> (Fund 300 & 600)	1455	Inventory	1,607,933	2,868,243	1,114,427	2,955,197	4,104,784	2,057,016
	5211	COGS: Variable Trans. & Off Aqueduct	833,658	1,758,395	1,271,183	1,432,274	1,212,055	1,344,739
		<b>Subtotal</b>	<b>2,441,591</b>	<b>4,626,638</b>	<b>2,385,610</b>	<b>4,387,471</b>	<b>5,316,839</b>	<b>3,401,755</b>
<b>Departmental Expenses</b> (Fund 100)	5600	Salaries	3,317,369	3,534,942	2,188,049	3,506,605	3,504,324	3,683,231
	5612	Overtime	23,261	27,000	15,686	23,773	18,000	18,000
	5613	Health Insurance-Medical	421,286	459,684	269,359	431,059	429,605	453,999
	5614	Payroll Taxes	102,331	115,845	67,881	108,390	114,083	117,505
	5615	Misc. Benefit	24,000	32,250	15,020	24,000	32,252	32,252
	5616	Workers' Compensation Expense	54,427	74,729	55,378	55,378	77,432	79,755
	5618	Health Insurance Exp. Dental/Vision	91,501	98,147	57,069	120,821	84,521	87,057
	5620	Health Expense Reimb. FSA	55,252	58,500	34,817	58,519	97,700	97,700
	5621	Retirement Contribution	15,082	15,640	11,680	15,185	16,431	16,924
	5623	PERS: Employees	552,921	634,867	473,535	628,588	681,174	701,661
		<b>SUBTOTAL WAGES &amp; BENEFITS</b>	<b>4,657,430</b>	<b>5,051,604</b>	<b>3,188,474</b>	<b>4,972,318</b>	<b>5,055,522</b>	<b>5,288,084</b>
	5900	Director Fees	120,482	150,000	87,584	141,000	150,000	150,000
	5910	Dir. Health Insurance Premium	94,836	130,000	72,810	87,000	130,000	130,000
	5911	In Lieu of Retirement	4,068	5,000	3,299	4,398	5,000	5,000
	5935	Dir. Legislative Travel	2,155	15,000	245	-	15,000	15,000
	5940	Dir. Travel: Conferences & Expenses	11,535	35,000	12,486	20,000	35,000	35,000
	5960	Travel Drs. In	13,552	21,000	10,562	13,504	21,000	21,000
	5617	Employee Relations	7,743	12,000	3,810	6,531	10,000	2,500
	5622	OPEB	189,555	195,029	94,193	195,029	200,406	206,418
	5701	Equip. Lease/Rent	53,198	70,000	52,616	71,000	98,000	98,000
	5702	Safety Supplies	12,324	21,000	8,200	13,930	21,000	21,000
	5703	Recruiting Expense	7,323	10,000	2,284	30,000	10,000	10,000
	5705	Building Maintenance	211,303	205,000	150,836	210,000	76,500	76,500
	5706	Utilities	813,031	1,022,270	616,765	981,973	975,000	1,005,000
	5708	Postage & Mailing Costs	7,315	6,000	5,105	10,000	8,000	8,000
	5709	Office Supplies & Expenses	40,221	35,000	23,864	35,000	35,000	35,000
	5710	Small Tools	27,749	29,100	4,168	21,000	26,600	30,100
	5711	Books & Subscriptions	2,664	14,550	1,008	10,168	13,050	11,050

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

Summary	Acct	Description	FY 2015/16 Actual*	FY 2016/17 Budget*	Actual YTD 01/31/17	FY 2016/17 Projected	FY 2017/18 Budget	FY 2018/19 Budget
<b>Departmental Expenses (Fund 100) (Continued)</b>	5712	Telephone	94,044	95,000	67,529	94,570	93,500	93,500
	5713	Printing	5,285	5,500	-	250	500	500
	5719	Equipment Maintenance					115,000	115,000
	5720	Computer Equipment & Maintenance	392,037	280,800	223,832	311,304	100,000	125,000
	5721	Data Collections	138,560	175,000	119,104	175,000	150,000	175,000
	5722	Insurance	133,975	150,000	96,356	115,000	125,000	125,000
	5724	Licenses/Dues & Fees	97,914	105,000	88,178	100,170	308,500	313,000
	5725	Auto Expenses	84,060	102,000	65,173	105,394	97,000	106,550
	5726	Travel Expenses	65,364	91,000	53,391	80,100	104,500	96,500
	5728	Education & Training	6,404	77,100	5,379	24,792	48,500	48,500
	5729	Consulting	1,229,343	1,950,000	494,941	1,880,000	1,199,000	782,000
	5731	Legal	100,505	115,000	122,341	140,000	115,000	115,000
	5732	Legislative Advocacy	133,599	145,000	72,798	128,000	145,000	145,000
	5733	Audit & Accounting	43,948	40,000	19,130	25,507	40,000	40,000
	5734	Environmental	5,873	60,000	1,163	45,000	20,000	20,000
	5735	Water Quality	13,967	55,000	20,445	55,000	25,000	25,000
	5736	Engineering, General	159,361	123,500	61,919	123,500	73,500	73,500
	5737	USGS	495,785	420,000	100,766	420,000	388,200	410,000
	5741	Aerial Photos	43,500	132,500	32,625	32,625	41,500	41,500
	5742	Public Relations	122,347	118,500	24,242	68,400	118,500	118,500
	5743	Water Conservation	2,012,974	1,905,000	480,195	700,000	926,000	200,000
	5800	Election Costs	-	110,000	-	110,000	-	110,000
	5801	IDM: 4% Debt Service Support	32,507	32,600	-	32,578	32,578	32,533
	5810	Other Expenses	64,010	66,500	7,415	17,920	25,000	25,000
		<b>Total Before Transfers Out</b>	<b>12,118,879</b>	<b>13,385,053</b>	<b>6,495,231</b>	<b>11,607,961</b>	<b>11,176,856</b>	<b>10,484,235</b>
	5610	Labor & Benefits to WM	(350,125)	(272,093)	(141,426)	(274,735)	(297,914)	(306,635)
		<b>Total Capital Labor &amp; OH Out</b>	<b>(350,125)</b>	<b>(272,093)</b>	<b>(141,426)</b>	<b>(274,735)</b>	<b>(297,914)</b>	<b>(306,635)</b>
		<b>TOTAL NET DEPT EXPENSES:</b>	<b>11,768,754</b>	<b>13,112,960</b>	<b>6,353,805</b>	<b>11,333,226</b>	<b>10,878,942</b>	<b>10,177,600</b>
<b>Tax Collection Exp (All Funds)</b>	5820	General Fund	22,286	14,000	11,111	21,823	23,000	23,000
	5820	Debt Service Fund	3,119	4,000	1,580	3,077	4,000	4,000
	5820	SWP Fund	53,854	67,000	27,664	56,006	54,000	54,000
	5820	ID M	7,303	8,000	3,571	8,000	8,000	8,000
		<b>Subtotal</b>	<b>86,562</b>	<b>93,000</b>	<b>43,926</b>	<b>88,906</b>	<b>89,000</b>	<b>89,000</b>
<b>ID M (Fund 800)</b>	5850	Interest Expense	926,625	810,291	151,333	487,362	389,333	317,475
	2627	Principal Pmt (Now 2629)	2,345,000	2,345,000	790,000	790,000	2,470,000	2,545,000
		<b>Subtotal</b>	<b>3,271,625</b>	<b>3,155,291</b>	<b>941,333</b>	<b>1,277,362</b>	<b>2,859,333</b>	<b>2,862,475</b>
<b>COP-Dudley Ridge (Fund 300)</b>	5853	Interest Expense	1,783,946	1,746,817	724,608	1,742,404	1,712,350	1,673,175
	2623	Principal Pmt	850,000	850,000	-	850,000	880,000	920,000
		<b>Subtotal</b>	<b>2,633,946</b>	<b>2,596,817</b>	<b>724,608</b>	<b>2,592,404</b>	<b>2,592,350</b>	<b>2,593,175</b>
<b>COP-Berrenda Mesa (Fund 600)</b>	5854	Interest Expense	388,342	417,650	225,325	417,650	365,550	309,450
	2640	Principal Pmt	1,320,000	1,320,000	1,320,000	1,320,000	1,365,000	1,410,000
		<b>Subtotal</b>	<b>1,708,342</b>	<b>1,737,650</b>	<b>1,545,325</b>	<b>1,737,650</b>	<b>1,730,550</b>	<b>1,719,450</b>
		<b>TOTAL EXPENSES</b>	<b>38,154,957</b>	<b>45,230,977</b>	<b>21,292,660</b>	<b>40,133,726</b>	<b>42,311,160</b>	<b>40,440,716</b>

