



*The Mojave Water Agency's mission is to manage
the region's water resources for the common
benefit to assure stability in the sustained
use by the citizens we serve.*

FISCAL YEAR BUDGET 2018/2019

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



BUDGET

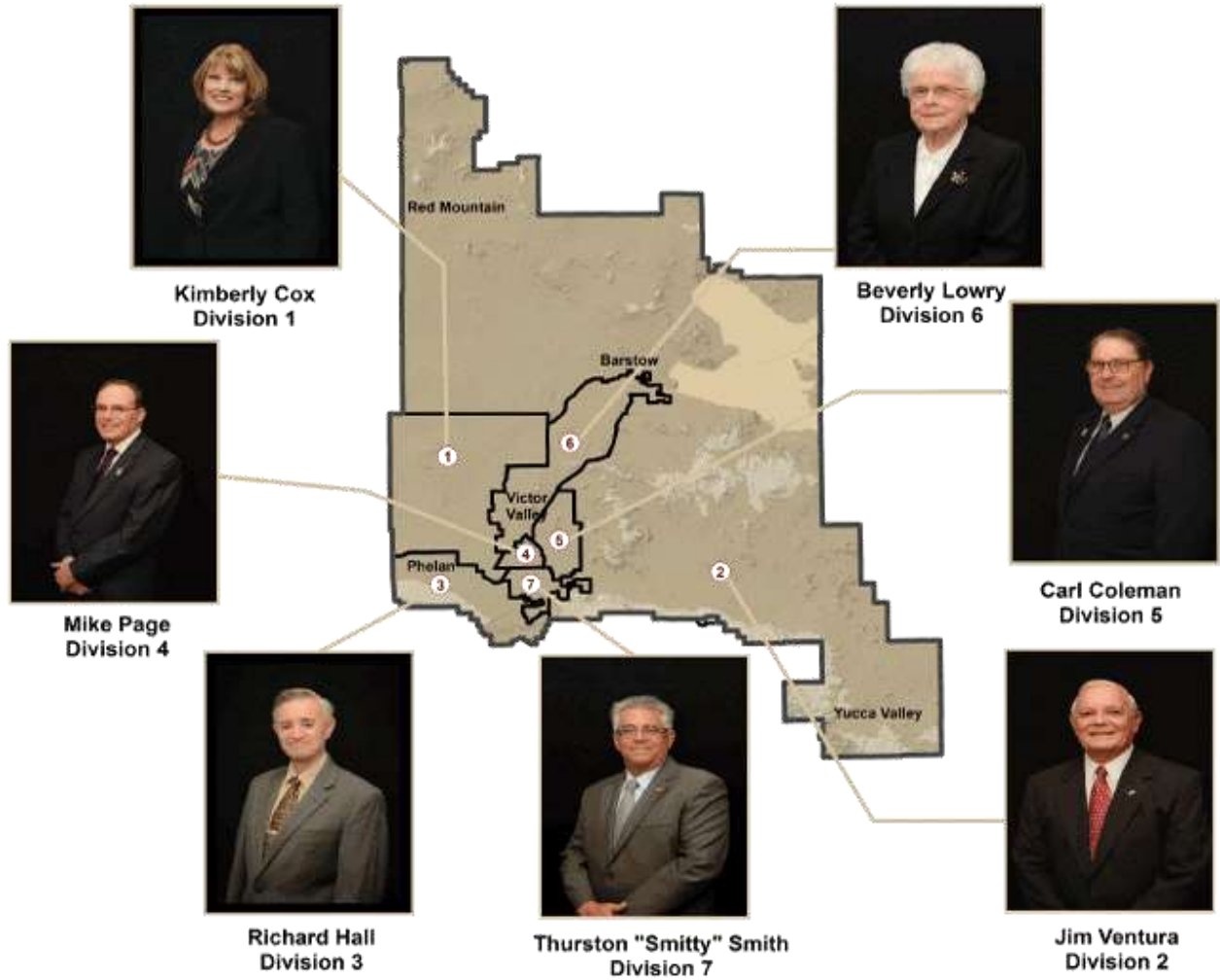
Fiscal Year

2018/2019

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Mojave Water Agency Fiscal Year 2018-2019 Budget

Board of Directors



LETTER OF INTRODUCTION

Members of the Board of Directors:

Over the past fiscal year the Agency has experienced a change in leadership, although not necessarily a change in direction. Current leadership and staff continue to seek a path of greatest results with prudent management of assets. Given this approach, the current direction for the Agency is articulated as protecting what the Agency has, the State Water Project, regional infrastructure, and people; while keeping an eye toward the future. This vision serves as the foundation of the 2018-2019 fiscal year budget.

Current specific challenges facing the Agency include aging infrastructure, State Water Project reliability, and the retirement of staff. Challenges of an aging infrastructure, both locally and statewide, means increasing investment in facilities as well as engagement in statewide policies to help protect our long-term water supply reliability related to infrastructure. Over the life of the Agency, it has invested heavily in the State Water Project, the single greatest asset the Agency has an ownership stake in. Changing hydrology as well as increased regulation, has decreased the reliability of the State Water Project. Lastly, within the next 5 to 10 years, it is anticipated that there will be a 50% turnover in staff due to retirements. These challenges provide much of the basis for this proposed budget direction.

Proactively managing assets, like pipelines, is two-fold; this includes managing Agency infrastructure as well as ensuring the Department of Water Resources is doing the same. The active management of Agency assets will consist of building an inventory of assets, scheduling and tracking maintenance tasks, and managing budgeted and actual annual expenses. Within the next fiscal year, MWA will inventory assets and initiate the condition assessment of these assets. In the long run, this process will provide a longer useful life of assets as well as accurate capital budgeting for the replacement over time.

In an effort to continue to develop the Agency's greatest asset, the State Water Project, Agency staff has been heavily engaged in the California WaterFix. The objective of the WaterFix to ensure a reliable and affordable water supply for current and future residents of California, as well as protection of fragile Delta habitat and wildlife. Staff is anticipated to maintain a position as a part of the federal and state stakeholders negotiating the scope and financial details of this critical state infrastructure project. This effort will maintain the best position for the Agency for the long term and ensure success for the Agency's greatest asset.

It is essential for employers to differentiate themselves to both entice top performers to join, and to keep their most valuable employees. In this competitive landscape, offering a competitive salary may not be the only motivator. The Agency is currently evaluating more flexible benefits options based on a benefits package approved by the Board of Directors that would include greater flexibility. Ideally this new program would also be easier to administer. Other elements to improve employee retention include a greater focus on employee training and more planned participation in the professional organizations within each employee's field for their development.

Fortunately, over the years the Agency continues to implement sound financial policies, effective cost control measures, increase staff development opportunities, and further refinement of its robust strategic financial modeling tools to assist staff in proactively identifying viable solutions utilizing a science-based decision platform. Additionally, the Board's commitment to prudent financial management has contributed to the accumulation of a healthy reserve balance, thus allowing the Agency ample time to thoroughly position and prepare for an uncertain course of action into the future. Moreover, the Agency's willingness to engage in important issues with Department of Water Resources and the Delta Stewardship Council has begun to bear fruit, as MWA continues to pursue

potential opportunities to leverage State Water Project assets for future benefit to the residents of the Mojave Basin long into the future.

Last year, the Agency's 2017-2018 budget totaled \$47.5 million with a projected reserve balance of \$67.5 million that funded 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 included the award and initiation of the construction contract for the Deep Creek hydroelectric turbine, continued research including geotechnical work to identify future recharge facilities, ongoing involvement with the Small Water Systems/Disadvantaged Communities Program, and further development and refinement of the financial model to aid in risk assessment.

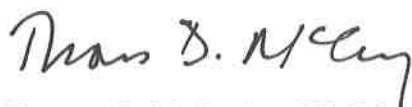
The region's economic climate continues to improve providing necessary funding for the initiatives outlined in this year's budget. Property tax remains the Agency's primary source of income, and assessed value growth continues to rebound steadily from the 2007 - 2008 Great Recession and financial crisis lows. Beacon Economics 2018 - 2019 fiscal year forecast of 5.30% assessed value growth continues to support evidence of the region's recovery, with moderate growth averaging in the range of 4% to 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 \$49.0 million budget for the 2018 - 2019 fiscal year is structured to allow the Agency to focus on protecting and enhancing the vital initiatives, programs and assets it currently has in place, while keeping an eye on the future for additional opportunities. Some of the major activities and projects slated for the new fiscal year include the completion and commissioning of the Deep Creek Hydroelectric Turbine, an update assessment 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 to support future construction of monitoring wells and spreading basins, a full upgrade of the Mojave River and Morongo Basin pipeline SCADA system, development of a CIP/Master Plan program, and continued involvement with the Small Water Systems/Disadvantaged Communities Program.

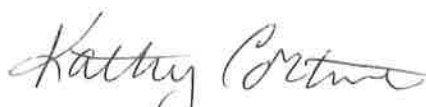
The Agency's mission, vision, and values would not exist as they are today without acknowledgement of the 17 years of dedicated service by Mr. Kirby Brill who retired from the Agency in June of 2017. The Agency is grateful for his service, insight, and desire to encourage community participation that helped to shape sustainable water management practices and programs currently utilized within the Agency's boundaries.

We wish to express our appreciation to all staff members who contributed to the preparation of this budget, and to the entire staff that pursues the Agency's mission and 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,



Thomas D. McCarthy, PE, PG
General Manager



Kathy Corther
Chief Financial Officer

PROPOSED FISCAL YEAR 2018/2019 BUDGET

	FY 2017/2018 Budget	FY 2017/2018 Projected	Variance Fav (Unfav)	FY 2018/2019 Budget	Budget vs. Budget Variance	FY 2019/2020 Budget
Beginning Cash Reserves	\$ 70,841,661	\$ 72,403,405	\$ 1,561,744	\$ 72,116,418	\$ 1,274,757	\$ 75,232,765
<u>Revenues</u>						
Water Sales (net of Reliability Assessment)	2,572,752	2,948,700	375,948	2,277,340	(295,412)	2,737,660
Reliability Assessment	2,203,300	2,203,300	-	2,168,348	(34,952)	2,135,100
SWP Water Transfers	481,297	-	(481,297)	1,803,560	1,322,263	-
Pre-Purchase Program In/(Out) *	-	-	-	-	-	-
MWA 1 - 11.5¢	10,700,917	11,640,361	939,444	12,241,003	1,540,086	12,877,138
MWA 2 (a) 3¢	10,212,164	10,807,447	595,283	11,496,962	1,284,798	12,558,324
MWA 2 (b) 2.5¢	8,510,137	9,006,206	496,069	9,580,802	1,070,665	10,465,270
General Property Tax	4,359,500	4,900,244	540,744	5,088,413	728,913	4,648,860
ID M Property Tax Assessment	2,962,026	3,125,874	163,848	3,312,176	350,150	3,590,827
ID M Debt Service Support	813,313	813,313	-	814,375	1,062	814,938
Interest	505,477	768,620	263,143	803,200	297,723	823,282
Grants	786,770	1,139,760	352,990	2,473,770	1,687,000	1,614,247
Miscellaneous	22,000	22,000	-	22,000	-	22,000
Total Revenues	\$ 44,129,653	\$ 47,375,825	\$ 3,246,172	\$ 52,081,949	\$ 7,952,296	\$ 52,287,646
<u>Expenditures</u>						
DWR Min OMP&R	10,377,515	9,812,161	565,354	10,667,755	(290,240)	11,734,531
DWR Bond and Capital	8,266,659	8,056,577	210,082	8,272,362	(5,703)	9,099,598
SWC Member Allocation	160,266	171,854	(11,588)	182,263	(21,997)	190,000
SWP Contractors Authority	39,706	39,776	(70)	43,000	(3,294)	43,000
Tax Collection Exp	89,000	89,000	-	89,000	-	89,000
Water Purchases	4,104,784	7,404,784	(3,300,000)	1,836,204	2,268,580	2,124,524
Departmental Expenses	9,952,942	10,100,707	(147,765)	10,869,516	(916,574)	12,498,590
Agency Grant Expenses	926,000	564,050	361,950	607,460	318,540	689,457
Pass-through Grant Expenses	-	896,434	(896,434)	1,866,310	(1,866,310)	924,791
ID M	2,859,333	2,859,333	-	2,862,475	(3,142)	2,854,375
Dudley Ridge	2,592,350	4,155,248	(1,562,898)	2,334,838	257,512	2,336,900
Berrenda Mesa	1,730,550	1,730,550	-	1,719,450	11,100	1,713,592
Capital	6,389,000	1,782,338	4,606,662	7,614,969	(1,225,969)	2,300,000
Total Expenditures	\$ 47,488,105	\$ 47,662,812	\$ (174,707)	48,965,602	\$ (1,477,497)	46,598,358
A/R & A/P Adj.		\$ -				
Ending Cash Reserves	\$ 67,483,209	\$ 72,116,418	\$ 4,633,209	\$ 75,232,765	\$ 7,749,556	\$ 80,922,053

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 indication 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 reassessment of 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 that 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.

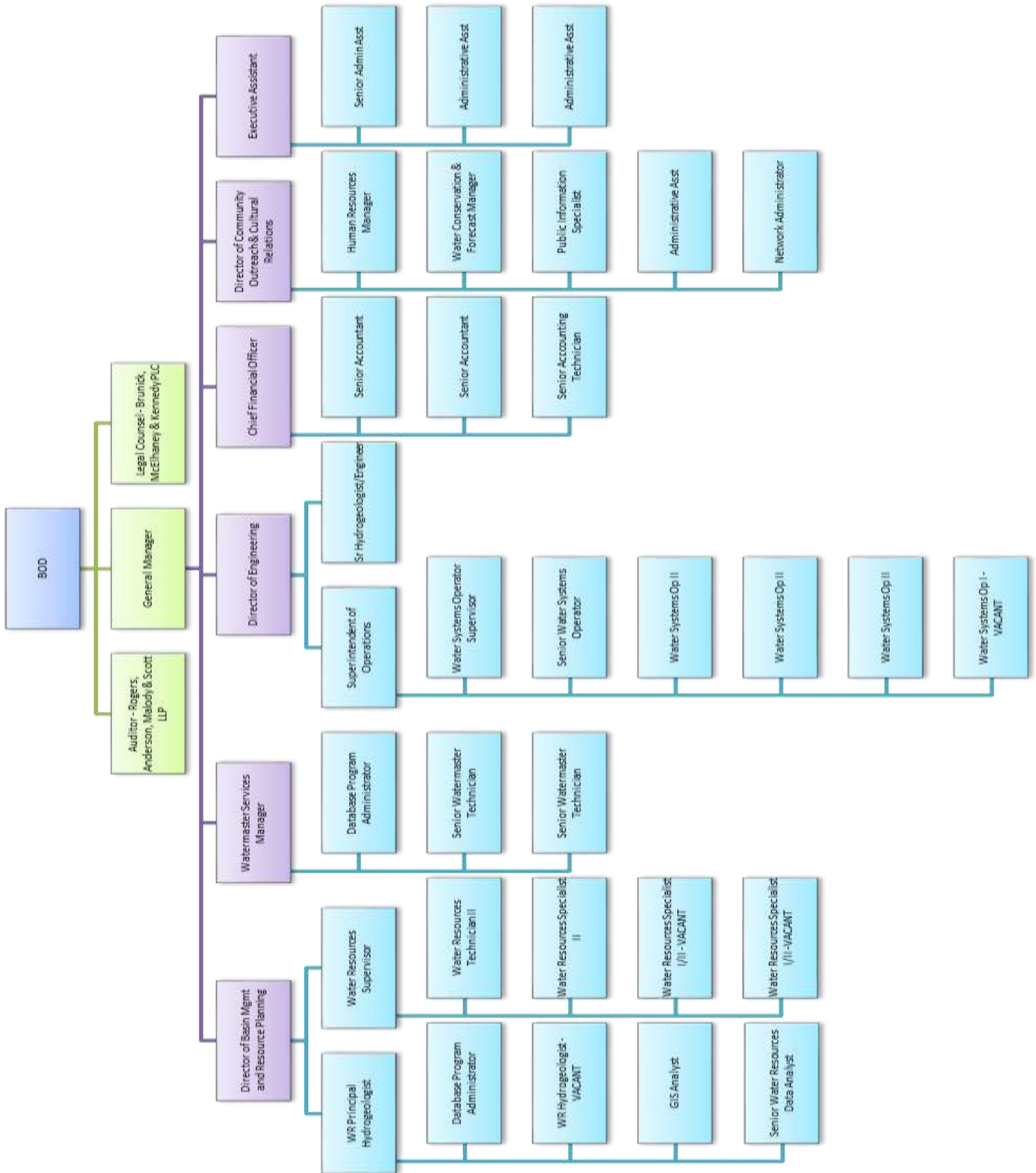
In addition to reporting the results of operations each month, spending limits have been established in the Agency Purchasing Policy as follows:

- ❖ 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 2018/2019 Budget includes a 2% 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 Cal PERS retirement benefits. The following page includes the organization chart for the Fiscal Year 2018/2019.

Organization Chart



ANALYSIS OF REVENUES AND EXPENDITURES

Financial Direction

The 2017/2018 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 2018/2019 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

In 2017, the Agency's costs for the SWP compared to prior years remained relatively flat. Unfortunately, the Agency projects that DWR costs will increase substantially over the next 5 to 10 years due to the CA WaterFix, repair and upgrade work to current DWR facilities such as Oroville, biological opinions, and proposed changes affecting the California electricity market.

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 and tools to mitigate against future cost increases. 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.



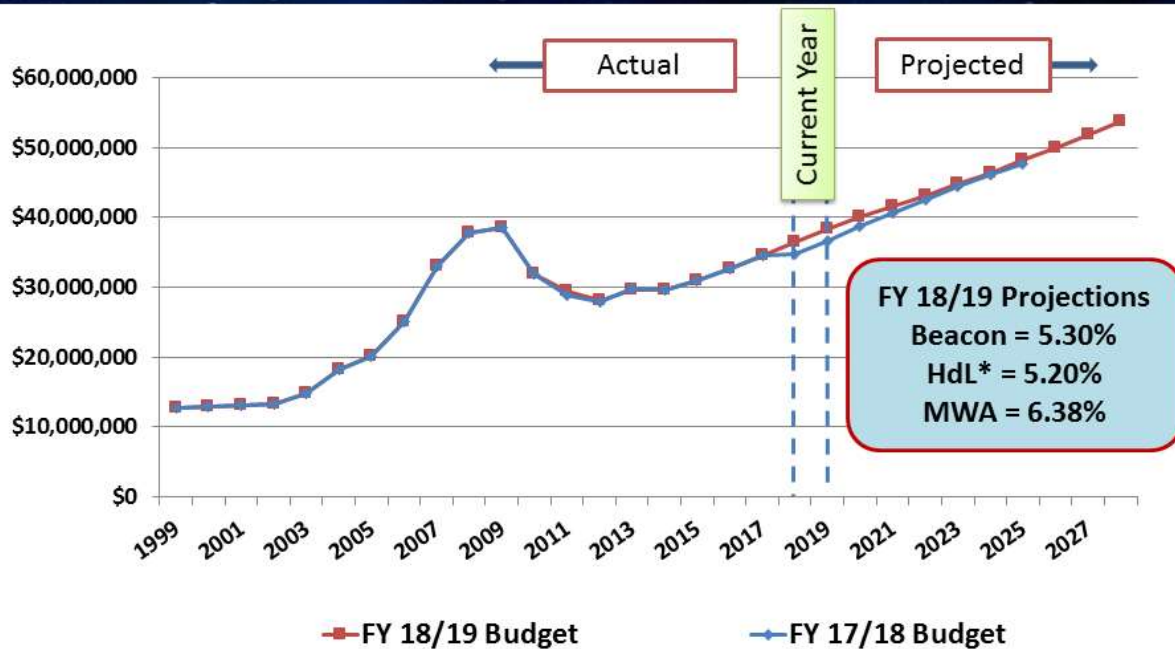
Revenue Projections

Tax Receipts

The MWA economic outlook is currently positive with indicators pointing towards moderate growth occurring for the foreseeable future. The Agency estimates assessed values to increase by 6.38% for fiscal year 2018/2019. 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 10-year long-term forecast extending out to the 2027-2028 fiscal year using standard time-series econometric techniques based on historic correlations and forecasts of future economic trends.