## INDIVIDUAL DEPARTMENT BUDGETS & INITIATIVES

### Administration (AD) – Dept #10

#### Department Budget Summary

		FY 15/16 Actual	FY 16/17 Budget	Actual YTD as of 01/31/2017	FY 16/17 Projected	FY 17/18 Budget	FY 18/19 Budget
	<b>EXPENSES:</b>						
5600	Dept Wages	782,507.30	848,628.00	468,186.29	823,432.50	840,724.00	865,945.72
5612	Dept Overtime	275.96	1,000.00	61.01	61.01	-	-
5613	Health Insurance - Medical	81,770.80	92,484.00	50,892.52	88,695.23	88,040.00	90,681.20
5614	Payroll Taxes	24,749.59	27,294.00	12,973.57	25,073.57	26,934.00	27,742.02
5615	Misc Benefit	6,000.02	6,000.00	3,481.94	6,000.00	6,000.00	6,000.00
5616	Workers Compensation Expense	4,156.26	6,341.00	3,819.02	3,819.02	5,522.00	5,687.66
5618	Dental/Vision Insurance	34,396.84	32,919.00	19,096.61	36,486.18	21,753.00	22,405.59
5620	Health Ins Reimb - FSA	11,123.09	13,500.00	5,980.37	13,500.00	23,400.00	23,400.00
5621	Deferred Comp Contributions GM	15,082.46	15,640.00	8,760.30	15,184.52	16,431.00	16,923.93
5623	PERS Retirement	130,925.97	141,289.00	108,285.66	148,489.70	128,601.00	132,459.03
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>1,090,988.29</b>	<b>1,185,095.00</b>	<b>681,537.29</b>	<b>1,160,741.73</b>	<b>1,157,405.00</b>	<b>1,191,245.15</b>
5900	Director Fees	120,481.61	150,000.00	66,035.41	141,000.00	150,000.00	150,000.00
5910	Directors Pooled Health	94,835.70	130,000.00	61,333.40	87,000.00	130,000.00	130,000.00
5911	In Lieu of Retirement	4,068.30	5,000.00	2,199.09	3,769.87	5,000.00	5,000.00
5935	Dir. Legislative Travel	2,155.39	15,000.00	-	-	15,000.00	15,000.00
5940	Dir. Other: Conferences & Expenses	11,535.13	35,000.00	11,877.38	20,000.00	35,000.00	35,000.00
5960	Travel Drs. In	13,551.98	21,000.00	8,374.26	13,500.00	21,000.00	21,000.00
5622	OPEB	189,554.95	195,029.00	78,427.46	195,029.00	200,406.00	206,418.18
5701	Equip. Lease/Rent	52,035.03	55,000.00	31,134.88	53,000.00	53,000.00	53,000.00
5702	Safety Supplies	4,217.99	5,000.00	2,115.51	3,626.59	5,000.00	5,000.00
5705	Building Maintenance	4,573.29	5,000.00	7,660.12	10,000.00	51,500.00	51,500.00
5706	Utilities	152,911.85	175,000.00	79,553.37	136,377.21	150,000.00	160,000.00
5708	Postage & Mailing Costs	7,314.84	6,000.00	6,730.00	10,000.00	8,000.00	8,000.00
5709	Office Supplies & Expenses	40,221.00	35,000.00	16,302.58	35,000.00	35,000.00	35,000.00
5711	Books & Subscriptions	289.16	1,000.00	16.95	29.06	1,000.00	1,000.00
5712	Telephone	84,389.61	90,000.00	51,094.92	90,000.00	90,000.00	90,000.00
5722	Insurance	133,975.14	150,000.00	65,969.32	115,000.00	125,000.00	125,000.00
5724	Licenses/Dues & Fees (ACWA,LAFCO & Misc)	79,607.25	75,000.00	77,345.90	80,000.00	80,000.00	80,000.00
5725	Auto Expenses	2,575.77	5,000.00	3,306.58	5,000.00	5,000.00	5,000.00
5726	Travel Expenses	36,403.43	42,000.00	21,964.77	42,000.00	50,000.00	42,000.00
5728	Education & Training	947.00	14,800.00	3,018.75	5,175.00	5,500.00	5,500.00
5729	Consulting	314,824.44	250,000.00	156,030.31	250,000.00	119,000.00	122,000.00
5731	Legal	100,505.40	115,000.00	86,994.89	140,000.00	115,000.00	115,000.00
5733	Audit & Accounting	43,948.00	40,000.00	18,080.00	30,994.29	40,000.00	40,000.00
5800	Election Cost	-	110,000.00	-	110,000.00	-	110,000.00
5801	IDM: 4% Debt Service Support	32,507.00	32,600.00	-	32,578.00	32,578.00	32,533.00
5810	Other Expenses (trustee fees)	56,709.28	56,000.00	1,804.08	10,000.00	20,000.00	20,000.00
	<b>NON-LABOR EXP</b>	<b>1,956,351.83</b>	<b>1,818,429.00</b>	<b>857,369.93</b>	<b>1,619,079.02</b>	<b>1,541,984.00</b>	<b>1,662,951.18</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>3,047,340.12</b>	<b>3,003,524.00</b>	<b>1,538,907.22</b>	<b>2,779,820.75</b>	<b>2,699,389.00</b>	<b>2,854,196.33</b>