As stated in their most recent report, Beacon Economics' current outlook for the MWA regional economy and real estate market remains optimistic as all major indicators continue to trend in line with expectations. 'Home prices should continue to appreciate as expected in the near term, and homes sales have increased modestly over the past year. As such, our current forecast for revenue most closely associated with the local real estate market has not changed substantively and indicates continued growth over the next five years.' Below is a graphical representation of Beacon's forecast of future assessed values.

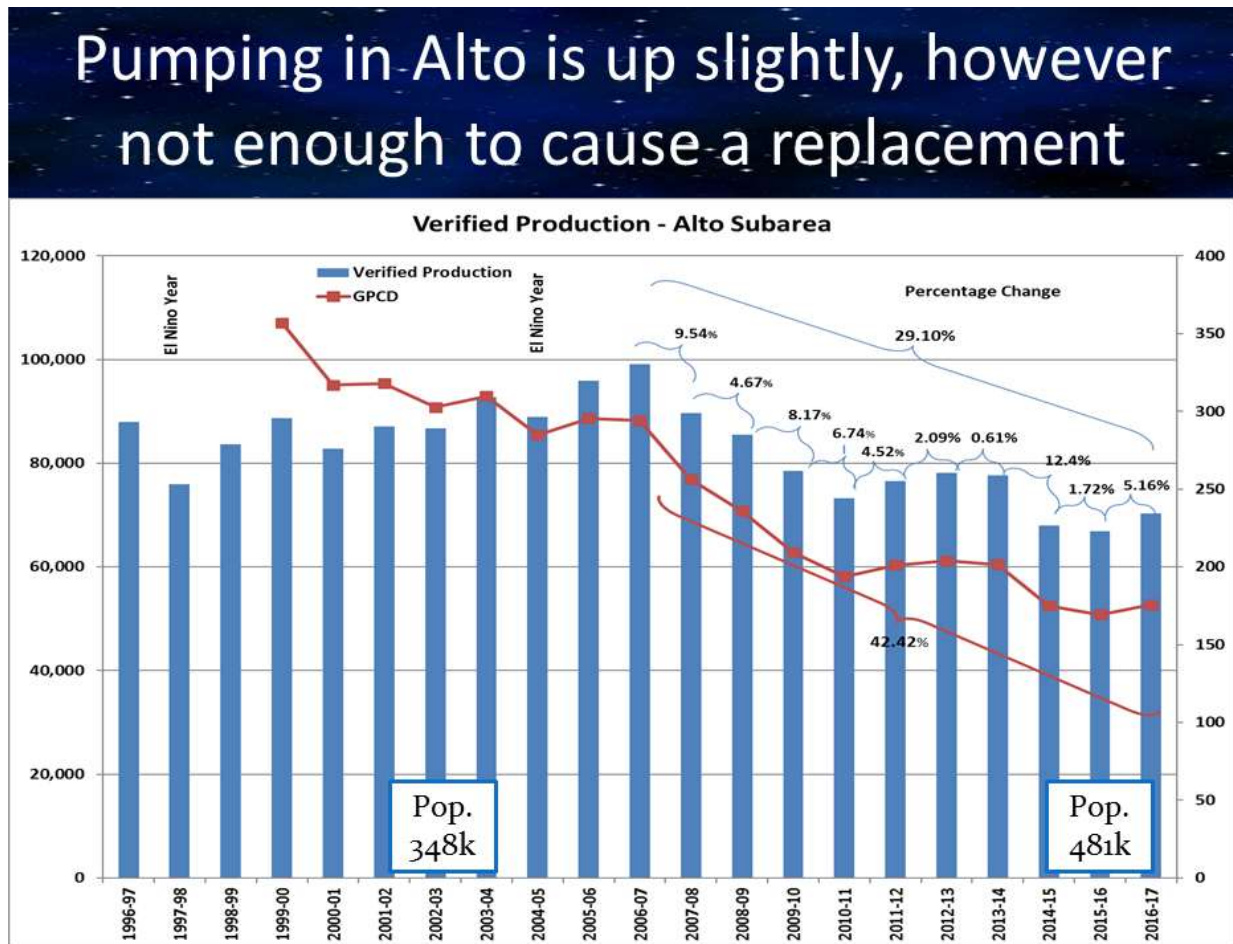
Updated tax projections show consistency with previous years' projections



* Does not include value for new development nor supplemental tax receipts

Water Sales

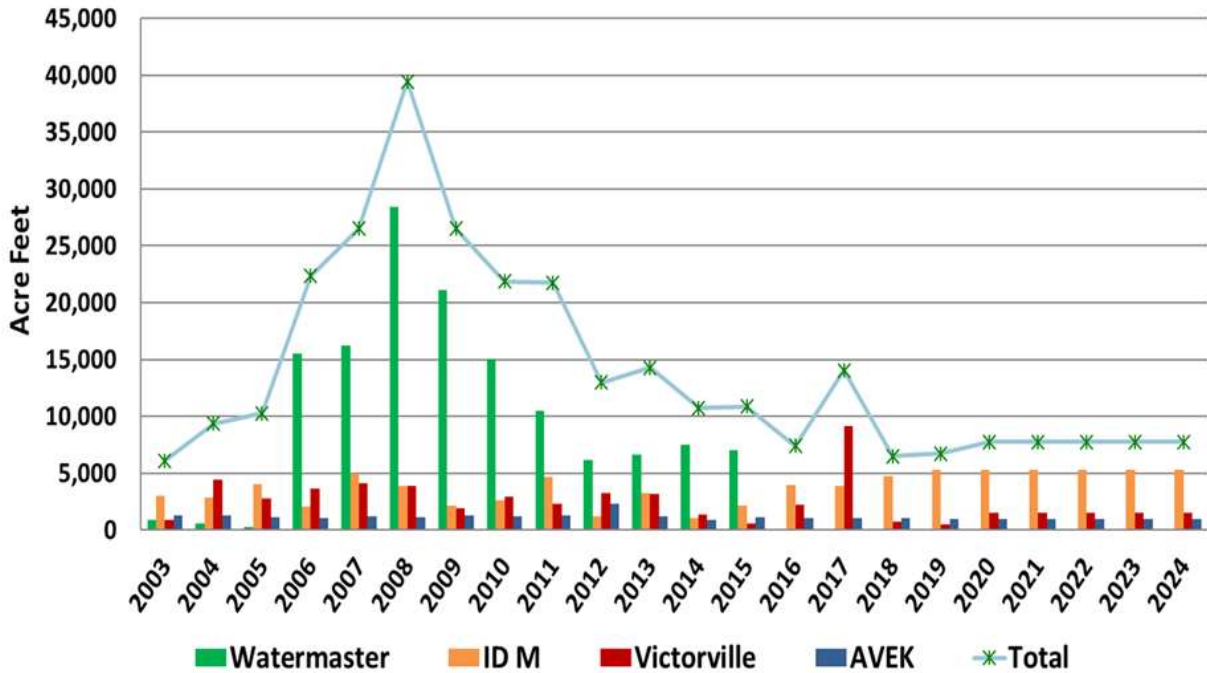
Over the past several years, Replacement Water Obligations to the Watermaster have been in decline since the height in 2007/2008. The Agency's successful Water Conservation Incentive Program is one factor attributable to this decline. Below is the trend in total pumping in the Alto Subarea, where the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



On April 24, 2018, the DWR increased the State Water Project allocation for the 2018 calendar year for most recipients to 30% based on the recent precipitation, runoff, and current water supply conditions. DWR may revise the allocation and subsequent allocations if warranted by the year's developing hydrologic and water supply conditions. 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.

Water Sales Flat With Low Pumping Anticipated In The Near Future

Water Sales



Water Transfers and Exchanges

In addition to water sales internally, the Agency has been participating in a water transfers and exchanges to sell or exchange water above what is needed locally to other State Water Contractors. The Agency has been working diligently with DWR and other State Water Contractors to allow more flexibility in the negotiation of future transfer and exchange contracts that will bring additional revenue to the Agency, and these efforts will continue in the new fiscal year.

Expenditure Projections

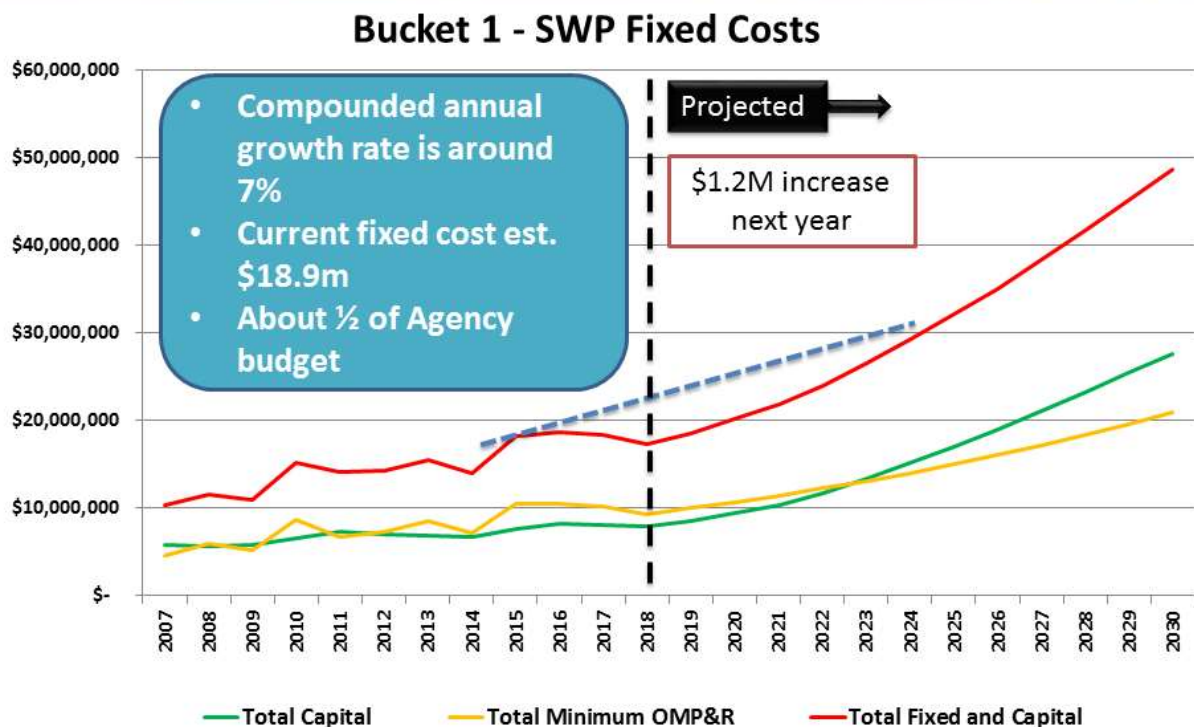
State Water Project/Department of Water Resources Fixed Costs

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. The environmental review required for the contract extension has been completed, and it is anticipated that the MWA Board will have the opportunity to review and approve the contract extension in the summer of 2018. 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. While DWR costs have temporarily flattened for the past several years, it is anticipated that the State Water Contractors will begin to see increased costs in future years. This is primarily due to the start of twin-tunnel construction for the CA WaterFix, the Oroville facility repairs currently underway, and the biological opinions from 2009 mandated actions that will come into play as the deadlines for compliance are fast approaching. The Board is currently evaluating five mitigation measures to deal with the large increase and anticipated future increases with the help of Raffetis and the financial model they developed. Current property tax revenues due to a favorable economic environment are currently sufficient to cover DWR costs for the upcoming fiscal year as this conversation continues to unfold.

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. With the phase out of costs associated with the Off-Aqueduct Power Charge for Water Delivery, the remaining component of the Department of Water Resources (DWR) rates set each year is the Variable (Power) Rate. 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 predictable 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 10% 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.

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 Agency plans to remain actively engaged with DWR on various issues during the upcoming fiscal year as the CA WaterFix negotiations continue, and further development of the financial model will assist with the analysis of options available in order to develop additional revenue streams to address anticipated future DWR cost increases.

Collaboration and strategic partnership investment is also a continuing theme in this budget, as well as funding for water conservation efforts such as large scale cash for grass rebates (\$218,000). Investment in our basins include funding for the Small Water Systems program (\$489,000), as well as continued collaboration with the USGS program (\$420,000). Additional basin support projects include the Groundwater Management Plan Update (\$50,000), and development of a CIP/Master Plan (\$50,000) to assist with future planning regarding asset management.

The Agency has just completed a comprehensive salary and benefits study in an effort to position itself to attract and retain highly qualified staff, as the Agency deals with the pending Silver Tsunami. The "changing of the guard" will also provide 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

The capital projects included in the fiscal year 2018/2019 budget are itemized in the section titled “Capital Projects”. Major capital project activity planned for the FY 2018-19 budget includes the anticipated completion and commissioning of the Deep Creek Hydroelectric project, and a full upgrade of the SCADA system for the Mojave and Morongo pipelines. Further investigative and geotech work will continue to identify potential sites for future recharge and monitoring facilities.

In addition, infrastructure at the Agency has now reached 20 years of age, so planning for annual repair and replacement is now an included component of the budget. Also, planning for to assist in future needs for asset management is anticipated to begin in this next fiscal year.

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. The outstanding debt was refunded in September of 2016, and reissued as the Improvement District M of the Mojave Water Agency, General Obligation Bonds, Election of 1990, Refunding Series 2016. The total debt service will be \$2,862,475 in fiscal year 2018/2019 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 June of 2014 to reduce the annual cost, and reissued as the Mojave Water Agency, Refunding Revenue Bonds, Series 2014A. The annual debt service for Fiscal Year 2018/2019 will be \$1,719,450.
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 outstanding debt was refunded in July of 2017, and reissued as the Mojave Water Agency, Refunding Revenue Bonds, Series 2017A. The debt service for fiscal year 2018/2019 will be \$2,334,838.

FIVE YEAR CAPITAL PROJECT BUDGET

Project Number	Project Name	Project Costs thru 3/31/2018	FY 2018/2019 Budget	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	Thereafter	Total Project Cost
CAPITAL PROJECTS									
DEEP CREEK PIPELINE PROJECT									
517	Deep Creek Hydroelectric Project	1,164,177	3,719,969	200,000	-	-	-	-	5,084,146
GROUNDWATER RECHARGE & SUPPLY PROJECTS									
523	Regional Recharge Projects	540,705	1,900,000	1,600,000	2,100,000	350,000	700,000	-	7,190,705
531	Small Systems - Baja Sustainability Water Purchase Program	-	500,000	-	-	-	-	1,000,000	1,500,000
R³ PROJECTS									
532	Adelanto Pipeline Extension	-	50,000	-	-	-	-	-	50,000
REPAIR & REPLACEMENT PROJECTS									
520	SCADA Upgrade - Morongo & Mojave River Pipeline	204,015	700,000	-	-	-	-	-	904,015
529	Facility/Infrastructure Repair & Replacement	7,576	350,000	250,000	250,000	250,000	250,000	250,000	1,607,576
FACILITY PROJECTS									
374	L-T Data Storage - Server Virtualization	605,304	-	250,000	-	-	-	-	855,304
533	MWA Décor Completion	-	25,000	-	-	-	-	-	25,000
VEHICLE & EQUIPMENT PURCHASES									
	Pool Vehicle Replacement - 2018 Explorer 4WD	-	45,000	-	-	-	-	-	45,000
	F350 with Utility Bed	-	70,000	-	-	-	-	-	70,000
	F250 with Utility Bed	-	60,000	-	-	-	-	-	60,000
	Trailer Mounted Vacuum (Excavation/Potholing)	-	55,000	-	-	-	-	-	55,000
	Emergency Response Trailer	-	30,000	-	-	-	-	-	30,000
	Boardroom Equipment Replacement	-	100,000	-	-	-	-	-	100,000
	Scanner	-	10,000	-	-	-	-	-	10,000
TOTAL		\$ 2,521,777	\$ 7,614,969	\$ 2,300,000	\$ 2,350,000	\$ 600,000	\$ 950,000	\$ 1,250,000	\$ 17,586,746

Fiscal Year 2018/2019 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 being constructed, along with, completion of the required interconnection with SCE.

Capital Projects Con't

Regional Recharge Projects (Project 523): [Goal 2 & 5](#)

Investigative hydro-geotechnical field studies for future off-river recharge. This includes various scientific techniques used to quantify recharge feasibility and includes construction of groundwater monitoring wells. These studies will be done in support of the Agency's land acquisition program. Once specific recharge sites are identified, planning and environmental studies will be initiated.

Small Systems – Baja Sustainability Water Purchase Program (Project 531): [Goal 2, 4](#)

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.

R³- Adelanto Pipeline Extension (Project 532): [Goal 2, 3](#)

The R³: Adelanto Connection Project involves construction of a 5,800 foot-long 24-inch ductile iron water main that will connect the water storage facilities of the City of Adelanto to the existing Upper Mojave River R³ Project. This pipeline would add Adelanto as a direct turnout connection to the R³ Project and would be owned and operated by the City of Adelanto. The new pipeline would start at the existing R³ connection point located just north of the California Aqueduct and west of Highway 395 and would run northerly to Adelanto's existing 5-million-gallon tank farm. Monies associated with the project will be towards any needed MWA support and efforts to ensure connection to the R³ project to the severely disadvantaged community (SDAC) of the City of Adelanto.

Repair and Replacement Projects

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

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(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.

Repair and Replacement Projects Con't

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 Data Storage – Server Virtualization (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).

MWA Décor Completion (Project 533): [Goal 4](#)

To initiate interpretive wall décor starting in the Agency Lobby to illustrate the Agency's mission and responsibilities. Our mission Includes serving the region's water resource needs in a sustainable manner. Responsibilities include being a State Water Contractor, Groundwater Manager and Watermaster. The plan is to have interactive wall décor communicating each of these elements.

BUDGET DETAIL – COMBINED

Summary	Acct	Description	FY 2015/16	FY 2016/17	FY 2017/18	Actual YTD	FY 2017/18	FY 2018/19	FY 2019/20	
			Actual*	Actual*	Budget*	03/31/18	Projected	Budget	Budget	
DWR (Fund 600)	5215	State Water Project Minimum OMP&R	10,370,876	10,225,686	10,377,515	7,621,769	11,432,654	10,667,755	11,734,531	
	1111	State Water Project Bond & Capital	5,690,834	6,534,005	8,266,659	7,346,753	8,266,700	8,272,362	9,099,598	
		Subtotal	16,061,710	16,759,691	18,644,174	14,968,522	19,699,354	18,940,117	20,834,129	
SWC Member Allocation (Fund 600)	5731	Legal Fees	-	-	-	-	-	-	-	
	5219	SWC Member Allocation	142,384	177,699	160,266	171,854	169,295	182,500	185,000	
		Subtotal	142,384	177,699	160,266	171,854	169,295	182,500	185,000	
SWP Contractors Authority (Fund 600)	5220	DSPC	26,875	50,408	27,000	27,070	27,070	30,000	30,000	
	5221	Member Dues	13,168	12,706	12,706	12,706	12,706	13,000	13,000	
		Subtotal	40,043	63,114	39,706	39,776	39,776	43,000	43,000	
Water Purchase (Fund 300 & 600)	1455	Inventory	1,607,933	1,616,049	4,104,784	4,588,269	7,404,784	786,710	400,995	
	5211	COGS: Variable Trans. & Off Aqueduct	833,658	2,271,177	1,212,055	637,551	981,719	1,049,494	1,223,530	
		Subtotal	2,441,591	3,887,226	5,316,839	5,225,820	8,386,503	1,836,204	1,624,525	
Departmental Expenses (Fund 100)	5600	Salaries	3,317,369	3,572,508	3,504,324	2,505,061	3,395,212	3,800,698	3,914,719	
	5612	Overtime	23,261	22,737	18,000	30,038	36,831	38,000	30,000	
	5613	Health Insurance-Medical	421,286	427,152	429,605	302,152	428,412	494,293	509,123	
	5614	Payroll Taxes	102,331	107,032	114,083	85,800	119,334	124,555	128,291	
	5615	Misc. Benefit	24,000	24,020	32,252	26,424	40,447	41,505	42,030	
	5616	Workers' Compensation Expense	54,426	55,377	77,432	62,533	81,792	80,932	83,361	
	5618	Health Insurance Exp. Dental/Vision	91,503	95,710	84,521	68,988	92,956	89,029	91,700	
	5620	Health Expense Reimb. FSA	55,252	54,619	97,700	37,411	51,000	103,300	106,401	
	5621	Retirement Contribution	15,083	15,185	16,431	1,168	1,168	190,034	195,734	
	5623	PERS: Employees	552,921	617,228	681,174	539,245	723,588	684,211	704,737	
		SUBTOTAL WAGES & BENEFITS	4,657,432	4,991,568	5,055,522	3,658,820	4,970,740	5,646,557	5,806,096	
		5900	Director Fees	120,482	125,114	150,000	81,704	150,000	150,000	150,000
		5910	Dir. Health Insurance Premium	94,836	94,021	130,000	71,871	89,554	130,000	130,000
		5911	In Lieu of Retirement	4,068	4,178	5,000	2,749	3,665	5,000	5,000
		5935	Dir. Legislative Travel	2,155	1,624	15,000	1,451	15,000	15,000	15,000
		5940	Dir. Travel: Conferences & Expenses	11,535	13,681	35,000	4,256	35,000	35,000	35,000
		5960	Travel Drs. In	13,552	16,140	21,000	10,135	21,000	21,000	21,000
		5617	Employee Relations	7,743	2,902	10,000	172	1,000	15,000	12,500
		5622	OPEB	189,555	95,839	200,406	109,383	200,406	237,732	244,861
		5701	Equip. Lease/Rent	53,198	68,451	98,000	44,989	84,800	88,000	93,000
		5702	Safety Supplies	12,324	14,651	21,000	7,109	12,744	24,000	24,000
		5703	Recruiting Expense	7,323	2,525	10,000	4,575	10,000	16,400	10,000
		5705	Building Maintenance	211,303	255,054	76,500	89,290	108,887	112,000	112,000
		5706	Utilities	813,031	980,306	975,000	721,010	990,001	1,064,380	1,070,000
		5708	Postage & Mailing Costs	7,315	7,000	8,000	8,332	8,593	8,000	8,000
		5709	Office Supplies & Expenses	40,221	30,519	35,000	20,450	35,000	35,000	35,000
		5710	Small Tools	27,750	18,664	26,600	10,253	25,500	26,250	28,250
	5711	Books & Subscriptions	2,664	1,680	13,050	1,856	11,572	11,550	12,550	
	5712	Telephone	94,044	90,053	93,500	56,310	81,000	95,800	96,000	
	5713	Printing	5,285	-	500	-	-	3,500	3,500	

BUDGET DETAIL – COMBINED (Continued)

Departmental Expenses (Fund 100) (Continued)	5719	Equipment Maintenance	-	-	115,000	46,369	115,000	125,000	125,000
	5720	Computer Equipment & Maintenance	392,037	295,903	100,000	75,987	70,000	100,000	100,000
	5721	Data Collections	138,560	188,743	150,000	30,956	144,000	120,000	150,000
	5722	Insurance	133,975	117,140	125,000	47,824	98,824	100,000	110,000
	5724	Licenses/Dues & Fees	97,913	162,743	308,500	293,271	349,711	366,500	371,500
	5725	Auto Expenses	84,061	95,599	97,000	55,026	102,991	118,000	119,000
	5726	Travel Expenses	65,363	94,479	104,500	67,257	105,312	114,450	120,000
	5728	Education & Training	6,404	16,456	48,500	17,141	51,250	59,850	65,000
	5729	Consulting	1,229,343	1,291,298	1,199,000	309,857	893,884	907,000	1,234,000
	5729	Consulting - Grant Funded (60-5729-5000)			-	124,444	241,282	389,460	389,457
	5731	Legal	100,505	189,299	115,000	69,857	105,190	150,000	150,000
	5732	Legislative Advocacy	133,599	133,606	145,000	108,469	165,000	165,000	165,000
	5733	Audit & Accounting	43,948	32,975	40,000	18,430	32,275	37,500	38,500
	5734	Environmental	5,873	31,176	20,000	25,949	30,000	45,000	45,000
	5735	Water Quality	13,967	29,153	25,000	19,412	25,000	28,250	30,000
	5736	Engineering, General	159,360	114,155	73,500	43,930	73,500	118,500	118,500
	5737	USGS	495,785	634,718	388,200	157,033	350,800	420,000	450,000
	5740	Water Purchases - R ³ Operational Water	-	-	-	222	222	200	200
	5741	Aerial Photos	43,500	32,625	41,500	32,625	41,500	44,000	44,000
	5742	Public Relations	122,347	67,696	118,500	70,979	118,500	120,000	157,500
	5743	Water Conservation	2,012,975	1,005,464	176,000	48,718	650,000	200,000	900,000
	5743	Water Conservation - Grant Funded (30-5743-5000)	-	-	750,000	391,138	564,050	218,000	300,000
	5800	Election Costs	-	16,953	-	-	-	50,000	-
	5801	IDM: 4% Debt Service Support	32,507	32,578	32,578	32,533	32,533	32,575	32,575
	5810	Other Expenses	64,010	28,731	25,000	12,711	15,295	25,000	38,000
		Total Before Transfers Out	12,118,881	11,425,460	11,176,856	7,004,853	11,230,581	11,794,454	13,164,989
	5610	Labor & Benefits to WM	(350,125)	(276,286)	(297,914)	(152,750)	(297,731)	(317,478)	(326,942)
	Total Capital Labor & OH Out	(350,125)	(276,286)	(297,914)	(152,750)	(297,731)	(317,478)	(326,942)	
	TOTAL NET DEPT EXPENSES:	11,768,756	11,149,174	10,878,942	6,852,103	10,932,850	11,476,976	12,838,047	
Tax Collection Exp (All Funds)	5820	General Fund	22,286	23,824	23,000	14,750	29,500	23,000	23,000
	5820	Debt Service Fund	3,119	3,196	4,000	1,976	4,000	4,000	4,000
	5820	SWP Fund	53,854	56,808	54,000	35,327	54,000	54,000	54,000
	5820	ID M	7,303	7,671	8,000	6,547	8,000	8,000	8,000
	Subtotal	86,562	91,499	89,000	58,600	95,500	89,000	89,000	
ID M (Fund 800)	5850	Interest Expense	926,625	487,363	389,333	262,300	389,333	317,475	239,375
	2627	Principal Pmt (Now 2629)	2,345,000	3,260,000	2,470,000	2,470,000	2,470,000	2,545,000	2,615,000
		Subtotal	3,271,625	3,747,363	2,859,333	2,732,300	2,859,333	2,862,475	2,854,375
COP-Dudley Ridge (Fund 300)	5853	Interest Expense	1,783,946	1,742,404	1,712,350	558,806	1,712,350	1,479,838	1,436,900
	2623	Principal Pmt	850,000	880,000	880,000	-	880,000	855,000	900,000
		Subtotal	2,633,946	2,622,404	2,592,350	558,806	2,592,350	2,334,838	2,336,900
COP-Berrenda Mesa (Fund 600)	5854	Interest Expense	388,342	417,650	365,550	246,733	365,550	309,450	238,592
	2640	Principal Pmt	1,320,000	1,365,000	1,365,000	1,365,000	1,365,000	1,410,000	1,475,000
		Subtotal	1,708,342	1,782,650	1,730,550	1,611,733	1,730,550	1,719,450	1,713,592
	TOTAL EXPENSES (net of CIP & Pass-thru grants)	38,154,959	40,280,820	42,311,160	32,219,514	46,505,511	39,484,560	42,518,568	

INDIVIDUAL DEPARTMENT BUDGETS & INITIATIVES

Administration (AD) – Dept #10

Department Budget Summary

		FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Budget	Actual YTD as of 03/31/2018	FY 17/18 Projected	FY 18/19 Budget	FY 19/20 Budget
	EXPENSES:							
5600	Dept Wages	782,507	872,991	840,724	653,276	777,595	901,549	928,595
5613	Health Insurance - Medical	81,771	88,695	88,040	69,471	95,073	95,094	97,947
5614	Payroll Taxes	24,750	24,523	26,934	25,004	32,786	28,903	29,770
5615	Misc Benefit	6,000	6,020	6,000	12,579	14,195	6,000	6,000
5616	Workers Compensation Expense	4,156	3,819	5,522	4,062	5,382	4,902	5,049
5618	Dental/Vision Insurance	34,397	33,563	21,753	26,273	31,944	21,064	21,696
5620	Health Ins Reimb - FSA	11,123	11,730	23,400	10,508	13,500	23,850	24,566
5621	Deferred Comp Contributions GM	15,083	15,185	16,431	1,168	1,168	45,077	46,429
5623	PERS Retirement	130,926	149,484	128,601	108,879	143,924	130,167	134,072
	TOTAL WAGES & BENEFITS	1,090,989	1,206,398	1,157,405	911,675	1,116,022	1,256,606	1,294,124
5900	Director Fees	120,482	125,114	150,000	81,704	150,000	150,000	150,000
5910	Directors Pooled Health	94,836	94,021	130,000	71,871	89,554	130,000	130,000
5911	In Lieu of Retirement	4,068	4,178	5,000	2,749	3,665	5,000	5,000
5935	Dir. Legislative Travel	2,155	1,624	15,000	1,451	15,000	15,000	15,000
5940	Dir. Other: Conferences & Expenses	11,535	13,681	35,000	4,256	35,000	35,000	35,000
5960	Travel Drs. In	13,552	16,138	21,000	10,135	21,000	21,000	21,000
5622	OPEB	189,555	95,839	200,406	109,383	200,406	237,732	244,861
5701	Equip. Lease/Rent	52,035	53,892	53,000	40,913	49,800	53,000	53,000
5702	Safety Supplies	4,218	4,899	5,000	2,541	3,745	5,000	5,000
5705	Building Maintenance	4,573	9,621	51,500	64,114	76,887	80,000	80,000
5706	Utilities	152,912	143,681	150,000	89,740	140,001	150,000	155,000
5708	Postage & Mailing Costs	7,315	7,000	8,000	8,332	8,593	8,000	8,000
5709	Office Supplies & Expenses	40,221	30,473	35,000	20,450	35,000	35,000	35,000
5711	Books & Subscriptions	289	352	1,000	677	500	500	500
5712	Telephone	84,390	85,039	90,000	52,626	76,000	90,000	90,000
5722	Insurance	133,975	117,140	125,000	47,824	98,824	100,000	110,000
5724	Licenses/Dues & Fees (ACWA,LAFCO & Misc)	79,607	89,249	80,000	85,454	96,954	80,000	85,000
5725	Auto Expenses	2,576	7,361	5,000	4,551	5,751	8,000	8,000
5726	Travel Expenses	36,403	59,792	50,000	45,247	55,545	62,000	56,000
5728	Education & Training	947	9,226	5,500	1,715	9,715	10,850	9,000
5729	Consulting	314,824	316,022	119,000	91,007	185,000	169,000	159,000
5731	Legal	100,505	189,299	115,000	69,857	105,190	150,000	150,000
5733	Audit & Accounting	43,948	32,975	40,000	18,430	32,275	37,500	38,500
5800	Election Cost	-	16,953	-	-	-	50,000	-
5801	IDM: 4% Debt Service Support	32,507	32,578	32,578	32,533	32,533	32,575	32,575
5810	Other Expenses (trustee fees)	56,709	21,372	20,000	12,490	15,000	20,000	33,000
	NON-LABOR EXP	1,956,350	1,580,059	1,541,984	970,050	1,541,938	1,735,157	1,708,436
	TOTAL DEPT EXPENSES	3,047,339	2,786,457	2,699,389	1,881,725	2,657,960	2,991,763	3,002,560

Administration (AD) – Dept #10

Department Budget Initiative Detail

		Department Admin.	Financial Model 406	SWP Special Projects 288	FY 18/19 Total
	EXPENSES:				
5600	Dept Wages	901,549	-	-	901,549
5613	Health Insurance - Medical	95,094	-	-	95,094
5614	Payroll Taxes	28,903	-	-	28,903
5615	Misc Benefit	6,000	-	-	6,000
5616	Workers Compensation Expense	4,902	-	-	4,902
5618	Dental/Vision Insurance	21,064	-	-	21,064
5620	Health Ins Reimb - FSA	23,850	-	-	23,850
5621	Deferred Comp Contributions GM	45,077	-	-	45,077
5623	PERS Retirement	130,167	-	-	130,167
	TOTAL WAGES & BENEFITS	1,256,606	-	-	1,256,606
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	237,732	-	-	237,732
5701	Equip. Lease/Rent	53,000	-	-	53,000
5702	Safety Supplies	5,000	-	-	5,000
5705	Building Maintenance	80,000	-	-	80,000
5706	Utilities	150,000	-	-	150,000
5708	Postage & Mailing Costs	8,000	-	-	8,000
5709	Office Supplies & Expenses	35,000	-	-	35,000
5711	Books & Subscriptions	500	-	-	500
5712	Telephone	90,000	-	-	90,000
5722	Insurance	100,000	-	-	100,000
5724	Licenses/Dues & Fees (ACWA,LAFCO & Misc)	80,000	-	-	80,000
5725	Auto Expenses	8,000	-	-	8,000
5726	Travel Expenses	12,000	-	50,000	62,000
5728	Education & Training	10,850	-	-	10,850
5729	Consulting	94,000	75,000	-	169,000
5731	Legal	105,000	-	45,000	150,000
5733	Audit & Accounting	37,500	-	-	37,500
5800	Election Cost	50,000	-	-	50,000
5801	IDM: 4% Debt Service Support	32,575	-	-	32,575
5810	Other Expenses (trustee fees)	20,000	-	-	20,000
	NON-LABOR EXP	1,565,157	75,000	95,000	1,735,157
	TOTAL DEPT EXPENSES	2,821,763	75,000	95,000	2,991,763

Information Technology (IT) – Dept #20

Department Budget Summary

		FY 15/16 Actual	FY 16/17 Actual	FY17/18 Budget	Actual YTD as of 03/31/2018	FY17/18 Projected	FY18/19 Budget	FY19/20 Budget
	EXPENSES:							
5600	Dept Wages	231,090	204,553	91,703	69,578	94,503	94,630	97,469
5612	Dept Overtime	7,624	7,389	-	8,554	11,405	10,000	12,000
5613	Health Insurance - Medical	24,480	22,205	12,240	9,415	12,240	15,550	16,017
5614	Payroll Taxes	6,645	6,711	3,014	2,190	3,050	3,195	3,291
5616	Workers Compensation Expense	823	933	603	429	568	518	534
5618	Health Insurance - Dental/Vision	4,676	4,037	2,583	2,122	2,817	2,583	2,660
5620	Health Ins Reimb - FSA	3,014	2,668	2,600	944	1,500	2,650	2,730
5621	Deferred Comp Contributions	-	-	-	-	-	4,732	4,874
5623	PERS Retirement	40,238	36,566	22,170	20,186	26,271	22,603	23,281
	TOTAL WAGES & BENEFITS	318,590	285,062	134,913	113,418	152,354	156,461	162,856
5710	Small Tools	422	534	1,000	-	500	1,000	1,000
5720	Computer Equipment & Maintenance	373,376	262,530	100,000	75,987	70,000	100,000	100,000
5724	Licenses/Dues & Fees	-	42,815	210,000	165,065	200,024	240,000	240,000
5726	Travel Expenses	5,200	34	16,000	192	16,000	8,000	16,000
5728	Education & Training	3,026	-	22,000	3,995	22,000	12,000	22,000
5729	Consulting	-	-	75,000	30,730	50,994	75,000	75,000
5741	Aerial Photos	23,750	21,750	29,000	21,750	29,000	29,000	29,000
	NON-LABOR EXP	405,774	327,663	453,000	297,719	388,518	465,000	483,000
	TOTAL DEPARTMENT EXPENSES	724,364	612,725	587,913	411,137	540,872	621,461	645,856

Information Technology (IT) – Dept #20

Department Budget Initiative Detail

		Department Admin.	Aerial Photos 450	FY 18/19 Total
	EXPENSES:			
5600	Dept Wages	94,630	-	94,630
5612	Dept Overtime	10,000	-	10,000
5613	Health Insurance - Medical	15,550	-	15,550
5614	Payroll Taxes	3,195	-	3,195
5616	Workers Compensation Expense	518	-	518
5618	Health Insurance - Dental/Vision	2,583	-	2,583
5620	Health Ins Reimb - FSA	2,650	-	2,650
5621	Deferred Comp Contributions	4,732	-	4,732
5623	PERS Retirement	22,603	-	22,603
	TOTAL WAGES & BENEFITS	156,461	-	156,461
5710	Small Tools	1,000	-	1,000
5720	Computer Equipment & Maintenance	100,000	-	100,000
5724	Licenses/Dues & Fees	240,000	-	240,000
5726	Travel Expenses	8,000	-	8,000
5728	Education & Training	12,000	-	12,000
5729	Consulting	75,000	-	75,000
5741	Aerial Photos	-	29,000	29,000
	NON-LABOR EXP	436,000	29,000	465,000
	TOTAL DEPARTMENT EXPENSES	592,461	29,000	621,461

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

Department Budget Summary

		FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Budget	Actual YTD as of 03/31/2018	FY 17/18 Projected	FY 18/19 Budget	FY 19/20 Budget
	EXPENSES:							
5600	Dept Wages	398,988	423,118	437,243	340,890	465,351	485,397	499,959
5612	Dept Overtime	1,791	1,738	4,000	785	1,047	4,000	4,000
5613	Health Insurance - Medical	56,064	56,378	56,145	43,491	60,459	63,025	64,916
5614	Payroll Taxes	12,101	12,930	14,308	10,729	15,011	15,904	16,381
5615	Misc Benefit	6,000	6,000	6,000	4,615	6,000	6,000	6,000
5616	Workers Compensation Expense	1,878	2,541	3,299	2,744	3,636	3,313	3,412
5618	Health Insurance - Dental/Vision	7,626	9,398	10,520	7,904	10,811	10,798	11,122
5620	Health Ins Reimb - FSA	7,497	7,421	13,000	5,751	7,500	13,250	13,648
5621	Deferred Comp Contributions	-	-	-	-	-	24,270	24,998
5623	PERS Retirement	53,438	71,561	84,660	57,874	82,322	90,807	93,531
	TOTAL WAGES & BENEFITS	545,383	591,085	629,175	474,783	652,137	716,764	737,967
5702	Safety Supplies	-	2	6,000	330	440	6,000	6,000
5617	Employee Relations	7,743	2,887	10,000	172	1,000	15,000	12,500
5703	Recruiting Expense	-	-	10,000	4,575	10,000	10,000	10,000
5710	Small Tools	6,060	-	-	-	-	-	-
5711	Books & Subscriptions	1,440	943	2,000	1,150	1,533	1,000	1,000
5713	Printing	5,285	-	-	-	-	3,000	3,000
5724	Licenses/Dues/ Fees/Legal Consort.	9,844	10,094	8,000	6,582	8,776	8,000	8,000
5725	Auto Expenses	2,494	758	2,500	173	529	2,500	2,500
5726	Travel Expenses	8,041	11,674	15,000	9,343	12,457	10,000	15,000
5728	Education & Training	-	384	9,500	4,775	6,367	5,000	7,500
5729	Consulting	11,665	11,006	10,000	-	10,000	10,000	10,000
5732	Legislative Advocacy	133,599	133,606	145,000	108,469	165,000	165,000	165,000
5742	Public Relations	122,347	67,696	118,500	70,979	118,500	120,000	157,500
5743	Water Conservation	2,012,975	1,005,464	176,000	48,718	650,000	200,000	900,000
5743	Water Conserve Grant Funded (30-5743-5000)	-	-	750,000	391,138	564,050	218,000	300,000
	NON-LABOR EXP	2,321,658	1,244,514	1,262,500	646,404	1,548,652	773,500	1,598,000
	TOTAL DEPARTMENT EXPENSES	2,867,041	1,835,599	1,891,675	1,121,187	2,200,789	1,490,264	2,335,967