## Administration (AD) – Dept #10

### Department Budget Initiative Detail

		Department Admin.	Admin Bldg Parking Lot 408	Doc Scan 404	FY 17/18 Total
	<b>EXPENSES:</b>				
5600	Dept Wages	840,724.00		-	840,724.00
5612	Dept Overtime	-		-	-
5613	Health Insurance - Medical	88,040.00		-	88,040.00
5614	Payroll Taxes	26,934.00		-	26,934.00
5615	Misc Benefit	6,000.00		-	6,000.00
5616	Workers Compensation Expense	5,522.00		-	5,522.00
5618	Dental/Vision Insurance	21,753.00		-	21,753.00
5620	Health Ins Reimb - FSA	23,400.00		-	23,400.00
5621	Deferred Comp Contributions GM	16,431.00		-	16,431.00
5623	PERS Retirement	128,601.00		-	128,601.00
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>1,157,405.00</b>	<b>-</b>	<b>-</b>	<b>1,157,405.00</b>
5900	Director Fees	150,000.00		-	150,000.00
5910	Directors Pooled Health	130,000.00		-	130,000.00
5911	In Lieu of Retirement	5,000.00		-	5,000.00
5935	Dir. Legislative Travel	15,000.00		-	15,000.00
5940	Dir. Other: Conferences & Expenses	35,000.00		-	35,000.00
5960	Travel Drs. In	21,000.00		-	21,000.00
5622	OPEB	200,406.00		-	200,406.00
5701	Equip. Lease/Rent	53,000.00		-	53,000.00
5702	Safety Supplies	5,000.00		-	5,000.00
5705	Building Maintenance	26,500.00	25,000.00	-	51,500.00
5706	Utilities	150,000.00		-	150,000.00
5708	Postage & Mailing Costs	8,000.00		-	8,000.00
5709	Office Supplies & Expenses	35,000.00		-	35,000.00
5711	Books & Subscriptions	1,000.00		-	1,000.00
5712	Telephone	90,000.00		-	90,000.00
5722	Insurance	125,000.00		-	125,000.00
5724	Licenses/Dues & Fees (ACWA,LAFCO & Misc)	80,000.00		-	80,000.00
5725	Auto Expenses	5,000.00		-	5,000.00
5726	Travel Expenses	50,000.00		-	50,000.00
5728	Education & Training	5,500.00		-	5,500.00
5729	Consulting	114,000.00		5,000.00	119,000.00
5731	Legal	115,000.00		-	115,000.00
5733	Audit & Accounting	40,000.00		-	40,000.00
5800	Election Cost	-		-	-
5801	IDM: 4% Debt Service Support	32,578.00		-	32,578.00
5810	Other Expenses (trustee fees)	20,000.00		-	20,000.00
	<b>NON-LABOR EXP</b>	<b>1,511,984.00</b>	<b>25,000.00</b>	<b>5,000.00</b>	<b>1,541,984.00</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>2,669,389.00</b>	<b>25,000.00</b>	<b>5,000.00</b>	<b>2,699,389.00</b>

## Information Technology (IT) – Dept #20

### Department Budget Summary

		FY15/16 Actual	FY16/17 Budget	Actual YTD as of 01/31/2017	FY16/17 Projected	FY17/18 Budget	FY18/19 Budget
	<b>EXPENSES:</b>						
5600	Dept Wages	231,090.37	229,983.00	129,244.56	227,190.43	91,703.00	94,454.09
5612	Dept Overtime	7,624.16	8,000.00	3,889.04	6,741.01	-	-
5613	Health Insurance - Mediczal	24,480.04	24,480.00	14,123.10	21,184.65	12,240.00	12,607.20
5614	Payroll Taxes	6,645.26	7,379.00	3,961.16	5,710.88	3,014.00	3,104.42
5616	Workers Compensation Expense	823.39	1,294.00	932.51	932.51	603.00	621.09
5618	Health Insurance - Dental/Vision	4,675.93	5,500.00	2,521.70	5,423.30	2,583.00	2,660.49
5620	Health Ins Reimb - FSA	3,013.84	3,000.00	1,757.52	2,313.79	2,600.00	2,600.00
5623	PERS Retirement	40,237.64	46,555.00	28,362.94	40,224.35	22,170.00	22,835.10
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>318,590.63</b>	<b>326,191.00</b>	<b>184,792.53</b>	<b>309,720.92</b>	<b>134,913.00</b>	<b>138,882.39</b>
5710	Small Tools	421.62	1,000.00	419.04	1,000.00	1,000.00	1,000.00
5720	Computer Equipment & Maintenance	373,375.86	250,000.00	207,270.96	287,950.00	100,000.00	125,000.00
5724	Licenses/Dues & Fees	-	5,000.00	64.00	3,800.00	210,000.00	210,000.00
5726	Travel Expenses	5,199.83	17,500.00	34.06	2,500.00	16,000.00	16,000.00
5728	Education & Training	3,026.25	25,000.00	-	5,000.00	22,000.00	22,000.00
5729	Consulting	-	45,000.00	-	40,000.00	75,000.00	75,000.00
5741	Aerial Photos	23,750.00	120,000.00	21,750.00	21,750.00	29,000.00	29,000.00
	<b>NON-LABOR EXP</b>	<b>405,773.56</b>	<b>466,500.00</b>	<b>229,538.06</b>	<b>362,000.00</b>	<b>453,000.00</b>	<b>478,000.00</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>724,364.19</b>	<b>792,691.00</b>	<b>414,330.59</b>	<b>671,720.92</b>	<b>587,913.00</b>	<b>616,882.39</b>