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

Department Budget Initiative Detail (Page 1 of 2)

		Department Admin.	Community Relations 226	Strategic Partnerships 227	Fac.Tours 243	Annual Water Symposium 259	AWAC 305
	EXPENSES:						
5600	Dept Wages	485,397					
5612	Dept Overtime	4,000					
5613	Health Insurance - Medical	63,025					
5614	Payroll Taxes	15,904					
5615	Misc Benefit	6,000					
5616	Workers Compensation Expense	3,313					
5618	Health Insurance - Dental/Vision	10,798					
5620	Health Ins Reimb - FSA	13,250					
5621	Deferred Comp Contributions	24,270					
5623	PERS Retirement	90,807					
	TOTAL WAGES & BENEFITS	716,764	-	-	-	-	-
5702	Safety Supplies	6,000	-	-	-	-	-
5617	Employee Relations	15,000	-	-	-	-	-
5703	Recruiting Expense	10,000	-	-	-	-	-
5710	Small Tools	-	-	-	-	-	-
5711	Books & Subscriptions	1,000	-	-	-	-	-
5713	Printing	3,000	-	-	-	-	-
5724	Licenses/Dues/ Fees/Legal Consort.	8,000	-	-	-	-	-
5725	Auto Expenses	2,500	-	-	-	-	-
5726	Travel Expenses	10,000	-	-	-	-	-
5728	Education & Training	5,000	-	-	-	-	-
5729	Consulting	10,000	-	-	-	-	-
5732	Legislative Advocacy	165,000	-	-	-	-	-
5742	Public Relations	-	62,500	-	7,500	25,000	-
5743	Water Conservation	-	-	100,000	-	-	50,000
5743	Water Conserve Grant Funded (30-5743-5000)	-	-	-	-	-	-
	NON-LABOR EXP	235,500	62,500	100,000	7,500	25,000	50,000
	TOTAL DEPARTMENT EXPENSES	952,264	62,500	100,000	7,500	25,000	50,000

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

Department Budget Initiative Detail (Page 2 of 2)

		Demo Gard	County Conf.	WCIP	High School Water Summit	FY 18/19 Total
	EXPENSES:	344	381	386	397	
5600	Dept Wages					485,397
5612	Dept Overtime					4,000
5613	Health Insurance - Medical					63,025
5614	Payroll Taxes					15,904
5615	Misc Benefit					6,000
5616	Workers Compensation Expense					3,313
5618	Health Insurance - Dental/Vision					10,798
5620	Health Ins Reimb - FSA					13,250
5621	Deferred Comp Contributions					24,270
5623	PERS Retirement					90,807
	TOTAL WAGES & BENEFITS	-	-	-	-	716,764
5702	Safety Supplies	-	-	-	-	6,000
5617	Employee Relations	-	-	-	-	15,000
5703	Recruiting Expense	-	-	-	-	10,000
5710	Small Tools	-	-	-	-	-
5711	Books & Subscriptions	-	-	-	-	1,000
5713	Printing	-	-	-	-	3,000
5724	Licenses/Dues/ Fees/Legal Consort.	-	-	-	-	8,000
5725	Auto Expenses	-	-	-	-	2,500
5726	Travel Expenses	-	-	-	-	10,000
5728	Education & Training	-	-	-	-	5,000
5729	Consulting	-	-	-	-	10,000
5732	Legislative Advocacy	-	-	-	-	165,000
5742	Public Relations	-	5,000	-	20,000	120,000
5743	Water Conservation	50,000	-	-	-	200,000
5743	Water Conserve Grant Funded (30-5743-5000)	-	-	218,000	-	218,000
	NON-LABOR EXP	50,000	5,000	218,000	20,000	773,500
	TOTAL DEPARTMENT EXPENSES	50,000	5,000	218,000	20,000	1,490,264

Engineering (ENG) – Dept #40

Department Budget Summary

		FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Budget	Actual YTD as of 03/31/2018	FY 17/18 Projected	FY 18/19 Budget	FY 19/20 Budget
	EXPENSES:							
5600	Dept Wages	115,006	131,077	205,551	179,370	242,429	245,930	253,308
5613	Health Insurance - Medical	12,240	12,711	24,480	18,831	24,480	24,480	25,214
5614	Payroll Taxes	3,828	4,056	6,671	5,701	7,812	7,842	8,077
5615	Misc Benefit	6,000	6,000	6,000	4,615	6,000	6,000	6,000
5616	Workers Compensation Expense	1,643	536	1,396	629	1,038	1,518	1,564
5618	Health Insurance - Dental/Vision	2,251	2,288	3,587	2,779	3,787	3,746	3,858
5620	Health Ins Reimb - FSA	2,508	1,558	5,200	2,308	3,000	5,300	5,459
5621	Deferred Comp Contributions	-	-	-	-	-	12,296	12,665
5623	PERS Retirement	20,422	21,350	40,657	44,313	60,121	58,715	60,476
	TOTAL WAGES & BENEFITS	163,898	179,576	293,542	258,546	348,667	365,827	376,621
5711	Books & Subscriptions	-	-	8,500	-	8,500	8,500	8,500
5724	Licenses/Dues & Fees	2,847	12,230	4,000	420	4,000	4,000	4,000
5725	Auto Expenses	2,923	585	4,000	1,235	4,000	4,000	5,000
5726	Travel Expenses	3,600	2,680	6,000	2,487	6,000	6,000	6,000
5728	Education & Training	-	3,598	-	120	160	2,000	2,000
5729	Consulting	12,500	36,253	65,000	16,760	65,000	48,000	50,000
5736	Engineering, General	14,990	41,174	-	-	-	25,000	25,000
	NON-LABOR EXP	36,860	96,520	87,500	21,022	87,660	97,500	100,500
	TOTAL DEPT EXPENSES	200,758	276,096	381,042	279,568	436,327	463,327	477,121

Operation & Maintenance (OM) – Dept #50

Department Budget Summary

		FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Budget	Actual YTD as of 03/31/2018	FY 17/18 Projected	FY 18/19 Budget	FY 19/20 Budget
	EXPENSES:							
5600	Dept Wages	506,410	550,975	494,029	330,656	498,092	573,427	590,630
5612	Dept Overtime	7,301	9,263	10,000	15,688	20,000	20,000	10,000
5613	Health Insurance - Medical	73,440	73,440	73,440	51,079	73,440	101,399	104,441
5614	Payroll Taxes	14,932	15,891	16,457	12,512	17,781	19,570	20,157
5615	Misc Benefit	-	-	8,252	-	8,252	17,505	18,030
5616	Workers Compensation Expense	20,980	21,804	28,386	23,371	30,965	32,907	33,894
5618	Health Insurance - Dental/Vision	12,782	13,333	12,928	9,519	14,145	17,184	17,700
5620	Health Ins Reimb - FSA	9,014	9,033	14,500	6,162	7,500	18,500	19,055
5621	Deferred Comp Contributions	-	-	-	-	-	28,671	29,531
5623	PERS Retirement	80,665	94,103	90,139	70,284	92,572	82,786	85,270
	TOTAL WAGES & BENEFITS	725,524	787,842	748,131	519,271	762,747	911,949	928,708
5701	Equip. Lease/Rent	1,163	14,559	45,000	4,076	35,000	35,000	40,000
5702	Safety Supplies	6,674	6,433	7,000	2,848	7,000	10,000	10,000
5703	Recruiting Expense	-	-	-	-	-	3,200	-
5705	Building Maintenance	206,730	245,433	25,000	25,176	32,000	32,000	32,000
5706	Utilities	660,119	836,625	825,000	631,270	850,000	914,380	915,000
5710	Small Tools	19,981	13,930	22,000	9,862	22,000	22,000	24,000
5711	Books & Subscriptions	82	-	1,000	-	1,000	1,000	2,000
5712	Telephone	9,654	5,014	3,500	3,684	5,000	5,800	6,000
5719	Equipment Maintenance	-	-	105,000	44,047	105,000	115,000	115,000
5724	Licenses/Dues & Fees	906	1,227	1,500	24,532	25,000	27,000	27,000
5725	Auto Expenses	43,468	49,077	60,000	30,218	60,000	63,000	63,000
5726	Travel Expenses	35	2,136	2,000	1,393	2,000	2,000	3,000
5728	Education & Training	876	1,400	5,000	1,280	5,000	9,000	9,000
5729	Consulting	29,108	108,664	85,000	2,564	85,000	90,000	90,000
5734	Environmental	5,873	31,176	20,000	25,949	30,000	45,000	45,000
5735	Water Quality	13,967	29,153	25,000	19,412	25,000	28,250	30,000
5740	Water Purchases - R ³ Operational Water	-	-	-	222	222	200	200
	NON-LABOR EXP	1,009,654	1,355,836	1,232,000	826,533	1,289,222	1,402,830	1,411,200
	TOTAL DEPARTMENT EXPENSES	1,735,178	2,143,678	1,980,131	1,345,804	2,051,969	2,314,779	2,339,908

Water Resources (WR) – Dept #60

Department Budget Summary

		FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Budget	Actual YTD as of 03/31/2018	FY 17/18 Projected	FY 18/19 Budget	FY 19/20 Budget
	EXPENSES:							
5600	Dept Wages	908,884	980,059	1,026,821	631,180	907,478	1,072,120	1,104,284
5613	Health Insurance - Medical	118,682	124,763	126,300	73,616	113,760	139,290	143,469
5614	Payroll Taxes	28,027	30,262	33,440	19,997	29,455	35,131	36,185
5615	Misc Benefit	6,000	6,000	6,000	4,615	6,000	6,000	6,000
5616	Workers Compensation Expense	22,797	23,739	35,624	29,182	37,399	35,220	36,277
5618	Health Insurance - Dental/Vision	20,195	23,567	23,475	14,707	21,473	25,129	25,883
5620	Health Ins Reimb - FSA	15,217	16,260	28,600	7,352	12,000	29,150	30,025
5621	Deferred Comp Contributions	-	-	-	-	-	53,606	55,214
5623	PERS Retirement	159,335	171,256	216,268	156,495	212,722	208,349	214,599
	TOTAL WAGES & BENEFITS	1,279,760	1,375,929	1,496,528	939,443	1,343,352	1,603,995	1,651,936
5702	Safety Supplies	1,432	3,317	2,500	1,390	1,559	2,500	2,500
5703	Recruiting Expense	852	-	-	-	-	3,200	-
5710	Small Tools	1,287	4,200	3,500	391	3,000	3,000	3,000
5711	Books & Subscriptions	853	348	500	29	39	500	500
5719	Equipment Maintenance	-	-	10,000	2,322	10,000	10,000	10,000
5721	Data Collections	138,560	188,743	150,000	30,956	144,000	120,000	150,000
5724	Licenses/Dues & Fees	4,709	7,128	5,000	11,218	14,957	7,500	7,500
5725	Auto Expenses	29,758	37,450	25,000	18,621	32,311	40,000	40,000
5726	Travel Expenses	12,084	18,163	15,000	8,595	11,460	17,650	15,000
5728	Education & Training	1,555	1,848	5,000	5,256	7,008	15,200	7,500
5729	Consulting	861,246	819,353	845,000	168,796	497,890	515,000	850,000
5729	Consulting - Grant Funded (60-5729-5000)	-	-	-	124,444	241,282	389,460	389,457
5737	USGS	495,785	634,718	388,200	157,033	350,800	420,000	450,000
5810	Other Expenses	7,301	7,359	5,000	221	295	5,000	5,000
	NON-LABOR EXP	1,564,191	1,745,037	1,454,700	529,272	1,314,601	1,549,010	1,930,457
	TOTAL DEPT EXPENSES	2,843,951	3,120,966	2,951,228	1,468,715	2,657,953	3,153,005	3,582,393

Water Resources (WR) – Dept #60

Department Budget Initiative Detail (Page 1 of 2)

		Department Admin.	USGS 230	Data Coll. 310	Special Projects 336
	EXPENSES:				
5600	Dept Wages	1,072,120	-	-	-
5613	Health Insurance - Medical	139,290	-	-	-
5614	Payroll Taxes	35,131	-	-	-
5615	Misc Benefit	6,000	-	-	-
5616	Workers Compensation Expense	35,220	-	-	-
5618	Health Insurance - Dental/Vision	25,129	-	-	-
5620	Health Ins Reimb - FSA	29,150	-	-	-
5621	Deferred Comp Contributions	53,606	-	-	-
5623	PERS Retirement	208,349	-	-	-
	TOTAL WAGES & BENEFITS	1,603,995	-	-	-
5702	Safety Supplies	2,500	-	-	-
5703	Recruiting Expense	3,200	-	-	-
5710	Small Tools	3,000	-	-	-
5711	Books & Subscriptions	500	-	-	-
5719	Equipment Maintenance	10,000	-	-	-
5721	Data Collections	-	-	120,000	-
5724	Licenses/Dues & Fees	7,500	-	-	-
5725	Auto Expenses	40,000	-	-	-
5726	Travel Expenses	17,650	-	-	-
5728	Education & Training	15,200	-	-	-
5729	Consulting	-	-	-	265,000
5729	Consulting - Grant Funded (60-5729-5000)	-	-	-	-
5737	USGS	-	420,000	-	-
5810	Other Expenses	5,000	-	-	-
	NON-LABOR EXP	104,550	420,000	120,000	265,000
	TOTAL DEPT EXPENSES	1,708,545	420,000	120,000	265,000

Water Resources (WR) – Dept #60

Department Budget Initiative Detail (Page 2 Of 2)

		Small Systems 505	GWMP 400	Bureau of Recl. 403	FY 18/19 Total
	EXPENSES:				
5600	Dept Wages	-	-	-	1,072,120
5613	Health Insurance - Medical	-	-	-	139,290
5614	Payroll Taxes	-	-	-	35,131
5615	Misc Benefit	-	-	-	6,000
5616	Workers Compensation Expense	-	-	-	35,220
5618	Health Insurance - Dental/Vision	-	-	-	25,129
5620	Health Ins Reimb - FSA	-	-	-	29,150
5621	Deferred Comp Contributions	-	-	-	53,606
5623	PERS Retirement	-	-	-	208,349
	TOTAL WAGES & BENEFITS	-	-	-	1,603,995
5702	Safety Supplies	-	-	-	2,500
5703	Recruiting Expense	-	-	-	3,200
5710	Small Tools	-	-	-	3,000
5711	Books & Subscriptions	-	-	-	500
5719	Equipment Maintenance	-	-	-	10,000
5721	Data Collections	-	-	-	120,000
5724	Licenses/Dues & Fees	-	-	-	7,500
5725	Auto Expenses	-	-	-	40,000
5726	Travel Expenses	-	-	-	17,650
5728	Education & Training	-	-	-	15,200
5729	Consulting	100,000	50,000	100,000	515,000
5729	Consulting - Grant Funded (60-5729-5000)	389,460	-	-	389,460
5737	USGS	-	-	-	420,000
5810	Other Expenses	-	-	-	5,000
	NON-LABOR EXP	489,460	50,000	100,000	1,549,010
	TOTAL DEPT EXPENSES	489,460	50,000	100,000	3,153,005

Watermaster (WM) – Dept #90

Department Budget Summary

		FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Budget	Actual YTD as of 03/31/2018	FY 17/18 Projected	FY 18/19 Budget	FY 19/20 Budget
	ADMINISTRATIVE EXPENSES:							
5600	Dept Wages	374,484	409,735	408,253	300,111	409,764	427,645	440,474
5612	Dept Overtime	5,646	3,936	4,000	2,257	859	4,000	4,000
5613	Health Insurance - Medical	54,609	48,960	48,960	36,249	48,960	55,455	57,119
5614	Payroll Taxes	12,048	12,659	13,259	9,667	13,439	14,010	14,430
5615	Misc Benefit	-	-	-	-	-	-	-
5616	Workers Compensation Expense	2,149	2,005	2,602	2,116	2,804	2,554	2,631
5618	Health Insurance - Dental/Vision	9,576	9,524	9,675	5,684	7,979	8,525	8,781
5620	Health Ins Reimb - FSA	6,879	5,949	10,400	4,386	6,000	10,600	10,918
5621	Deferred Comp Contributions	-	-	-	-	-	21,382	22,023
5623	PERS Retirement	67,897	72,908	98,679	81,214	105,656	90,784	93,508
	TOTAL WAGES & BENEFITS	533,288	565,676	595,828	441,684	595,461	634,955	653,884
5702	Safety Supplies	-	-	500	-	-	500	500
5710	Small Tools	-	-	100	-	-	250	250
5711	Books & Subscriptions	-	37	50	-	-	50	50
5713	Printing	-	-	500	-	-	500	500
5725	Auto Expenses	2,842	368	500	228	400	500	500
5726	Travel Expenses	-	-	500	-	1,850	8,800	9,000
5728	Education & Training	-	-	1,500	-	1,000	5,800	8,000
5736	Engineering, General	144,370	72,981	73,500	43,930	73,500	93,500	93,500
5741	Aerial Photos	19,750	10,875	12,500	10,875	12,500	15,000	15,000
	NON-LABOR EXP	166,962	84,261	89,650	55,033	89,250	124,900	127,300
	TOTAL DEPT EXPENSES	700,250	649,937	685,478	496,717	684,711	759,855	781,184
5610	Labor & Benefits from Watermaster	(350,125)	(276,286)	(297,914)	(152,750)	(297,731)	(317,478)	(326,942)
	Total Capital Labor & OH Out	(350,125)	(276,286)	(297,914)	(152,750)	(297,731)	(317,478)	(326,942)
	TOTAL NET DEPT EXPENSES:	350,125	373,651	387,564	343,967	386,980	442,377	454,242

Fiscal Year 2018/2019 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 reassessment of 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)

Financial 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.

SWP Special Projects (Project 288): Goal 2

Staff and legal time needed to address policy and legal issues associated with the State Water Contract.

Information Technology Department (IT)

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., 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. Also included is the ABC's of Water program and the ABC's of Water Academy.

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

This funding category offers MWA 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

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.

Community Outreach & Employee Relations Department (PI) continued

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.

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 are needed.

Water Resources Department (WR) continued

Special Projects (Project 336): Goals 3 and 5

Provides funding for consultant support on grants, 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, and other MCRCD cooperative programs, 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 has been 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, providing specific training to DACs and applying for state and/or federal funding related to improving water management practices. This program will also assist with technical assistance for the State Water Resources Control Board Drought Assistance grant program for homeowners within the MWA service area to deepen/re-drill a new well that has gone dry as result of the recent drought.

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 GWMP will enable the Agency to fulfill appropriate groundwater management requirements and maintain grant eligibility.



Mojave Water Agency

Fiscal Year Budget 2019/2020

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



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BUDGET

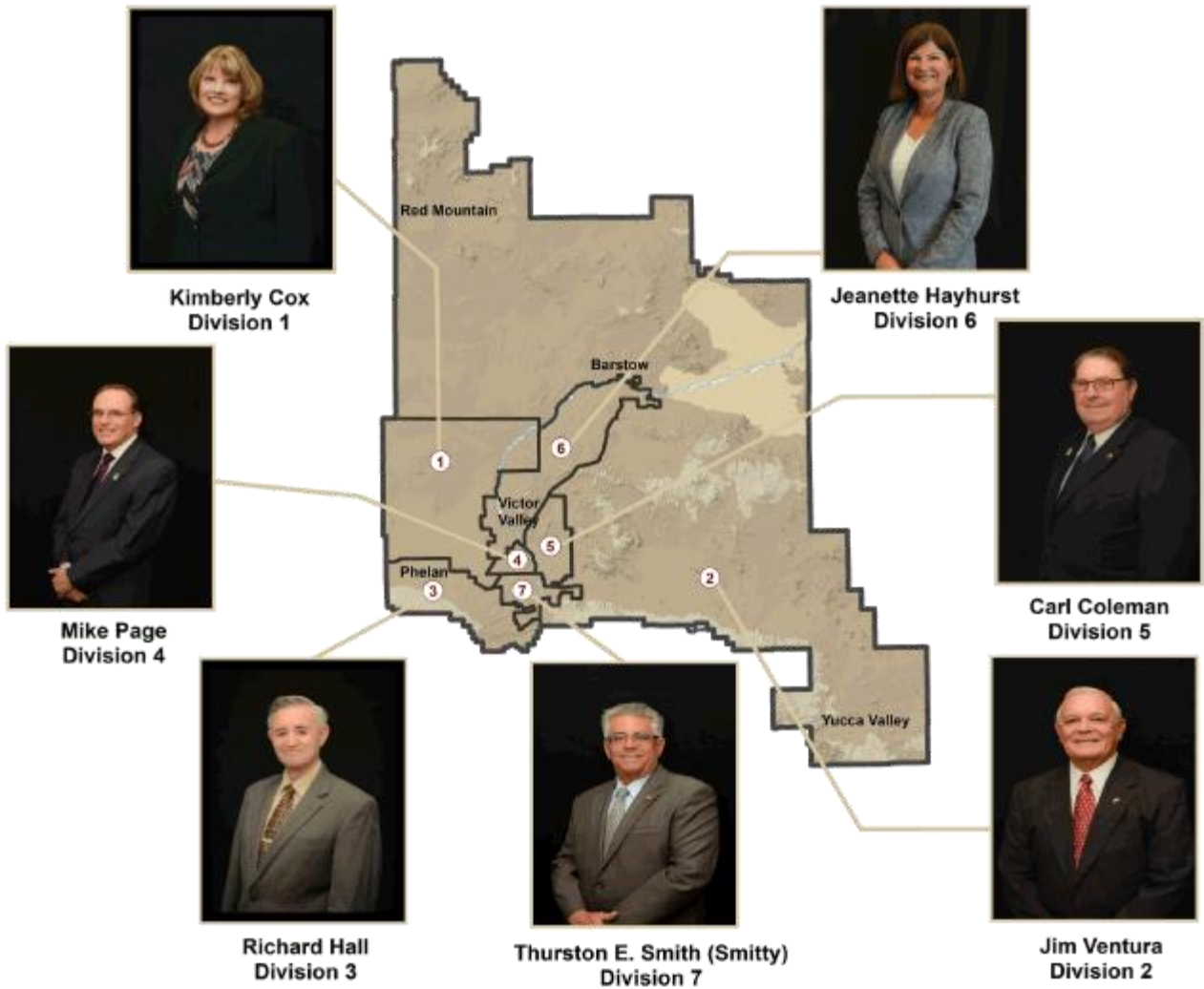
Fiscal Year

2019/2020

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Mojave Water Agency Fiscal Year 2019 - 2020 Budget

Board of Directors



LETTER OF INTRODUCTION

Members of the Board of Directors:

California is 100% drought free according to a map released by the U.S. Drought Monitor on March 14, 2019. This is all due to an exceptionally wet winter this year that has produced significant snowpack in the Sierra Nevada, in addition to an abundance of rain that has filled reservoirs to near capacity. Most of the state's major reservoirs are at or above their historical averages, prompting the Department of Water Resources (DWR) to announce a preliminary 70% State Water Project allocation on March 20, 2019, a stark contrast from last year's final allocation of 35%. The state's extreme hydrology has highlighted a new norm of how quickly we can move between wet and dry-year cycles. The Board of Directors and staff recognizes this new paradigm, and continues to position the Agency ready to seize opportunities deemed most beneficial to the residents of the Mojave region.

Paramount to the Agency is the reliable access and delivery of water to and within the Mojave Basin, which serves as the foundation for the Agency's commitment to "Protecting What You Have, While Keeping an Eye on the Future" that molds the strategic and resource planning presented in this year's budget. Aging infrastructure has become a hot topic across the country as most public agencies grapple with the costs and the limited financial resources available for their optimal operation and maintenance. In addition, emergency events such as the Oroville Spillway failure have cast new scrutiny on routine maintenance versus the need for more frequent and thorough investigative condition assessments that may reveal the need for major facility repairs and upgrades. Furthermore, the California WaterFix continues to morph creating added uncertainty due to a variety of reasons, including new leadership direction in Sacramento and ongoing environmental and legal challenges mounting against the ambitious but much needed California water conveyance project.

The 2019-20 fiscal year budget presents a roadmap for the Agency as it diligently works to manage the region's water resources for the common benefit and to assure stability in the sustained use within its own boundaries. The Agency continues to face many of the same challenges that were present last year, namely financial uncertainty resulting from unsustainable projected DWR cost trends, a revised California WaterFix project scope, and the limitation of DWR's ability to issue debt financing past 2035 due to ongoing water contract amendments. Staff continues to proactively work cooperatively with the State Water Contractors to engage DWR for solutions to these and other problems that will hopefully ensure reliable access to affordable water into the future.

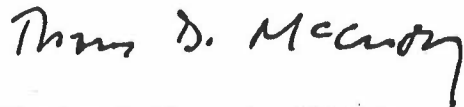
Safeguarding the reliability of water service is two-fold for the Agency, whether focusing on ensuring that DWR continues to responsibly maintain and operate the State Water Project for deliveries to the Agency, or focusing on the Agency's responsibility for the maintenance and operation of our own distribution facilities that it uses for customer deliveries within the Agency's boundaries. Also of great concern is balancing of our area's groundwater basins and the possible ramp down in pumping allowances that may affect all area residents and businesses until the basins return to balance. Conservation efforts have helped in the past, but several possible solutions under consideration may be to introduce more imported water into our area, whether by purchasing additional water from the State Water Project to augment the groundwater aquifers, or by exploring potential water banking opportunities.

The Agency initiated an asset management program this past year with the goal of identifying and assessing the condition of the Agency's current facilities. Most of the Agency's pipelines and related appurtenances are reaching 25 years in age, and there is a growing necessity to track scheduled and unscheduled maintenance that could have major impacts to expected operational levels of service and subsequently to future Agency's budgets. Further development and refinement of this program is planned that will tie into the initiation of a capital improvement facilities master plan, a two-year project slated to start in FY 2019/20 to identify future areas of demand and the necessary facilities needed to meet the region's growth projections.

Finally, over the years the Agency has actively pursued and invested in technology and staff development. This effort has been maintained to synthesize the vast amount of data gathered to support a science-based decision making platform in the most efficient way possible to address the risks and challenges facing the Agency. Currently, modernization of the data collection process is underway to improve data efficiency and integrity and thereby reduce staff data-entry time and potential errors. Additionally, the recent development of a new groundwater model will aid in identifying suitable opportunities for new recharge areas, monitoring wells, as well as big picture management approaches. Finally, financial analysis exploring proposed scenarios addressing many of the Agency's challenges will benefit from further development and refinement of the financial model in the upcoming year.

We would like to thank the Board of Directors for their leadership and prudent financial management that has positioned the Agency to meet the challenges in the coming years.

Sincerely,



Thomas D. McCarthy, PE, PG
General Manager



Kathy Cortner
Chief Financial Officer

PROPOSED FISCAL YEAR 2019/2020 BUDGET

	FY 2018/2019 Budget	FY 2018/2019 Projected	Variance Fav (Unfav)	FY 2019/2020 Budget	Budget vs. Budget Variance	FY 2020/2021 Budget
Beginning Cash Reserves	\$ 72,116,418	\$ 79,154,515	\$ 7,038,097	\$ 85,399,628	\$ 13,283,210	\$ 92,083,936
<u>Revenues</u>						
Water Sales (net of Reliability Assessment)	2,277,340	2,561,920	284,580	3,135,270	857,930	2,694,320
Reliability Assessment	2,168,348	2,168,348	-	1,994,790	(173,558)	2,252,390
SWP Water Transfers	1,803,560	-	(1,803,560)	3,820,000	2,016,440	2,500,000
MWA 1 - 11.5¢	12,241,003	10,947,755	(1,293,248)	11,546,399	(694,604)	12,054,441
MWA 2 (a) 3¢	11,496,962	12,347,350	850,388	11,244,086	(252,876)	11,849,018
MWA 2 (b) 2.5¢	9,580,802	10,266,844	686,042	9,370,072	(210,730)	9,874,182
General Property Tax	5,088,413	6,773,324	1,684,911	6,773,324	1,684,911	6,768,898
ID M Property Tax Assessment	3,312,176	3,095,698	(216,478)	3,195,128	(117,048)	3,367,026
ID M Debt Service Support	814,375	814,375	-	814,938	563	-
Interest	803,200	1,164,922	361,722	1,259,962	456,762	991,720
Grants	2,473,770	2,473,770	-	1,614,247	(859,523)	1,614,247
Miscellaneous	22,000	22,000	-	22,000	-	22,000
Total Revenues	\$ 52,081,949	\$ 52,636,306	\$ 554,357	\$ 54,790,216	\$ 2,708,267	\$ 53,988,242
<u>Expenditures</u>						
DWR Min OMP&R	10,667,755	9,692,995	974,760	10,743,370	(75,615)	11,280,539
DWR Bond and Capital	8,272,362	8,261,253	11,109	8,721,313	(448,951)	9,157,379
SWC Member Allocation	182,263	230,080	(47,817)	230,000	(47,737)	235,000
SWP Contractors Authority	43,000	-	43,000	-	43,000	-
Delta Conveyance	-	50,000	(50,000)	100,000	(100,000)	100,000
Tax Collection Exp	89,000	95,000	(6,000)	104,000	(15,000)	109,000
Water Purchases	1,836,204	1,836,204	-	2,075,240	(239,036)	2,382,760
Departmental Expenses	10,869,516	10,603,285	266,231	12,245,327	(1,375,811)	12,784,369
Agency Grant Expenses	607,460	607,906	(446)	1,328,000	(720,540)	400,000
Pass-through Grant Expenses	1,866,310	2,032,347	(166,037)	1,274,791	591,519	924,791
ID M	2,862,475	2,862,475	-	2,854,375	8,100	2,845,967
Dudley Ridge	2,334,838	2,334,838	-	2,336,900	(2,062)	2,336,713
Berranda Mesa	1,719,450	1,719,450	-	1,713,592	5,858	1,719,800
Capital	7,614,969	6,065,360	1,549,609	4,379,000	3,235,969	4,795,000
Total Expenditures	\$ 48,965,602	\$ 46,391,193	\$ 2,574,409	48,105,908	\$ 859,694	49,071,318
A/R & A/P Adj.		\$ -				
Ending Cash Reserves	\$ 75,232,765	\$ 85,399,628	\$ 10,166,863	\$ 92,083,936	\$ 16,851,171	\$ 97,000,860

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 next year. 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 reassessment of 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.

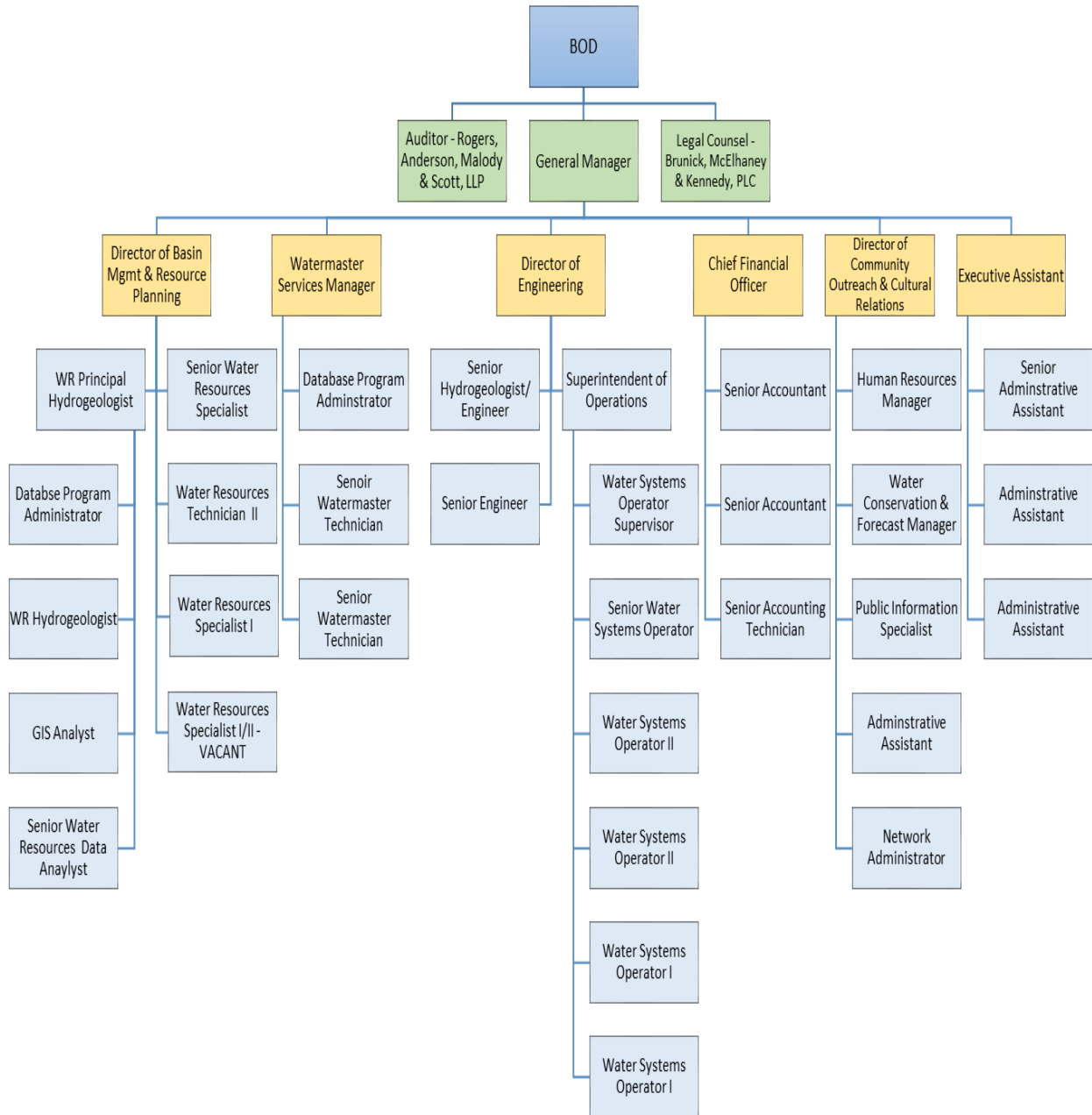
In addition to reporting the results of operations each month, spending limits have been established in the Agency Purchasing Policy as follows:

- ❖ Over \$ 25,000 Requires Board approval
- ❖ Over \$ 15,000 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 2019/2020 Budget includes a 2% 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 Cal PERS retirement benefits. The following page includes the organization chart for the Fiscal Year 2019/2020.

Organization Chart





Mojave River near Vista Road, Helendale, February 2, 2019

ANALYSIS OF REVENUES AND EXPENDITURES

Financial Direction

The 2018/2019 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 2019/2020 budget. Some of the challenges identified by management are the following:

- Development of an Asset Management Program and CIP Facilities Master Plan
- 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

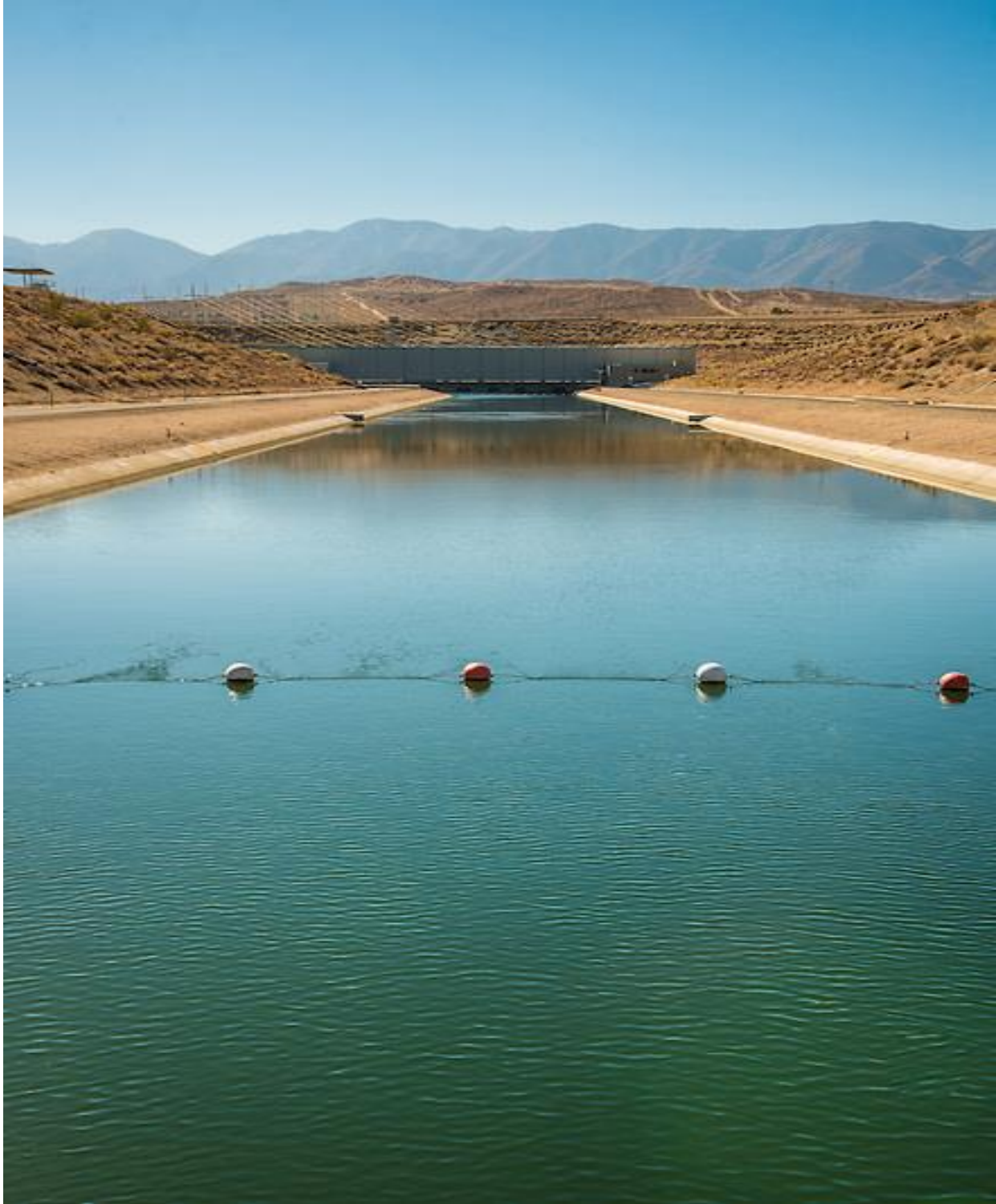
In the midst of these challenges are opportunities that the Agency can use against these challenges. These opportunities are:

- 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

In 2018, the Agency's costs for the SWP compared to prior years remained relatively flat. Unfortunately, the Agency projects that DWR costs could increase substantially over the next 5 to 10 years due to the Delta Conveyance, repair and upgrade work to current DWR facilities such as Oroville, biological opinions, and proposed changes affecting the California electricity market.