## Information Technology (IT) – Dept #20

### Department Budget Initiative Detail

		Department Admin.	GIS 376	Aerial Photos 450	FY 17/18 Total
	<b>EXPENSES:</b>				
5600	Dept Wages	91,703.00	-	-	91,703.00
5612	Dept Overtime	-	-	-	-
5613	Health Insurance - Mediczal	12,240.00	-	-	12,240.00
5614	Payroll Taxes	3,014.00	-	-	3,014.00
5616	Workers Compensation Expense	603.00	-	-	603.00
5618	Health Insurance - Dental/Vision	2,583.00	-	-	2,583.00
5620	Health Ins Reimb - FSA	2,600.00	-	-	2,600.00
5623	PERS Retirement	22,170.00	-	-	22,170.00
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>134,913.00</b>	<b>-</b>	<b>-</b>	<b>134,913.00</b>
5710	Small Tools	1,000.00	-	-	1,000.00
5720	Computer Equipment & Maintenance	50,000.00	50,000.00	-	100,000.00
5724	Licenses/Dues & Fees	210,000.00	-	-	210,000.00
5726	Travel Expenses	16,000.00	-	-	16,000.00
5728	Education & Training	22,000.00	-	-	22,000.00
5729	Consulting	75,000.00	-	-	75,000.00
5741	Aerial Photos	-	-	29,000.00	29,000.00
	<b>NON-LABOR EXP</b>	<b>374,000.00</b>	<b>50,000.00</b>	<b>29,000.00</b>	<b>453,000.00</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>508,913.00</b>	<b>50,000.00</b>	<b>29,000.00</b>	<b>587,913.00</b>

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

### Department Budget Summary

		FY 15/16 Actual	FY 16/17 Budget	Actual YTD as of 01/31/2017	FY 16/17 Projected	FY 17/18 Budget	FY 18/19 Budget
	<b>EXPENSES:</b>						
5600	Dept Wages	398,988.33	408,705.00	231,148.24	407,326.77	437,243.00	450,360.29
5612	Dept Overtime	1,790.82	3,000.00	486.92	3,000.00	4,000.00	4,000.00
5613	Health Insurance - Medical	56,063.67	61,200.00	32,427.25	56,377.88	56,145.00	57,829.35
5614	Payroll Taxes	12,100.86	13,627.00	7,444.40	12,892.70	14,308.00	14,737.24
5615	Misc Benefit	6,000.02	6,000.00	3,461.55	6,000.00	6,000.00	6,000.00
5616	Workers Compensation Expense	1,878.11	4,929.00	2,541.38	2,541.38	3,299.00	3,397.97
5618	Health Insurance - Dental/Vision	7,625.90	11,334.00	4,165.72	11,258.19	10,520.00	10,835.60
5620	Health Ins Reimb - FSA	7,496.84	7,500.00	4,332.76	7,500.00	13,000.00	13,000.00
5623	PERS Retirement	53,438.23	55,386.00	53,658.31	70,991.39	84,660.00	87,199.80
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>545,382.78</b>	<b>571,681.00</b>	<b>339,666.53</b>	<b>577,888.31</b>	<b>629,175.00</b>	<b>647,360.25</b>
5702	Safety Supplies	-	6,000.00	2.15	3.69	6,000.00	6,000.00
5617	Employee Relations	7,742.65	12,000.00	3,809.80	6,531.09	10,000.00	2,500.00
5703	Recruiting Expense				30,000.00	10,000.00	10,000.00
5711	Books & Subscriptions	1,439.50	3,500.00	843.48	1,445.97	2,000.00	-
5724	Licenses/Dues/ Fees/Legal Consort.	9,844.08	14,500.00	3,424.24	5,870.13	8,000.00	12,500.00
5725	Auto Expenses	2,493.90	2,500.00	521.55	894.09	2,500.00	2,500.00
5726	Travel Expenses	8,041.12	8,000.00	7,257.16	12,600.00	15,000.00	15,000.00
5728	Education & Training	-	9,500.00	-	9,500.00	9,500.00	9,500.00
5729	Consulting	11,665.00	20,000.00	-	20,000.00	10,000.00	20,000.00
5732	Legislative Advocacy	133,599.09	145,000.00	72,797.52	128,000.00	145,000.00	145,000.00
5742	Public Relations	122,347.09	118,500.00	24,242.10	68,400.00	118,500.00	118,500.00
5743	Water Conservation	2,012,974.47	1,905,000.00	480,194.88	700,000.00	926,000.00	200,000.00
	<b>NON-LABOR EXP</b>	<b>2,321,656.10</b>	<b>2,252,800.00</b>	<b>593,092.88</b>	<b>984,744.97</b>	<b>1,262,500.00</b>	<b>545,000.00</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>2,867,038.88</b>	<b>2,824,481.00</b>	<b>932,759.41</b>	<b>1,562,633.28</b>	<b>1,891,675.00</b>	<b>1,192,360.25</b>