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 and tools to mitigate against future cost increases. 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.



Pearblossom Pumping Plant, date of picture unknown

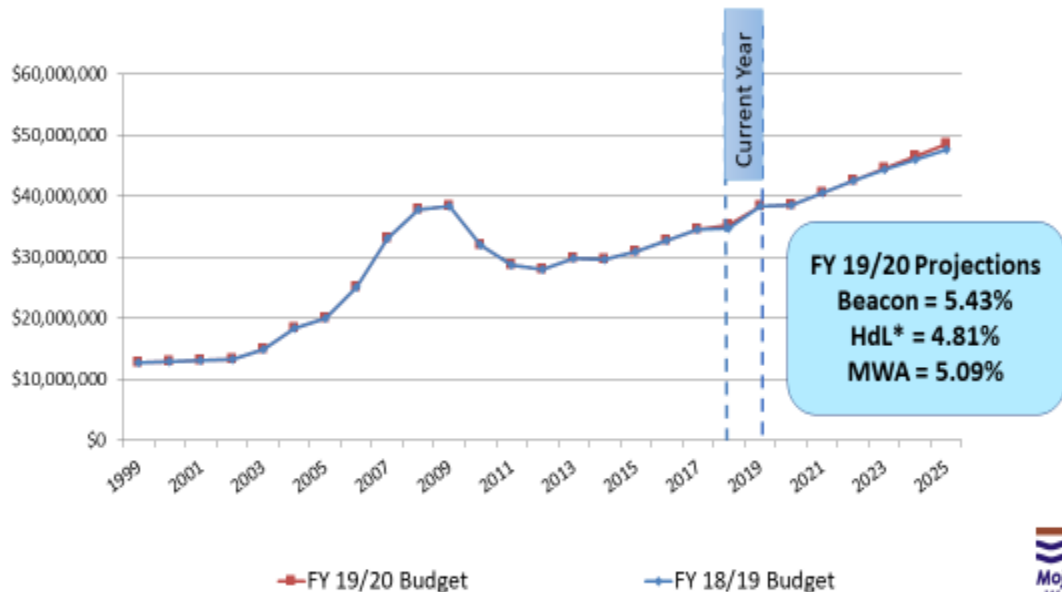
Revenue Projections

Tax Receipts

The MWA economic outlook is currently positive with indicators pointing towards moderate growth occurring for the foreseeable future. The Agency estimates assessed values to increase by 5.09% for fiscal year 2019/2020. 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 10-year long-term forecast extending out to the 2028-2029 fiscal year using standard time-series econometric techniques based on historic correlations and forecasts of future economic trends.

As stated in their most recent report, Beacon Economics' current outlook for the MWA regional economy and real estate market remains optimistic as all major indicators continue to trend in line with expectations. 'Home prices should continue to appreciate as expected in the near term, and homes sales have increased modestly over the past year. As such, our current forecast for revenue most closely associated with the local real estate market has not changed substantively and indicates continued growth over the next five years.' Below is a graphical representation of Beacon's forecast of future assessed values.

💧 Updated Projections Show Consistency



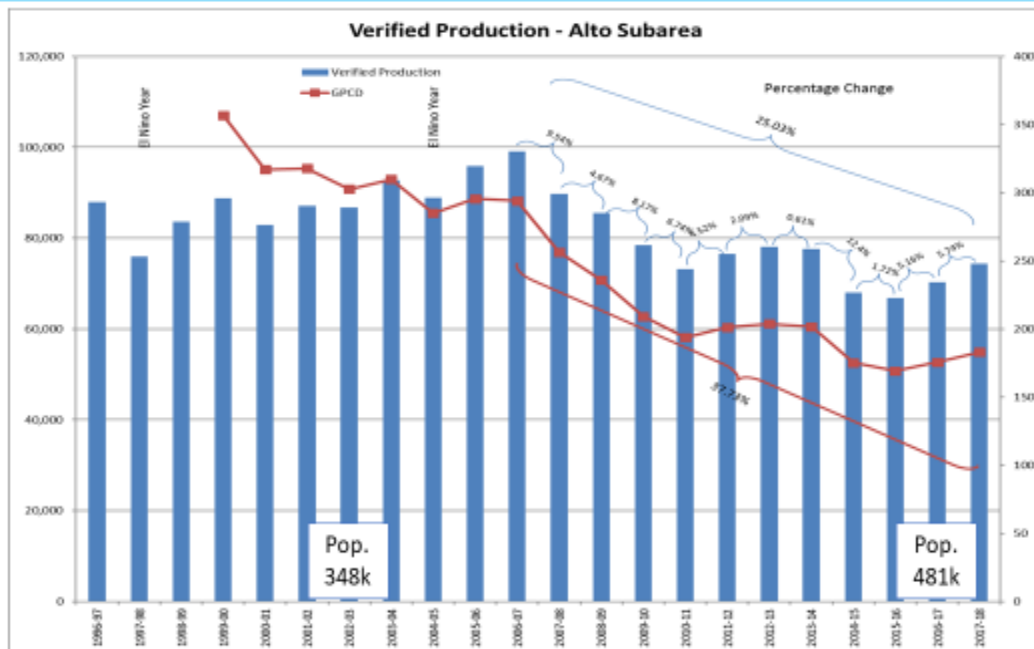
* Does not include value for new development nor supplemental tax receipts



Water Sales

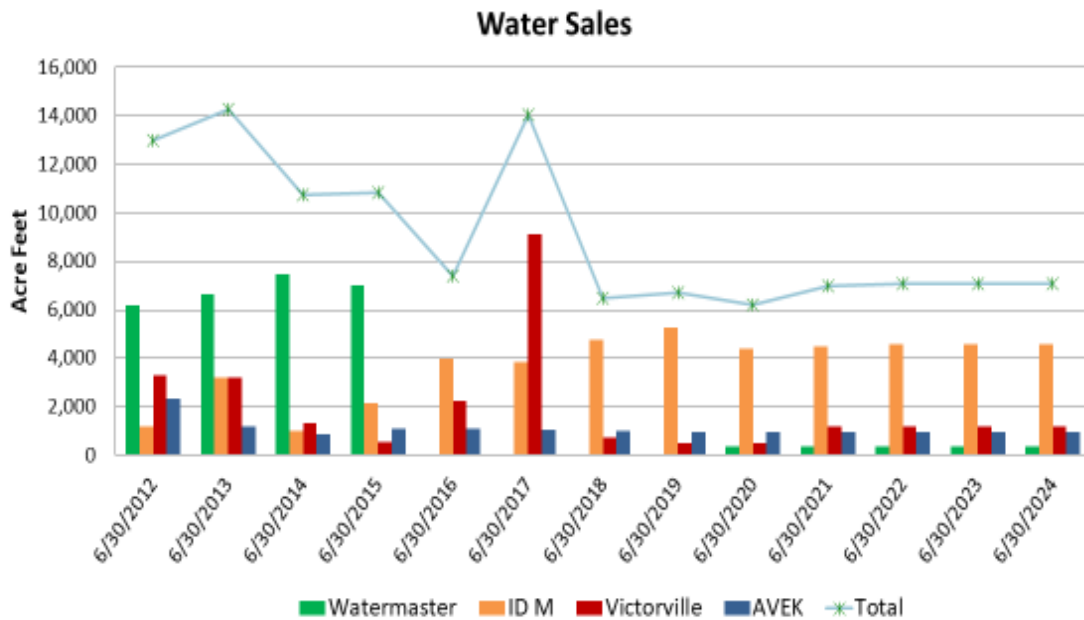
Over the past several years, Replacement Water Obligations to the Watermaster have been in decline since the height in 2007/2008. The Agency's successful Water Conservation Incentive Program is one factor attributable to this decline. Below is the trend in total pumping in the Alto Subarea, where the majority of the Replacement Obligations occur. Verified production has seen slight increases over the last couple of years, but mandatory water conservation imposed in 2014 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 Growth



On March 20, 2019, the DWR increased the State Water Project allocation for the 2019 calendar year for most recipients to 70% based on the recent precipitation, runoff, and current water supply conditions. DWR may revise the allocation and subsequent allocations if warranted by the year's developing hydrologic and water supply conditions. Allocations from the State Water Project System for 2020 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.

Water Sales Projected to Remain Flat



Water Transfers and Exchanges

In addition to water sales internally, the Agency has been participating in a water transfers and exchanges to sell or exchange water above what is needed locally to other State Water Contractors. The Agency has been working diligently with DWR and other State Water Contractors to allow more flexibility in the negotiation of future transfer and exchange contracts that will bring additional revenue to the Agency, and these efforts will continue in the new fiscal year.

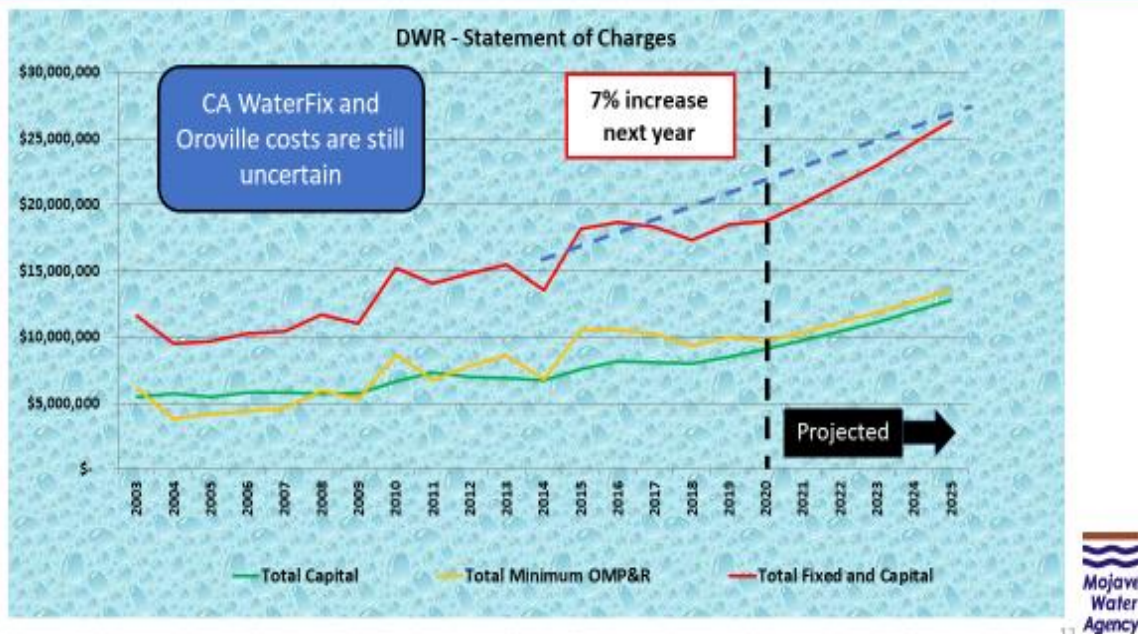
Expenditure Projections

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. The environmental review required for the contract extension has been completed, and it is anticipated that the MWA Board will have the opportunity to review and approve the contract extension in 2019. DWR will not issue debt beyond the year 2035 until these contracts are finalized and validated by the Courts. 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. While DWR costs have temporarily flattened for the past several years, it is anticipated that the State Water Contractors will see increased costs in future years. This is primarily due to the potential start of construction for a Delta Conveyance Project, the Oroville facility repairs recently completed, and the biological opinions from 2009 mandated actions that will come into play as the deadlines for compliance are fast approaching. The Board is currently evaluating mitigation measures to deal with the large increase and anticipated future increases with the help of Raftelis and the financial model they developed. Current property tax revenues due to a favorable economic environment are currently sufficient to cover DWR costs for the upcoming fiscal year as this conversation continues to unfold.

💧 Uncertain Times Concerning SWP Costs



DWR Variable Costs (Water Purchases)

The variable portion of the rates represents the power costs for moving water throughout the State Water Project system. With the phase out of costs associated with the Off-Aqueduct Power Charge for Water Delivery, the remaining component of the Department of Water Resources (DWR) rates set each year is the Variable (Power) Rate. 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 predictable 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, the energy markets experienced additional volatility that

affected the DWR power costs and the Agency was forced to include a 10% contingency to the estimated rate it sets for Watermaster. Other challenges include California's requirement that 100 percent of the state's electricity come from carbon-free sources by 2045, rising transmission costs, and Cap & Trade requirements, all which add 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.

Departmental Expenditures

Departmental expenditures are projected to increase in FY 2019/20 primarily due to additional pass-thru water conservation grant opportunities, additional funding for development of the asset management program and CIP Facilities master plan, as well as an increase in consulting engagements focused on resource and financial modeling that will allow the Agency to explore water banking and additional revenue enhancements. The Agency plans to remain actively engaged with DWR on various issues during the upcoming fiscal year as the Delta Conveyance negotiations continue, and further development of the financial model will assist with the analysis of options available in order to develop additional revenue streams to address anticipated future DWR cost increases.

Collaboration and strategic partnership investment is also a continuing theme in this budget, as well as funding for water conservation efforts such as large scale cash for grass rebates (\$900,000). Investment in our basins include funding for the Small Water Systems program (\$508,000), as well as continued collaboration with the USGS program (\$400,000). Additional basin support projects include the Data Collections Database Update (\$133,500), and development of a CIP/Master Plan (\$200,000 in FY 2019/20, plus an additional \$200,000 planned for FY 2020/21) to assist with future planning regarding asset management.

The Agency recently completed a comprehensive salary and benefits study in an effort to position itself to attract and retain highly qualified staff, as the Agency deals with the pending Silver Tsunami. The "changing of the guard" will also provide opportunity for structural and/or workload changes as employees retire. In addition, Agency employees contribute 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

The capital projects included in the fiscal year 2019/2020 budget are itemized in the section titled "Capital Projects". Major capital project activity planned for the FY 2019-20 budget includes the

anticipated completion and commissioning of the Deep Creek Hydroelectric project, and a full upgrade of the SCADA system for the Mojave and Morongo pipelines. Further investigative and geotech work will continue to identify potential sites for future recharge and monitoring facilities. In addition, infrastructure at the Agency has now reached 20 years of age, so condition assessment planning for annual repair and replacement is now included as a component in the budget. Also, CIP Facilities Master Plan to assist in planning for future facility needs is anticipated to begin in this next fiscal year.

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. The outstanding debt was refunded in September of 2016, and reissued as the Improvement District M of the Mojave Water Agency, General Obligation Bonds, Election of 1990, Refunding Series 2016. The total debt service will be \$2,854,375 in fiscal year 2019/2020 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 Berranda 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 June of 2014 to reduce the annual cost, and reissued as the Mojave Water Agency, Refunding Revenue Bonds, Series 2014A. The annual debt service for Fiscal Year 2019/2020 will be \$1,713,592.

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 outstanding debt was refunded in July of 2017, and reissued as the Mojave Water Agency, Refunding Revenue Bonds, Series 2017A. The debt service for fiscal year 2019/2020 will be \$2,336,900.



Rock Springs Road crossing the Mojave River, February 14, 2019

FIVE-YEAR CAPITAL PROJECT BUDGET

Project Number	Project Name	Project Costs thru FY 2018/19	FY 2019/2020 Budget	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	Thereafter	Total Project Cost
CAPITAL PROJECTS									
Deep Creek Pipeline Project									
517	Deep Creek Pipeline Project	4,884,145	50,000	-	-	-	-	-	4,934,145
Groundwater Recharge & Supply Projects									
523	Regional Recharge Projects	2,173,053	420,000	120,000	120,000	120,000	120,000	-	3,073,053
535	Lucerne Recharge	-	50,000	125,000	-	-	-	-	175,000
536	Oeste Recharge Facility - Phelan	-	-	-	-	-	-	4,400,000	4,400,000
537	Alto Recharge Facility - Phelan	-	-	-	-	-	-	3,900,000	3,900,000
Mojave River Pipeline Projects									
538	MRP White Road Turnout Traveling Screen	-	150,000	100,000	1,200,000	1,950,000	-	-	3,400,000
R3 Projects									
398	Adelanto Connection (Turnout #7)	-	50,000	450,000	-	-	-	-	500,000
399	R3 Adelanto Pipeline Extension - MMWA (formerly #532)	50,000	550,000	3,850,000	-	-	-	-	4,450,000
539	Le Panto Pipeline Replacement	-	50,000	100,000	-	-	-	2,300,000	2,450,000
540	Le Panto Reservoir Replacement	-	50,000	200,000	-	-	-	3,050,000	3,300,000
541	R3 Pipeline to Well #6	-	50,000	100,000	-	-	-	1,700,000	1,850,000
REPAIR & REPLACEMENT PROJECTS									
520	SCADA Upgrade	72,492	700,000	-	-	-	-	-	772,492
	Facility/Infrastructure Repair and Replacement	344,716	1,400,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	9,744,716
FACILITY PROJECTS									
374	L-T Data Storage (iSCSI) - Server Virtualization	-	100,000	-	-	-	-	-	100,000
542	Database Solutions Software (WR)	-	135,000	-	-	-	-	-	135,000
543	Conference Room Upgrades	-	75,000	-	-	-	-	-	75,000
533	Lobby Education Program	10,000	-	100,000	-	-	-	-	110,000

FIVE-YEAR CAPITAL PROJECT BUDGET CONTINUED

Project Number	Project Name	Project Costs thru FY 2018/19	FY 2019/2020 Budget	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	Thereafter	Total Project Cost
VEHICLES & EQUIPMENT									
	F150 Truck (WR - Replacing a 2004 F150)	-	45,000	-	-	-	-	-	45,000
	F250 with Utility Bed	-	65,000	-	-	-	-	-	65,000
	Arrow Board (Two units @ \$15,000 each)	-	30,000	-	-	-	-	-	30,000
	Hydro Hammer compaction unit	-	90,000	-	-	-	-	-	90,000
	Light tower	-	10,000	-	-	-	-	-	10,000
	Trailer	-	15,000	-	-	-	-	-	15,000
	Power broom (CARB compliant)	-	28,000	-	-	-	-	-	28,000
	Shoring box	-	50,000	-	-	-	-	-	50,000
	Moss Collection and Dump Trailer	-	15,000	-	-	-	-	-	15,000
	Trimble GPS Unit	-	16,000	-	-	-	-	-	16,000
	F350 with Utility Bed (Approved in FY 18/19 Budget)	-	70,000	-	-	-	-	-	70,000
	F250 with Utility Bed (Approved in FY 18/19 Budget)	-	60,000	-	-	-	-	-	60,000
	Trailer Mounted Vacuum (Excavation/Potholing) (FY 18/19)	-	55,000	-	-	-	-	-	55,000
	Frontloader (950 or 938) (CARB compliant)	-	-	300,000	-	-	-	-	300,000
	Equipment Wash Down Rack	-	-	-	50,000	-	-	-	50,000
	Tractor and Lowboy Trailer	-	-	-	200,000	-	-	-	200,000
	Dump Truck	-	-	-	-	220,000	-	-	220,000
	F250 with Utility Bed	-	-	-	-	-	70,000	-	70,000
	Excavator (CARB compliant)	-	-	-	-	-	250,000	-	250,000
	Water Truck	-	-	-	-	225,000	-	-	225,000
	Project Totals	\$ 7,534,406	\$ 4,379,000	\$ 7,045,000	\$ 3,170,000	\$ 4,115,000	\$ 2,040,000	\$ 16,950,000	\$ 45,233,406
	Grant Funds	-	(330,000)	(1,000,000)	-	-	-	-	(1,330,000)
	Adelanto Connection Agreement	-	-	(500,000)	-	-	-	-	(500,000)
	Grand Total	\$ 7,534,406	\$ 4,049,000	\$ 5,545,000	\$ 3,170,000	\$ 4,115,000	\$ 2,040,000	\$ 16,950,000	\$ 43,403,406

Fiscal Year 2019/2020 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 0.8 MW (approximated) hydroelectric project is in final stages of construction, along with completion of the required interconnection with SCE. This Facility is anticipated to be in start up and testing to become fully operational in this next fiscal year.

Groundwater Recharge & Supply Projects

Regional Recharge Projects (Project 523): [Goal 2 & 5](#)

Investigative hydro-geotechnical field studies for future off-river recharge. This includes various scientific techniques used to quantify recharge feasibility and includes construction of groundwater monitoring wells. These studies will be done in support of the Agency's water banking program outlined in Agency planning documents. Once specific recharge sites are identified, planning and environmental studies will be initiated.

Lucerne Recharge (Project 535): [Goal 2 & 5](#)

Approximately 3 acres of the existing Lucerne Valley Pump Station Site is to be used as a groundwater recharge site. A new tie-in to the existing site piping along with a new control valve, flow meter, and enclosure will be constructed. This will move the Agency closer to the court-mandated obligation to provide replacement water to all adjudicated subareas and move the Agency closer to large-scale water banking outlined in Agency planning documents.

Oeste Recharge Facility - Phelan (Project 536): [Goal 2 & 5](#)

The Oeste subarea in Phelan currently does not have a groundwater recharge facility into which the Agency can put imported State water project water to meet future replacement obligations through the Watermaster. A new turnout in the Aqueduct will be designed & constructed, along with a recharge area and related facilities. This will move the Agency closer to the court-mandated obligation to provide replacement water to all adjudicated subareas and move the Agency closer to large-scale water banking outlined in Agency planning documents.

Alto Recharge Facility - Phelan (Project 537): [Goal 2 & 5](#)

The Alto subarea in Phelan currently does not have a groundwater recharge facility into which the Agency can put imported State Water Project water to meet future replacement obligations through the Watermaster. There is an existing piped turnout in the Aqueduct that will be utilized. This turnout and recharge area facilities will be designed & constructed.

Mojave River Pipeline Projects

MRP White Road Turnout Traveling Screen (Project 538): [Goal 2 & 5](#)

The existing Mojave River Pipeline has a turnout off the Aqueduct at White Road. There currently is only a debris type drum strainer for half of the design capacity of the pipeline at the Cassia facility. The current drum strainer and overflow pond is overtaxed at certain times when debris and moss levels increase in the Aqueduct. A new traveling screen that is designed to operate for the debris loads at full flow capacity will be constructed closer to the aqueduct turnout.

Regional Recharge and Recovery (R³) Projects

R³- Adelanto Connection Turnout 7 (Project 398): [Goal 2 & 3](#)

Turnout 7 is being designed and constructed at the Adelanto Reservoir location. This turnout was identified in the R³ project to serve the City of Adelanto. This turnout 7 will be at the northerly end of the Adelanto Pipeline Extension to the existing R³ facilities.

R³- Adelanto Pipeline Extension (Project 399 – Formerly Project 532): [Goal 2 & 3](#)

The R³ Adelanto pipeline connection project involves construction of a 5,800 foot-long water main that will connect the water storage facilities of the City of Adelanto to the existing Upper Mojave River (R³) Project facilities. This pipeline would add Adelanto as a direct turnout connection to the R³ Project. The new pipeline would start at the existing R³ connection point located just north of the California Aqueduct and west of Highway 395 and would run northerly to Adelanto's existing 5-million-gallon tank site.

Le Panto Pipeline Replacement (Project 539): [Goal 2 & 5](#)

The existing R³ Facilities utilize a 30" pipeline from the Le Panto Reservoir to Turnout #6. This pipeline is currently leased from the City of Victorville. The Agency is planning on designing and constructing a new connecting pipeline from the Le Panto reservoir site to turnout #6 so the leased pipeline can be reincorporated back into the Victorville water delivery facilities.

Regional Recharge and Recovery (R³) Projects Con't

Le Panto Reservoir Replacement (Project 540): [Goal 2 & 5](#)

The existing R³ Facilities utilize a 5 MG reservoir (Le Panto) Reservoir. This reservoir is currently leased from the City of Victorville. The Agency is planning on designing and constructing a new reservoir/pump station so the leased Le Panto Reservoir can be reincorporated back into the Victorville water delivery facilities.

R³ Pipeline to Well #6 (Project 541): [Goal 2 & 5](#)

R³ Well #6 is located on the east side of the Mojave River and currently serves Liberty Utilities (Apple Valley). Preliminary design work is being completed for connecting this well with a pipeline to the west side of the river R³ facilities to maximize the use of this well site.

Repair and Replacement Projects

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

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(s) and need to be updated and/or replaced. Both control systems will be migrated to the ClearScada software, which will control and monitor all of our existing pipeline projects.

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 Data Storage – Server Virtualization (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).

Database Solutions Software (Project 542): Goal 1 & 5

Over the past 18 years, the Water Resources Department has developed an extensive and continually growing database of historical resource data for the region. In that time, the department has also greatly expanded its field-monitoring program consisting of nearly 1,000 monitoring points. Staff is not utilizing modern automated field data collection solutions and is currently using an internally developed database/QAQC/archiving schema that is being utilized beyond its original design. The above results in material inefficiencies associated with data processing, QA/QC controls and error. Field to office data collection/processing/archiving solutions are now industry standard. This technical solution would provide robust data collection, processing, storage and protection for our current data collection/archiving program.

Conference Room Upgrades (Project 543): Goal 4

This project will provide for the upgrade of the audio/visual equipment located in the Closed Session Room, The General Manager's Office, the War Room, and the Lobby Conference Room. The Main Conference Room–140 was upgraded in FY 2018/19.

Lobby Education Program (Project 533): Goal 4

To initiate interpretive wall décor starting in the Agency Lobby to illustrate the Agency's mission and responsibilities. Our mission Includes serving the region's water resource needs in a sustainable manner. Responsibilities include being a State Water Contractor, Groundwater Manager and Watermaster. The plan is to have interactive wall décor communicating each of these elements.



Barstow USGS Stream Gage, February 16, 2019

BUDGET DETAIL – COMBINED

Summary	Acct	Description	FY 2016/17 Actual*	FY 2017/18 Actual*	FY 2018/19 Budget*	Actual YTD 03/31/19	FY 2018/19 Projected	FY 2019/20 Budget	FY 2020/21 Budget	
DWR (Fund 600)	5215	State Water Project Minimum OMP&R	10,225,686	9,669,485	10,667,755	6,921,354	9,692,995	10,743,370	11,280,539	
	1111	State Water Project Bond & Capital	6,534,005	6,534,992	8,272,362	7,614,998	8,261,253	8,721,313	9,157,379	
		Subtotal	16,759,691	16,204,477	18,940,117	14,536,352	17,954,248	19,464,683	20,437,918	
Allocation (Fund 600)	5219	SWC Member Allocation	177,699	171,854	182,500	198,535	225,290	230,000	235,000	
		Subtotal	177,699	171,854	182,500	198,535	225,290	230,000	235,000	
SWP Contractors Authority (Fund 600)	5220	DSPC	50,408	27,070	30,000	-	-	-	-	
	5221	Member Dues	12,706	12,706	13,000	4,790	4,790	-	-	
		Subtotal	63,114	39,776	43,000	4,790	4,790	-	-	
Delta Conveyance (Fund 600)	5223	Finance Authority Administration	-	-	-	26,667	50,000	100,000	100,000	
		Subtotal	-	-	-	26,667	50,000	100,000	100,000	
Water Purchase (Fund 300 & 600)	1455	Inventory	1,616,049	5,399,937	786,710	386,821	786,710	1,068,800	1,228,725	
	5211	COGS: Variable Trans. & Off Aqueduct	2,271,177	1,028,878	1,049,494	617,725	1,049,494	1,006,440	1,154,035	
		Subtotal	3,887,226	6,428,815	1,836,204	1,004,546	1,836,204	2,075,240	2,382,760	
Departmental Expenses (Fund 100)	5600	Salaries	3,572,508	3,411,106	3,800,698	2,810,953	3,733,969	4,021,801	4,142,455	
	5612	Overtime	22,737	37,514	38,000	28,807	43,300	44,000	44,000	
	5613	Health Insurance-Medical	427,152	392,557	494,293	344,188	448,045	469,583	483,672	
	5614	Payroll Taxes	107,032	109,916	124,555	93,384	120,596	130,250	134,157	
	5615	Misc. Benefit	24,020	31,964	41,505	25,661	33,600	53,881	54,537	
	5616	Workers' Compensation Expense	55,377	62,533	80,932	63,029	63,029	78,382	80,732	
	5618	Health Insurance Exp. Dental/Vision	95,710	90,797	89,029	64,086	94,271	85,103	87,657	
	5620	Health Expense Reimb. FSA	54,619	49,639	103,300	76,154	102,025	103,300	106,401	
	5621	Retirement Contribution	15,185	1,168	190,034	139,190	184,979	201,090	207,123	
	5623	PERS: Employees	617,228	624,831	684,211	647,384	741,643	816,441	840,934	
		SUBTOTAL WAGES & BENEFITS	4,991,568	4,812,025	5,646,557	4,292,836	5,565,457	6,003,831	6,181,668	
		5900	Director Fees	125,114	115,009	150,000	79,250	150,000	150,000	150,000
		5910	Dir. Health Insurance Premium	94,021	90,434	130,000	68,752	100,000	130,000	130,000
		5911	In Lieu of Retirement	4,178	3,519	5,000	1,264	1,264	-	-
		5935	Dir. Legislative Travel	1,624	3,013	15,000	2,952	15,000	15,000	15,000
		5940	Dir. Travel: Conferences & Expenses	13,681	7,937	35,000	11,414	35,000	35,000	35,000
		5960	Travel Drs. In	16,140	13,912	21,000	6,567	21,000	21,000	21,000
		5617	Human Resources Relations	2,902	172	15,000	-	15,000	15,000	15,000
		5622	OPEB	95,839	148,738	237,732	109,354	237,732	223,155	236,069
		5701	Equip. Lease/Rent	68,451	58,960	88,000	45,489	89,000	113,500	120,000
		5702	Safety Supplies	14,651	14,128	24,000	9,506	23,200	24,000	19,000
		5703	Recruiting Expense	2,525	11,697	16,400	4,799	9,900	17,500	10,000
		5704	Temporary Services	-	-	-	-	-	60,000	20,000
		5705	Building Maintenance	255,054	117,990	112,000	75,458	115,500	178,300	186,350
		5706	Utilities	980,306	980,497	1,064,380	665,184	1,000,000	956,520	1,007,500
		5708	Postage & Mailing Costs	7,000	5,617	8,000	3,022	8,000	8,000	8,400
		5709	Office Supplies & Expenses	30,519	28,261	35,000	22,209	35,000	35,000	36,750
		5710	Small Tools	18,664	15,027	26,250	8,081	24,250	24,750	26,250
		5711	Books & Subscriptions	1,680	2,600	11,550	870	11,500	11,550	11,550
		5712	Telephone	90,053	76,147	95,800	59,654	73,800	81,400	85,250
		5713	Printing	-	-	3,500	2,391	3,000	5,500	5,500

BUDGET DETAIL – COMBINED (Continued)

Summary	Acct	Description	FY 2016/17 Actual*	FY 2017/18 Actual*	FY 2018/19 Budget*	Actual YTD 03/31/19	FY 2018/19 Projected	FY 2019/20 Budget	FY 2020/21 Budget	
Departmental Expenses (Fund 100) (Continued)	5719	Equipment Maintenance	-	100,070	125,000	55,238	121,000	341,000	360,000	
	5719	Equipment Maintenance - Emergency (O&M)	-	-	-	-	-	100,000	100,000	
	5720	Computer Equipment & Maintenance	295,903	103,850	100,000	49,189	130,000	70,000	90,000	
	5721	Data Collections	188,743	40,928	120,000	32,201	100,000	117,000	260,000	
	5722	Insurance	117,140	100,369	100,000	63,285	100,000	106,000	111,300	
	5724	Licenses/Dues & Fees	162,743	323,867	366,500	325,554	346,500	368,800	383,800	
	5725	Auto Expenses	95,599	77,104	118,000	46,220	97,000	87,850	103,800	
	5726	Travel Expenses	94,479	104,555	114,450	55,290	104,650	159,100	156,850	
	5728	Education, Training & Conferences	16,456	28,381	59,850	33,317	51,050	89,140	72,743	
	5729	Consulting	1,291,298	465,038	907,000	429,743	907,000	1,516,000	1,240,000	
	5729	Consulting - Grant Funded (60-5729-5000)		237,464	389,460	223,207	389,460	428,000	400,000	
	5731	Legal	189,299	127,081	150,000	87,123	150,000	150,000	157,500	
	5732	Legislative Advocacy	133,606	151,194	165,000	109,813	153,313	150,000	165,000	
	5733	Audit & Accounting	32,975	31,030	37,500	18,600	37,500	36,100	36,800	
	5734	Environmental	31,176	28,049	45,000	1,050	45,000	45,000	45,000	
	5735	Water Quality	29,153	29,536	28,250	26,359	33,000	54,000	55,000	
	5736	Engineering, General	114,155	64,284	118,500	139,523	168,500	137,500	143,500	
	5737	USGS	634,718	374,000	420,000	140,600	420,000	400,000	460,000	
	5740	Water Purchases - R ³ Operational Water	-	28,022	200	89	200	200	200	
	5741	Aerial Photos	32,625	32,625	44,000	31,594	39,531	33,000	46,000	
	5742	Public Relations	67,696	106,591	120,000	76,463	120,000	190,000	185,000	
	5743	Water Conservation	1,005,464	134,691	200,000	66,252	200,000	257,500	625,000	
	5743	Water Conservation - Grant Funded (30-5743-5000)	-	439,878	218,000	218,446	218,000	900,000	-	
	5800	Election Costs	16,953	-	50,000	7,530	7,530	-	50,000	
	5801	IDM: 4% Debt Service Support	32,578	32,533	32,575	32,576	32,575	32,598	-	
	5810	Other Expenses	28,731	17,904	25,000	17,242	25,000	29,000	25,000	
			Total Before Transfers Out	11,425,460	9,684,727	11,794,454	7,755,556	11,530,412	13,906,794	13,592,780
		5610	Labor & Benefits to WM	(276,286)	(288,547)	(317,478)	(168,938)	(319,221)	(333,467)	(343,411)
		Total Capital Labor & OH Out	(276,286)	(288,547)	(317,478)	(168,938)	(319,221)	(333,467)	(343,411)	
		TOTAL NET DEPT EXPENSES:	11,149,174	9,396,180	11,476,976	7,586,618	11,211,191	13,573,327	13,249,369	
Tax Collection Exp (All Funds)	5820	General Fund	23,824	25,379	23,000	14,907	23,000	28,000	30,000	
	5820	Debt Service Fund	3,196	3,295	4,000	1,968	4,000	4,000	4,000	
	5820	SWP Fund	56,808	59,325	54,000	35,513	60,000	63,000	65,000	
	5820	ID M	7,671	8,266	8,000	5,077	8,000	9,000	10,000	
		Subtotal	91,499	96,265	89,000	57,465	95,000	104,000	109,000	
ID M (Fund 800)	5850	Interest Expense	487,363	389,333	317,475	215,892	317,475	239,375	239,375	
	2627	Principal Pmt (Now 2629)	3,260,000	2,470,000	2,545,000	-	2,545,000	2,615,000	2,710,000	
		Subtotal	3,747,363	2,859,333	2,862,475	215,892	2,862,475	2,854,375	2,949,375	
COP-Dudley Ridge (Fund 300)	5853	Interest Expense	1,742,404	1,307,276	1,479,838	618,083	1,479,838	1,436,900	1,391,713	
	2623	Principal Pmt	880,000	855,000	855,000	-	855,000	900,000	945,000	
		Subtotal	2,622,404	2,162,276	2,334,838	618,083	2,334,838	2,336,900	2,336,713	
COP-Berrenda Mesa (Fund 600)	5854	Interest Expense	417,650	365,550	309,450	209,433	309,450	238,592	174,800	
	2640	Principal Pmt	1,365,000	1,365,000	1,410,000	-	1,410,000	1,475,000	1,545,000	
		Subtotal	1,782,650	1,730,550	1,719,450	209,433	1,719,450	1,713,592	1,719,800	
		TOTAL EXPENSES (net of CIP & Pass-thru grants)	40,280,820	39,089,526	39,484,560	24,458,381	38,293,486	42,452,117	43,519,935	

INDIVIDUAL DEPARTMENT BUDGETS & INITIATIVES

Administration (AD) – Dept #10

Department Budget Summary

		FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Budget	Actual YTD as of 03/31/2019	FY 18/19 Projected	FY 19/20 Budget	FY 20/21 Budget
	ADMINISTRATIVE EXPENSES:							
5600	Dept Wages	872,991	879,092	901,549	672,449	897,236	944,103	972,426
5612	Dept Overtime	388	745	-	1,189	1,300	-	-
5613	Health Insurance - Medical	88,695	89,617	95,094	72,314	94,166	94,494	97,329
5614	Payroll Taxes	24,523	31,230	28,903	24,651	31,291	30,119	31,023
5615	Misc Benefit	6,020	13,964	6,000	11,816	15,600	14,000	14,000
5616	Workers Compensation Expense	3,819	4,062	4,902	4,262	4,262	4,912	5,059
5618	Dental/Vision Insurance	33,563	33,781	21,064	19,690	26,306	20,763	21,386
5620	Health Ins Reimb - FSA	11,730	13,778	23,850	17,711	23,850	23,850	24,566
5621	Deferred Comp Contributions GM	15,185	1,168	45,077	33,804	45,043	47,205	48,621
5623	PERS Retirement	149,484	128,333	130,167	133,741	155,208	160,331	165,141
	TOTAL WAGES & BENEFITS	1,206,398	1,195,770	1,256,606	991,627	1,294,262	1,339,777	1,379,551
5900	Director Fees	125,114	115,009	150,000	79,250	150,000	150,000	150,000
5910	Directors Pooled Health	94,021	90,434	130,000	68,752	100,000	130,000	130,000
5911	In Lieu of Retirement	4,178	3,519	5,000	1,264	1,264	-	-
5935	Dir. Legislative Travel	1,624	3,013	15,000	2,952	15,000	15,000	15,000
5940	Dir. Other: Conferences & Expenses	13,681	7,937	35,000	11,414	35,000	35,000	35,000
5960	Travel Drs. In	16,138	13,912	21,000	6,567	21,000	21,000	21,000
5617	Human Resources Relations	15	-	-	-	-	-	-
5622	OPEB	95,839	148,738	237,732	109,354	237,732	223,155	236,069
5701	Equip. Lease/Rent	53,892	53,366	53,000	40,360	54,000	40,000	45,000
5702	Safety Supplies	4,899	7,257	5,000	3,507	5,000	-	-
5703	Recruiting Expense	2,525	-	-	-	-	-	-
5705	Building Maintenance	9,621	78,534	80,000	48,886	80,000	147,000	154,350
5706	Utilities	143,681	143,654	150,000	98,949	150,000	150,000	157,500
5708	Postage & Mailing Costs	7,000	5,617	8,000	3,022	8,000	8,000	8,400
5709	Office Supplies & Expenses	30,473	28,261	35,000	22,209	35,000	35,000	36,750
5711	Books & Subscriptions	352	984	500	226	500	500	500
5712	Telephone	85,039	71,309	90,000	55,638	68,000	75,000	78,750
5722	Insurance	117,140	100,369	100,000	63,285	100,000	106,000	111,300
5724	Licenses/Dues & Fees (ACWA,LAFCO & Misc)	89,249	87,167	80,000	79,953	80,000	80,000	84,000
5725	Auto Expenses	7,361	6,034	8,000	267	2,000	2,000	2,100
5726	Travel Expenses	59,792	70,868	62,000	30,275	62,000	62,000	65,100
5728	Education, Training & Conferences	9,226	1,715	10,850	9,726	10,850	7,850	8,243
5729	Consulting	316,022	118,581	169,000	66,389	169,000	236,000	160,000
5731	Legal	189,299	127,081	150,000	87,123	150,000	150,000	157,500
5733	Audit & Accounting	32,975	31,030	37,500	18,600	37,500	36,100	36,800
5800	Election Cost	16,953	-	50,000	7,530	7,530	-	50,000
5801	IDM: 4% Debt Service Support	32,578	32,533	32,575	32,576	32,575	32,598	-
5810	Other Expenses (trustee fees)	21,372	17,646	20,000	16,988	20,000	24,000	20,000
	NON-LABOR EXP	1,580,059	1,364,568	1,735,157	965,062	1,631,951	1,766,203	1,763,362
	TOTAL DEPT EXPENSES	2,786,457	2,560,338	2,991,763	1,956,689	2,926,213	3,105,980	3,142,913