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

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

		Department Admin.	Community Relations 226	Limited Strategic Partnerships 227	Fac.Tours 243	Annual Water Symposium 259	AWAC 305
	<b>EXPENSES:</b>						
5600	Dept Wages	437,243.00	-	-	-	-	-
5612	Dept Overtime	4,000.00	-	-	-	-	-
5613	Health Insurance - Medical	56,145.00	-	-	-	-	-
5614	Payroll Taxes	14,308.00	-	-	-	-	-
5615	Misc Benefit	6,000.00	-	-	-	-	-
5616	Workers Compensation Expense	3,299.00	-	-	-	-	-
5618	Health Insurance - Dental/Vision	10,520.00	-	-	-	-	-
5620	Health Ins Reimb - FSA	13,000.00	-	-	-	-	-
5623	PERS Retirement	84,660.00	-	-	-	-	-
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>629,175.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5702	Safety Supplies	6,000.00	-	-	-	-	-
5617	Employee Relations	10,000.00	-	-	-	-	-
5703	Recruiting Expense	10,000.00					
5711	Books & Subscriptions	2,000.00	-	-	-	-	-
5724	Licenses/Dues/ Fees/Legal Consort.	8,000.00	-	-	-	-	-
5725	Auto Expenses	2,500.00	-	-	-	-	-
5726	Travel Expenses	15,000.00	-	-	-	-	-
5728	Education & Training	9,500.00	-	-	-	-	-
5729	Consulting	10,000.00	-	-	-	-	-
5732	Legislative Advocacy	145,000.00	-	-	-	-	-
5742	Public Relations	-	81,000.00	-	7,500.00	15,000.00	-
5743	Water Conservation	-	-	100,000.00	-	-	50,000.00
	<b>NON-LABOR EXP</b>	<b>218,000.00</b>	<b>81,000.00</b>	<b>100,000.00</b>	<b>7,500.00</b>	<b>15,000.00</b>	<b>50,000.00</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>847,175.00</b>	<b>81,000.00</b>	<b>100,000.00</b>	<b>7,500.00</b>	<b>15,000.00</b>	<b>50,000.00</b>

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

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

		Demo Gard 344	County Conf. 381	WCIP 386	High School Water Summit 397	FY 17/18 Total
	<b>EXPENSES:</b>					
5600	Dept Wages	-	-	-	-	437,243.00
5612	Dept Overtime	-	-	-	-	4,000.00
5613	Health Insurance - Medical	-	-	-	-	56,145.00
5614	Payroll Taxes	-	-	-	-	14,308.00
5615	Misc Benefit	-	-	-	-	6,000.00
5616	Workers Compensation Expense	-	-	-	-	3,299.00
5618	Health Insurance - Dental/Vision	-	-	-	-	10,520.00
5620	Health Ins Reimb - FSA	-	-	-	-	13,000.00
5623	PERS Retirement	-	-	-	-	84,660.00
	<b>TOTAL WAGES &amp; BENEFITS</b>	-	-	-	-	<b>629,175.00</b>
5702	Safety Supplies	-	-	-	-	6,000.00
5617	Employee Relations	-	-	-	-	10,000.00
5703	Recruiting Expense				-	10,000.00
5711	Books & Subscriptions	-	-	-	-	2,000.00
5724	Licenses/Dues/ Fees/Legal Consort.	-	-	-	-	8,000.00
5725	Auto Expenses	-	-	-	-	2,500.00
5726	Travel Expenses	-	-	-	-	15,000.00
5728	Education & Training	-	-	-	-	9,500.00
5729	Consulting	-	-	-	-	10,000.00
5732	Legislative Advocacy	-	-	-	-	145,000.00
5742	Public Relations	-	5,000.00	-	10,000.00	118,500.00
5743	Water Conservation	26,000.00	-	750,000.00	-	926,000.00
	<b>NON-LABOR EXP</b>	<b>26,000.00</b>	<b>5,000.00</b>	<b>750,000.00</b>	<b>10,000.00</b>	<b>1,262,500.00</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>26,000.00</b>	<b>5,000.00</b>	<b>750,000.00</b>	<b>10,000.00</b>	<b>1,891,675.00</b>

## Engineering (ENG) – Dept #40

### Department Budget Summary

		FY 15/16 Actual	FY 16/17 Budget	Actual YTD as of 01/31/2017	FY 16/17 Projected	FY 17/18 Budget	FY 18/19 Budget
	<b>EXPENSES:</b>						
5600	Dept Wages	115,006.11	118,885.00	67,309.70	118,325.61	205,551.00	285,494.37
5613	Health Insurance - Medical	12,240.02	12,240.00	7,061.55	12,240.00	24,480.00	36,720.00
5614	Payroll Taxes	3,827.96	3,803.00	2,270.78	3,936.62	6,671.00	6,871.13
5615	Misc Benefit	6,000.02	6,000.00	3,461.55	6,000.00	6,000.00	6,000.00
5616	Workers Compensation Expense	1,643.29	1,494.00	536.29	536.29	1,396.00	1,437.88
5618	Health Insurance - Dental/Vision	2,250.76	2,270.00	1,220.58	3,271.31	3,587.00	3,694.61
5620	Health Ins Reimb - FSA	2,508.25	1,500.00	865.35	1,500.00	5,200.00	5,200.00
5623	PERS Retirement	20,421.86	24,064.00	14,521.38	20,695.22	40,657.00	41,928.21
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>163,898.27</b>	<b>170,256.00</b>	<b>97,247.18</b>	<b>166,505.05</b>	<b>293,542.00</b>	<b>387,346.20</b>
5711	Books & Subscriptions	-	8,500.00	-	8,500.00	8,500.00	8,500.00
5724	Licenses/Dues & Fees	2,847.00	4,000.00	2,407.00	4,000.00	4,000.00	4,000.00
5725	Auto Expenses	2,922.52	4,000.00	247.91	4,000.00	4,000.00	4,000.00
5726	Travel Expenses	3,600.44	6,000.00	1,569.12	6,000.00	6,000.00	6,000.00
5729	Consulting	12,499.70	45,000.00	13,000.00	45,000.00	65,000.00	100,000.00
5736	Engineering, General	14,990.44	50,000.00	22,690.00	50,000.00	-	-
	<b>NON-LABOR EXP</b>	<b>36,860.10</b>	<b>117,500.00</b>	<b>39,914.03</b>	<b>117,500.00</b>	<b>87,500.00</b>	<b>122,500.00</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>200,758.37</b>	<b>287,756.00</b>	<b>137,161.21</b>	<b>284,005.05</b>	<b>381,042.00</b>	<b>509,846.20</b>

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

### Department Budget Summary

		FY 15/16	FY 16/17	Actual YTD as of	FY 16/17	FY 17/18	FY 18/19
	<b>EXPENSES:</b>	<b>Actual</b>	<b>Budget</b>	<b>01/31/2017</b>	<b>Projected</b>	<b>Budget</b>	<b>Budget</b>
5600	Dept Wages	506,410.02	496,333.00	286,969.60	504,356.88	494,029.00	508,849.87
5612	Dept Overtime	7,300.67	10,000.00	6,320.51	10,000.00	10,000.00	10,000.00
5613	Health Insurance - Medical	73,440.12	73,440.00	42,369.30	73,440.12	73,440.00	75,643.20
5614	Payroll Taxes	14,932.00	16,523.00	9,071.98	15,946.98	16,457.00	16,950.71
5615	Misc Benefit	-	8,250.00	-	-	8,252.00	8,252.00
5616	Workers Compensation Expense	20,980.16	25,830.00	21,804.40	21,804.40	28,386.00	29,237.58
5618	Health Insurance - Dental/Vision	12,781.57	13,156.00	7,008.94	18,977.71	12,928.00	13,315.84
5620	Health Ins Reimb - FSA	9,013.58	9,000.00	5,171.50	9,000.00	14,500.00	14,500.00
5623	PERS Retirement	80,664.99	93,821.00	68,827.00	92,796.29	90,139.00	92,843.17
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>725,523.11</b>	<b>746,353.00</b>	<b>447,543.23</b>	<b>746,322.38</b>	<b>748,131.00</b>	<b>769,592.37</b>
5701	Equip. Lease/Rent	1,162.55	15,000.00	11,008.37	18,000.00	45,000.00	45,000.00
5702	Safety Supplies	6,674.16	7,000.00	3,299.85	7,000.00	7,000.00	7,000.00
5705	Building Maintenance	206,729.88	200,000.00	142,635.85	200,000.00	25,000.00	25,000.00
5706	Utilities	660,119.29	847,270.00	515,738.09	847,270.00	825,000.00	845,000.00
5710	Small Tools	19,980.66	22,000.00	3,044.59	15,000.00	22,000.00	22,000.00
5711	Books & Subscriptions	82.44	1,000.00	-	-	1,000.00	1,000.00
5712	Telephone	9,654.04	5,000.00	2,899.63	4,570.00	3,500.00	3,500.00
5719	Equipment Maintenance					105,000.00	105,000.00
5724	Licenses/Dues & Fees	906.29	1,500.00	886.64	1,500.00	1,500.00	1,500.00
5725	Auto Expenses	43,468.22	60,000.00	31,421.68	60,000.00	60,000.00	60,000.00
5726	Travel Expenses	35.38	2,000.00	46.61	2,000.00	2,000.00	2,000.00
5728	Education & Training	876.00	11,500.00	1,399.95	3,000.00	5,000.00	5,000.00
5729	Consulting	29,107.88	185,000.00	3,274.93	120,000.00	85,000.00	65,000.00
5734	Environmental	5,872.78	60,000.00	1,163.08	45,000.00	20,000.00	20,000.00
5735	Water Quality	13,966.96	55,000.00	20,444.88	55,000.00	25,000.00	25,000.00
	<b>NON-LABOR EXP</b>	<b>1,009,654.77</b>	<b>1,477,270.00</b>	<b>743,118.15</b>	<b>1,383,340.00</b>	<b>1,232,000.00</b>	<b>1,232,000.00</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>1,735,177.88</b>	<b>2,223,623.00</b>	<b>1,190,661.38</b>	<b>2,129,662.38</b>	<b>1,980,131.00</b>	<b>2,001,592.37</b>

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

### Department Budget Initiative Detail

		Department	R3	Mojave Riv. Pipeline	Oro Grande	Rock Springs Security	Morongo Pipeline	Ames Reche	FY 17/18
	EXPENSES:	Admin.	359A	870A	370A	393	840	296	Total
5600	Dept Wages	494,029.00	-	-	-	-	-	-	494,029.00
5612	Dept Overtime	10,000.00	-	-	-	-	-	-	10,000.00
5613	Health Insurance - Medical	73,440.00	-	-	-	-	-	-	73,440.00
5614	Payroll Taxes	16,457.00	-	-	-	-	-	-	16,457.00
5615	Misc Benefit	8,252.00	-	-	-	-	-	-	8,252.00
5616	Workers Compensation Expense	28,386.00	-	-	-	-	-	-	28,386.00
5618	Health Insurance - Dental/Vision	12,928.00	-	-	-	-	-	-	12,928.00
5620	Health Ins Reimb - FSA	14,500.00	-	-	-	-	-	-	14,500.00
5623	PERS Retirement	90,139.00	-	-	-	-	-	-	90,139.00
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>748,131.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>748,131.00</b>
5701	Equip. Lease/Rent	45,000.00	-	-	-	-	-	-	45,000.00
5702	Safety Supplies	7,000.00	-	-	-	-	-	-	7,000.00
5705	Building Maintenance	25,000.00	-	-	-	-	-	-	25,000.00
5706	Utilities	-	611,000.00	12,000.00	2,000.00	-	200,000.00	-	825,000.00
5710	Small Tools	22,000.00	-	-	-	-	-	-	22,000.00
5711	Books & Subscriptions	1,000.00	-	-	-	-	-	-	1,000.00
5712	Telephone	3,500.00	-	-	-	-	-	-	3,500.00
5719	Equipment Maintenance	105,000.00	-	-	-	-	-	-	105,000.00
5724	Licenses/Dues & Fees	1,500.00	-	-	-	-	-	-	1,500.00
5725	Auto Expenses	60,000.00	-	-	-	-	-	-	60,000.00
5726	Travel Expenses	2,000.00	-	-	-	-	-	-	2,000.00
5728	Education & Training	5,000.00	-	-	-	-	-	-	5,000.00
5729	Consulting	65,000.00	-	-	-	20,000.00	-	-	85,000.00
5734	Environmental	-	5,000.00	-	10,000.00	-	-	5,000.00	20,000.00
5735	Water Quality	-	25,000.00	-	-	-	-	-	25,000.00
	<b>NON-LABOR EXP</b>	<b>342,000.00</b>	<b>641,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>20,000.00</b>	<b>200,000.00</b>	<b>5,000.00</b>	<b>1,232,000.00</b>
	<b>TOTAL DEPARTMENT EXPENSES</b>	<b>1,090,131.00</b>	<b>641,000.00</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>20,000.00</b>	<b>200,000.00</b>	<b>5,000.00</b>	<b>1,980,131.00</b>

## Water Resources (WR) – Dept #60

### Department Budget Summary

		FY 15/16 Actual	FY 16/17 Budget	Actual YTD as of 01/31/2017	FY 16/17 Projected	FY 17/18 Budget	FY 18/19 Budget
	<b>EXPENSES:</b>						
5600	Dept Wages	908,883.65	1,050,965.00	549,790.02	967,386.10	1,026,821.00	1,057,625.63
5612	Dept Overtime	622.74	1,000.00	22.55	38.66	-	-
5613	Health Insurance - Medical	118,681.54	146,880.00	71,799.42	125,234.12	126,300.00	130,089.00
5614	Payroll Taxes	28,027.42	34,737.00	17,580.02	30,377.42	33,440.00	34,443.20
5615	Misc Benefit	6,000.02	6,000.00	3,461.55	6,000.00	6,000.00	6,000.00
5616	Workers Compensation Expense	22,797.37	30,559.00	23,739.38	23,739.38	35,624.00	36,692.72
5618	Health Insurance - Dental/Vision	20,194.83	23,200.00	12,299.12	33,765.95	23,475.00	24,179.25
5620	Health Ins Reimb - FSA	15,216.69	18,000.00	9,373.56	18,000.00	28,600.00	28,600.00
5623	PERS Retirement	159,335.33	196,501.00	123,808.49	170,254.55	216,268.00	222,756.04
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>1,279,759.59</b>	<b>1,507,842.00</b>	<b>811,874.11</b>	<b>1,374,796.18</b>	<b>1,496,528.00</b>	<b>1,540,385.84</b>
5702	Safety Supplies	1,431.50	1,500.00	1,814.95	2,514.95	2,500.00	2,500.00
5710	Small Tools	1,286.69	3,500.00	704.81	3,500.00	3,500.00	3,500.00
5711	Books & Subscriptions	852.54	500.00	40.00	68.57	500.00	500.00
5719	Equipment Maintenance					10,000.00	10,000.00
5721	Data Collections	138,560.44	175,000.00	119,104.33	175,000.00	150,000.00	175,000.00
5724	Licenses/Dues & Fees	4,709.40	5,000.00	2,255.26	5,000.00	5,000.00	5,000.00
5725	Auto Expenses	29,757.93	30,000.00	28,543.37	35,000.00	25,000.00	35,000.00
5726	Travel Expenses	12,083.84	15,000.00	8,044.86	15,000.00	15,000.00	15,000.00
5728	Education & Training	1,554.95	14,800.00	9.99	2,000.00	5,000.00	5,000.00
5729	Consulting	861,245.77	1,405,000.00	251,258.30	1,405,000.00	845,000.00	400,000.00
5737	USGS	495,784.90	420,000.00	100,765.95	420,000.00	388,200.00	410,000.00
5810	Other Expenses	7,300.59	10,000.00	4,620.00	7,920.00	5,000.00	5,000.00
	<b>NON-LABOR EXP</b>	<b>1,564,189.62</b>	<b>2,110,300.00</b>	<b>527,868.39</b>	<b>2,089,357.64</b>	<b>1,454,700.00</b>	<b>1,066,500.00</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>2,843,949.21</b>	<b>3,618,142.00</b>	<b>1,339,742.50</b>	<b>3,464,153.82</b>	<b>2,951,228.00</b>	<b>2,606,885.84</b>

## Water Resources (WR) – Dept #60

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

		Department Admin.	USGS 230	Data Coll. 310	Special Projects 336
	<b>EXPENSES:</b>				
5600	Dept Wages	1,026,821.00	-	-	-
5612	Dept Overtime	-	-	-	-
5613	Health Insurance - Medical	126,300.00	-	-	-
5614	Payroll Taxes	33,440.00	-	-	-
5615	Misc Benefit	6,000.00	-	-	-
5616	Workers Compensation Expense	35,624.00	-	-	-
5618	Health Insurance - Dental/Vision	23,475.00	-	-	-
5620	Health Ins Reimb - FSA	28,600.00	-	-	-
5623	PERS Retirement	216,268.00	-	-	-
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>1,496,528.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
5702	Safety Supplies	2,500.00	-	-	-
5710	Small Tools	3,500.00	-	-	-
5711	Books & Subscriptions	500.00	-	-	-
5719	Equipment Maintenance	10,000.00			
5721	Data Collections	-	-	150,000.00	-
5724	Licenses/Dues & Fees	5,000.00	-	-	-
5725	Auto Expenses	25,000.00	-	-	-
5726	Travel Expenses	15,000.00	-	-	-
5728	Education & Training	5,000.00	-	-	-
5729	Consulting	-	-	-	60,000.00
5737	USGS	-	388,200.00	-	-
5810	Other Expenses	5,000.00	-	-	-
	<b>NON-LABOR EXP</b>	<b>71,500.00</b>	<b>388,200.00</b>	<b>150,000.00</b>	<b>60,000.00</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>1,568,028.00</b>	<b>388,200.00</b>	<b>150,000.00</b>	<b>60,000.00</b>

## Water Resources (WR) – Dept #60

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

		Small Systems 505	GWMP 400	Bureau of Recl. 403	FY 17/18 Total
	<b>EXPENSES:</b>				
5600	Dept Wages	-	-	-	1,026,821.00
5612	Dept Overtime	-	-	-	-
5613	Health Insurance - Medical	-	-	-	126,300.00
5614	Payroll Taxes	-	-	-	33,440.00
5615	Misc Benefit	-	-	-	6,000.00
5616	Workers Compensation Expense	-	-	-	35,624.00
5618	Health Insurance - Dental/Vision	-	-	-	23,475.00
5620	Health Ins Reimb - FSA	-	-	-	28,600.00
5623	PERS Retirement	-	-	-	216,268.00
	<b>TOTAL WAGES &amp; BENEFITS</b>	-	-	-	<b>1,496,528.00</b>
5702	Safety Supplies		-	-	2,500.00
5710	Small Tools	-	-	-	3,500.00
5711	Books & Subscriptions	-	-	-	500.00
5719	Equipment Maintenance	-			10,000.00
5721	Data Collections	-	-	-	150,000.00
5724	Licenses/Dues & Fees	-	-	-	5,000.00
5725	Auto Expenses	-	-	-	25,000.00
5726	Travel Expenses	-	-	-	15,000.00
5728	Education & Training	-	-	-	5,000.00
5729	Consulting	530,000.00	80,000.00	175,000.00	845,000.00
5737	USGS	-	-	-	388,200.00
5810	Other Expenses	-	-	-	5,000.00
	<b>NON-LABOR EXP</b>	<b>530,000.00</b>	<b>80,000.00</b>	<b>175,000.00</b>	<b>1,454,700.00</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>530,000.00</b>	<b>80,000.00</b>	<b>175,000.00</b>	<b>2,951,228.00</b>

## Watermaster (WM) – Dept #90

### Department Budget Summary

		FY 15/16	FY 16/17	Actual YTD as of	FY 16/17	FY 17/18	FY 18/19
	<b>ADMINISTRATIVE EXPENSES:</b>	<b>Actual</b>	<b>Budget</b>	<b>01/31/2017</b>	<b>Projected</b>	<b>Budget</b>	<b>Budget</b>
5600	Dept Wages	374,483.57	381,443.00	221,650.78	389,634.09	408,253.00	420,500.59
5612	Dept Overtime	5,646.31	4,000.00	3,936.14	4,000.00	4,000.00	4,000.00
5613	Health Insurance - Medical	54,609.32	48,960.00	28,246.20	48,960.08	48,960.00	50,428.80
5614	Payroll Taxes	12,048.20	12,482.00	7,340.05	12,658.55	13,259.00	13,656.77
5616	Workers Compensation Expense	2,148.66	4,282.00	2,005.09	2,005.09	2,602.00	2,680.06
5618	Health Insurance - Dental/Vision	9,575.46	9,768.00	5,131.86	13,885.33	9,675.00	9,965.25
5620	Health Ins Reimb - FSA	6,879.23	6,000.00	3,457.56	6,000.00	10,400.00	10,400.00
5623	PERS Retirement	67,897.28	77,251.00	51,988.12	72,327.49	98,679.00	101,639.37
	<b>TOTAL WAGES &amp; BENEFITS</b>	<b>533,288.03</b>	<b>544,186.00</b>	<b>323,755.80</b>	<b>549,470.63</b>	<b>595,828.00</b>	<b>613,270.84</b>
5702	Safety Supplies	-	1,500.00	-	300.00	500.00	500.00
5710	Small Tools	-	100.00	-	-	100.00	100.00
5711	Books & Subscriptions	-	50.00	37.00	37.00	50.00	50.00
5713	Printing	-	500.00	-	250.00	500.00	500.00
5725	Auto Expenses	2,841.85	500.00	112.77	500.00	500.00	50.00
5726	Travel Expenses	-	500.00	-	-	500.00	500.00
5728	Education & Training	-	1,500.00	-	-	1,500.00	1,500.00
5736	Engineering, General	144,370.39	73,500.00	39,229.45	73,500.00	73,500.00	73,500.00
5741	Aerial Photos	19,750.00	12,500.00	10,875.00	10,875.00	12,500.00	12,500.00
	<b>NON-LABOR EXP</b>	<b>166,962.24</b>	<b>90,650.00</b>	<b>50,254.22</b>	<b>85,462.00</b>	<b>89,650.00</b>	<b>89,200.00</b>
	<b>TOTAL DEPT EXPENSES</b>	<b>700,250.27</b>	<b>634,836.00</b>	<b>374,010.02</b>	<b>634,932.63</b>	<b>685,478.00</b>	<b>702,470.84</b>
5610	Labor & Benefits from Watermaster	(350,125.14)	(272,093.00)	(141,426.17)	(274,735.32)	(297,914.00)	(306,635.42)
	<b>Total Capital Labor &amp; OH Out</b>	<b>(350,125.14)</b>	<b>(272,093.00)</b>	<b>(141,426.17)</b>	<b>(274,735.32)</b>	<b>(297,914.00)</b>	<b>(306,635.42)</b>
	<b>TOTAL NET DEPT EXPENSES:</b>	<b>350,125.13</b>	<b>362,743.00</b>	<b>232,583.85</b>	<b>360,197.31</b>	<b>387,564.00</b>	<b>395,835.42</b>

## **Fiscal Year 2017/2018 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.

#### **Admin. Building Parking Lot (Project 408): Goal 1**

This item provides funding for the repair and resurfacing of the public parking lot in front of the Administration building.

## **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)**

### **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, as well as the ABC's of Water program and the ABC's of Water Academy.

### **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.

### **Annual High Desert Water Summit (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

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

### **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.

### **Annual High School High Desert Water Summit (Project 397): Goal 5**

This program is aimed at high school STEAM students to provide a scientific understanding of the region's water resources. The program is designed to engage students and encourage them to consider a career in the water industry.

## **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 (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 Pipeline Expense (Project 840): Goal 2**

The money in this year's budget will cover costs for 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 real time monitoring stations. Funds will also be for monitoring stations maintenance, upgrades, repair, special data collection projects, and small-directed studies where specific data is needed.

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

### **Special Projects (Project 336): Goals 3 and 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, work to define natural systems to support the Judgment and a full accounting of water rights and agreements from the top of the watershed(s) into the MWA service area.

### **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 continuously 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. This program will also assist with technical assistance for the grant and loan programs for homeowners within the MWA service area to deepen/re-drill a new well that has gone dry as well as help with metering programs for lake communities.

### **GWMP (Project 400): Goals 3 and 5**

A Groundwater Management Plan (GWMP) serves as a planning tool to assist the Agency in maintaining safe, sustainable, and high quality groundwater resources in the long-term. The Sustainable Groundwater Management Act (SGMA) of 2014 increased State groundwater monitoring and reporting requirements. An update of the GWMO will enable the Agency to fulfill appropriate groundwater management requirements and maintain grant eligibility.

### **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. Anticipated projects involving the Bureau will be to finish an investigation of the Transition Zone and provide matching funds for a Basin Study of the MWA service area. A Bureau Basin Study will focus primarily on regional recycled and water quality programs. A Basin Study positions the region for future Title XVI Federal funding.