Information Technology (IT) – Dept #20

Department Budget Summary

		FY 16/17 Actual	FY 17/18 Actual	FY18/19 Budget	Actual YTD as of 03/31/2019	FY18/19 Projected	FY 19/20 Budget	FY 20/21 Budget
	ADMINISTRATIVE EXPENSES:							
5600	Dept Wages	204,553	91,078	94,630	72,757	97,119	98,452	101,406
5612	Dept Overtime	7,389	10,957	10,000	7,442	10,000	12,000	12,000
5613	Health Insurance - Medical	22,205	12,240	15,550	11,585	15,060	15,550	16,017
5614	Payroll Taxes	6,711	2,834	3,195	2,316	3,013	3,306	3,405
5616	Workers Compensation Expense	933	429	518	446	446	514	529
5618	Health Insurance - Dental/Vision	4,037	2,511	2,583	2,143	2,583	2,583	2,660
5620	Health Ins Reimb - FSA	2,668	1,495	2,650	1,909	2,650	2,650	2,730
5621	Deferred Comp Contributions	-	-	4,732	3,664	4,882	4,923	5,071
5623	PERS Retirement	36,566	22,855	22,603	25,250	28,198	27,971	28,810
	TOTAL WAGES & BENEFITS	285,062	144,399	156,461	127,512	163,951	167,949	172,628
5710	Small Tools	534	-	1,000	-	1,000	1,000	1,000
5720	Computer Equipment & Maintenance	262,530	103,850	100,000	49,189	130,000	70,000	90,000
5724	Licenses/Dues & Fees	42,815	186,503	240,000	209,277	220,000	245,000	245,000
5726	Travel Expenses	34	1,973	8,000	136	4,000	8,000	8,000
5728	Education, Training & Conferences	-	9,086	12,000	4,495	6,000	12,000	12,000
5729	Consulting	-	53,394	75,000	45,328	75,000	75,000	75,000
5741	Aerial Photos	21,750	21,750	29,000	21,063	29,000	22,000	35,000
	NON-LABOR EXP	327,663	376,556	465,000	329,488	465,000	433,000	466,000
	TOTAL DEPARTMENT EXPENSES	612,725	520,955	621,461	457,000	628,951	600,949	638,628

Information Technology (IT) – Dept #20

Department Budget Initiative Detail

		Department Admin.	Aerial Photos 450	FY 19/20 Total
	ADMINISTRATIVE EXPENSES:			
5600	Dept Wages	98,452	-	98,452
5612	Dept Overtime	12,000	-	12,000
5613	Health Insurance - Medical	15,550	-	15,550
5614	Payroll Taxes	3,306	-	3,306
5616	Workers Compensation Expense	514	-	514
5618	Health Insurance - Dental/Vision	2,583	-	2,583
5620	Health Ins Reimb - FSA	2,650	-	2,650
5621	Deferred Comp Contributions	4,923	-	4,923
5623	PERS Retirement	27,971	-	27,971
	TOTAL WAGES & BENEFITS	167,949	-	167,949
5710	Small Tools	1,000	-	1,000
5720	Computer Equipment & Maintenance	70,000	-	70,000
5724	Licenses/Dues & Fees	245,000	-	245,000
5726	Travel Expenses	8,000	-	8,000
5728	Education, Training & Conferences	12,000	-	12,000
5729	Consulting	75,000	-	75,000
5741	Aerial Photos	-	22,000	22,000
	NON-LABOR EXP	411,000	22,000	433,000
	TOTAL DEPARTMENT EXPENSES	578,949	22,000	600,949

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

Department Budget Summary

		FY 16/17 Actual	FY 17/18 Actual	FY18/19 Budget	Actual YTD as of 03/31/2019	FY18/19 Projected	FY 19/20 Budget	FY 20/21 Budget
	ADMINISTRATIVE EXPENSES:							
5600	Dept Wages	423,118	465,275	485,397	361,432	479,108	494,237	509,064
5612	Dept Overtime	1,738	785	4,000	856	4,000	4,000	4,000
5613	Health Insurance - Medical	56,378	56,508	63,025	43,469	55,282	56,892	58,599
5614	Payroll Taxes	12,930	13,994	15,904	11,742	15,155	15,983	16,462
5615	Misc Benefit	6,000	6,000	6,000	4,615	6,000	6,000	6,000
5616	Workers Compensation Expense	2,541	2,744	3,313	2,972	2,972	3,440	3,543
5618	Health Insurance - Dental/Vision	9,398	10,540	10,798	7,450	10,798	9,527	9,813
5620	Health Ins Reimb - FSA	7,421	7,500	13,250	10,016	13,250	13,250	13,648
5621	Deferred Comp Contributions	-	-	24,270	17,566	23,450	24,712	25,453
5623	PERS Retirement	71,561	68,597	90,807	67,762	78,280	67,799	69,833
	TOTAL WAGES & BENEFITS	591,085	631,943	716,764	527,880	688,295	695,840	716,415
5702	Safety Supplies	2	390	6,000	167	6,000	11,000	6,000
5617	Human Resources Relations	2,887	172	15,000	-	15,000	15,000	15,000
5703	Recruiting Expense	-	11,697	10,000	441	1,000	17,500	10,000
5711	Books & Subscriptions	943	1,270	1,000	638	1,000	1,000	1,000
5713	Printing	-	-	3,000	2,391	3,000	5,000	5,000
5724	Licenses/Dues/ Fees/Legal Consort.	10,094	9,597	8,000	6,239	8,000	6,000	13,800
5725	Auto Expenses	758	221	2,500	151	2,500	250	1,000
5726	Travel Expenses	11,674	14,264	10,000	8,053	10,000	17,650	18,750
5728	Education, Training & Conferences	384	4,775	5,000	3,586	5,000	12,500	8,500
5729	Consulting	11,006	3,000	10,000	1,500	10,000	15,000	15,000
5732	Legislative Advocacy	133,606	151,194	165,000	109,813	153,313	150,000	165,000
5742	Public Relations	67,696	106,591	120,000	76,463	120,000	190,000	185,000
5743	Water Conservation	1,005,464	134,691	200,000	66,252	200,000	257,500	625,000
5743	Water Conserve Grant Funded (30-5743-5000)	-	439,878	218,000	218,446	218,000	900,000	-
	NON-LABOR EXP	1,244,514	877,740	773,500	494,140	752,813	1,598,400	1,069,050
	TOTAL DEPARTMENT EXPENSES	1,835,599	1,509,683	1,490,264	1,022,020	1,441,108	2,294,240	1,785,465

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
	ADMINISTRATIVE EXPENSES:						
5600	Dept Wages	494,237	-	-	-	-	-
5612	Dept Overtime	4,000	-	-	-	-	-
5613	Health Insurance - Medical	56,892	-	-	-	-	-
5614	Payroll Taxes	15,983	-	-	-	-	-
5615	Misc Benefit	6,000	-	-	-	-	-
5616	Workers Compensation Expense	3,440	-	-	-	-	-
5618	Health Insurance - Dental/Vision	9,527	-	-	-	-	-
5620	Health Ins Reimb - FSA	13,250	-	-	-	-	-
5621	Deferred Comp Contributions	24,712	-	-	-	-	-
5623	PERS Retirement	67,799	-	-	-	-	-
	TOTAL WAGES & BENEFITS	695,840	-	-	-	-	-
5702	Safety Supplies	11,000	-	-	-	-	-
5617	Human Resources Relations	15,000	-	-	-	-	-
5703	Recruiting Expense	17,500	-	-	-	-	-
5711	Books & Subscriptions	1,000	-	-	-	-	-
5713	Printing	5,000	-	-	-	-	-
5724	Licenses/Dues/ Fees/Legal Consort.	6,000	-	-	-	-	-
5725	Auto Expenses	250	-	-	-	-	-
5726	Travel Expenses	17,650	-	-	-	-	-
5728	Education, Training & Conferences	12,500	-	-	-	-	-
5729	Consulting	15,000	-	-	-	-	-
5732	Legislative Advocacy	150,000	-	-	-	-	-
5742	Public Relations	-	140,000	-	10,000	5,000	-
5743	Water Conservation	-	-	175,000	-	-	32,500
5743	Water Conserve Grant Funded (30-5743-5000)	-	-	-	-	-	-
	NON-LABOR EXP	250,900	140,000	175,000	10,000	5,000	32,500
	TOTAL DEPARTMENT EXPENSES	946,740	140,000	175,000	10,000	5,000	32,500

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 19/20 Total
	ADMINISTRATIVE EXPENSES:					
5600	Dept Wages	-	-	-	-	494,237
5612	Dept Overtime	-	-	-	-	4,000
5613	Health Insurance - Medical	-	-	-	-	56,892
5614	Payroll Taxes	-	-	-	-	15,983
5615	Misc Benefit	-	-	-	-	6,000
5616	Workers Compensation Expense	-	-	-	-	3,440
5618	Health Insurance - Dental/Vision	-	-	-	-	9,527
5620	Health Ins Reimb - FSA	-	-	-	-	13,250
5621	Deferred Comp Contributions	-	-	-	-	24,712
5623	PERS Retirement	-	-	-	-	67,799
	TOTAL WAGES & BENEFITS	-	-	-	-	695,840
5702	Safety Supplies	-	-	-	-	11,000
5617	Human Resources Relations	-	-	-	-	15,000
5703	Recruiting Expense	-	-	-	-	17,500
5711	Books & Subscriptions	-	-	-	-	1,000
5713	Printing	-	-	-	-	5,000
5724	Licenses/Dues/ Fees/Legal Consort.	-	-	-	-	6,000
5725	Auto Expenses	-	-	-	-	250
5726	Travel Expenses	-	-	-	-	17,650
5728	Education, Training & Conferences	-	-	-	-	12,500
5729	Consulting	-	-	-	-	15,000
5732	Legislative Advocacy	-	-	-	-	150,000
5742	Public Relations	-	5,000	-	30,000	190,000
5743	Water Conservation	50,000	-	-	-	257,500
5743	Water Conserve Grant Funded (30-5743-5000)	-	-	900,000	-	900,000
	NON-LABOR EXP	50,000	5,000	900,000	30,000	1,598,400
	TOTAL DEPARTMENT EXPENSES	50,000	5,000	900,000	30,000	2,294,240

Engineering (ENG) – Dept #40

Department Budget Summary

		FY 16/17 Actual	FY 17/18 Actual	FY18/19 Budget	Actual YTD as of 03/31/2019	FY18/19 Projected	FY 19/20 Budget	FY 20/21 Budget
	ADMINISTRATIVE EXPENSES:							
5600	Dept Wages	131,077	247,651	245,930	211,409	283,203	424,376	437,107
5612	Dept Overtime	-	-	-	-	-	-	-
5613	Health Insurance - Medical	12,711	24,480	24,480	18,831	24,480	36,720	37,822
5614	Payroll Taxes	4,056	7,463	7,842	6,682	8,672	13,372	13,773
5615	Misc Benefit	6,000	6,000	6,000	4,615	6,000	6,000	6,000
5616	Workers Compensation Expense	536	629	1,518	693	693	6,409	6,601
5618	Health Insurance - Dental/Vision	2,288	3,770	3,746	2,869	3,746	5,896	6,073
5620	Health Ins Reimb - FSA	1,558	3,000	5,300	4,077	5,300	7,950	8,189
5621	Deferred Comp Contributions	-	-	12,296	10,237	13,641	21,219	21,856
5623	PERS Retirement	21,350	51,251	58,715	58,240	66,473	100,903	103,930
	TOTAL WAGES & BENEFITS	179,576	344,244	365,827	317,653	412,208	622,845	641,351
5703	Recruiting Expense	-	-	-	2,027	2,500	-	-
5711	Books & Subscriptions	-	-	8,500	-	8,500	8,500	8,500
5724	Licenses/Dues & Fees	12,230	535	4,000	270	4,000	1,000	1,000
5725	Auto Expenses	585	1,654	4,000	2,035	4,000	5,100	5,200
5726	Travel Expenses	2,680	3,358	6,000	1,842	6,000	33,500	34,000
5728	Education, Training & Conferences	3,598	120	2,000	-	2,000	6,000	6,000
5729	Consulting	36,253	16,760	48,000	9,279	48,000	450,000	250,000
5736	Engineering, General	41,174	-	25,000	5,360	25,000	44,000	50,000
	NON-LABOR EXP	96,520	22,427	97,500	20,813	100,000	548,100	354,700
	TOTAL DEPT EXPENSES	276,096	366,671	463,327	338,466	512,208	1,170,945	996,051

Operation & Maintenance (OM) – Dept #50

Department Budget Summary

		FY 16/17	FY 17/18	FY 18/19	Actual YTD as of	FY 18/19	FY 19/20	FY 20/21
	ADMINISTRATIVE EXPENSES:	Actual	Actual	Budget	03/31/2019	Projected	Budget	Budget
5600	Dept Wages	550,975	478,339	573,427	435,857	588,587	586,789	604,393
5612	Dept Overtime	9,263	17,564	20,000	15,613	24,000	24,000	24,000
5613	Health Insurance - Medical	73,440	68,026	101,399	71,632	95,307	104,709	107,850
5614	Payroll Taxes	15,891	16,067	19,570	13,866	18,188	20,053	20,655
5615	Misc Benefit	-	-	17,505	-	-	21,881	22,537
5616	Workers Compensation Expense	21,804	23,371	32,907	24,937	24,937	33,608	34,616
5618	Health Insurance - Dental/Vision	13,333	13,051	17,184	10,402	17,184	16,050	16,532
5620	Health Ins Reimb - FSA	9,033	8,250	18,500	13,123	17,225	18,500	19,055
5621	Deferred Comp Contributions	-	-	28,671	21,140	28,601	29,339	30,219
5623	PERS Retirement	94,103	82,400	82,786	77,724	92,123	98,054	100,996
	TOTAL WAGES & BENEFITS	787,842	707,068	911,949	684,294	906,152	952,983	980,853
5701	Equip. Lease/Rent	14,559	5,594	35,000	5,129	35,000	73,500	75,000
5702	Safety Supplies	6,433	4,293	10,000	4,065	10,000	10,000	10,000
5703	Recruiting Expense	-	-	3,200	2,034	3,200	-	-
5704	Temporary Services	-	-	-	-	-	40,000	-
5705	Building Maintenance	245,433	39,456	32,000	26,572	35,500	31,300	32,000
5706	Utilities	836,625	836,843	914,380	566,235	850,000	806,520	850,000
5710	Small Tools	13,930	13,863	22,000	7,480	22,000	22,000	22,000
5711	Books & Subscriptions	-	-	1,000	-	1,000	1,000	1,000
5712	Telephone	5,014	4,838	5,800	4,016	5,800	6,400	6,500
5719	Equipment Maintenance	-	96,315	115,000	53,139	115,000	333,500	350,000
5719	Equipment Maintenance - Emergency	-	-	-	-	-	100,000	100,000
5724	Licenses/Dues & Fees	1,227	25,387	27,000	25,263	27,000	34,300	35,000
5725	Auto Expenses	49,077	46,700	63,000	30,932	63,000	55,000	60,000
5726	Travel Expenses	2,136	1,907	2,000	1,031	2,000	2,000	2,000
5728	Education, Training & Conferences	1,400	3,780	9,000	4,661	9,000	9,000	10,000
5729	Consulting	108,664	9,542	90,000	16,653	90,000	90,000	90,000
5734	Environmental	31,176	28,049	45,000	1,050	45,000	45,000	45,000
5735	Water Quality	29,153	29,536	28,250	26,359	33,000	54,000	55,000
5740	Water Purchases - R ³ Operational Water	-	28,022	200	89	200	200	200
	NON-LABOR EXP	1,355,836	1,174,125	1,402,830	774,708	1,346,700	1,713,720	1,743,700
	TOTAL DEPARTMENT EXPENSES	2,143,678	1,881,193	2,314,779	1,459,002	2,252,852	2,666,703	2,724,553

Water Resources (WR) – Dept #60

Department Budget Summary

		FY 16/17	FY 17/18	FY 18/19	Actual YTD as of 03/31/2019	FY 18/19 Projected	FY 19/20 Budget	FY 20/21 Budget
	ADMINISTRATIVE EXPENSES:	Actual	Actual	Budget				
5600	Dept Wages	980,059	842,804	1,072,120	734,458	958,196	1,025,275	1,056,033
5612	Dept Overtime	23	5,206	-	-	-	-	-
5613	Health Insurance - Medical	124,763	94,138	139,290	88,220	115,588	117,588	121,116
5614	Payroll Taxes	30,262	25,804	35,131	23,493	30,548	33,143	34,137
5615	Misc Benefit	6,000	6,000	6,000	4,615	6,000	6,000	6,000
5616	Workers Compensation Expense	23,739	29,182	35,220	27,440	27,440	26,864	27,670
5618	Health Insurance - Dental/Vision	23,567	19,392	25,129	15,425	25,129	21,791	22,445
5620	Health Ins Reimb - FSA	16,260	9,724	29,150	21,188	29,150	26,500	27,295
5621	Deferred Comp Contributions	-	-	53,606	36,548	47,735	51,264	52,802
5623	PERS Retirement	171,256	179,256	208,349	197,818	222,361	249,079	256,551
	TOTAL WAGES & BENEFITS	1,375,929	1,211,506	1,603,995	1,149,205	1,462,147	1,557,504	1,604,049
5702	Safety Supplies	3,317	2,188	2,500	1,767	2,200	2,500	2,500
5703	Recruiting Expense	-	-	3,200	297	3,200	-	-
5704	Temporary Services	-	-	-	-	-	20,000	20,000
5710	Small Tools	4,200	1,164	3,000	601	1,000	1,500	3,000
5711	Books & Subscriptions	348	346	500	6	500	500	500
5719	Equipment Maintenance	-	3,755	10,000	2,099	6,000	7,500	10,000
5721	Data Collections	188,743	40,928	120,000	32,201	100,000	117,000	260,000
5724	Licenses/Dues & Fees	7,128	14,678	7,500	4,552	7,500	2,500	5,000
5725	Auto Expenses	37,450	22,185	40,000	12,464	25,000	25,000	35,000
5726	Travel Expenses	18,163	12,185	17,650	13,949	17,650	26,950	20,000
5728	Education, Training & Conferences	1,848	8,905	15,200	10,849	15,200	33,790	20,000
5729	Consulting	819,353	263,761	515,000	290,594	515,000	650,000	650,000
5729	Consulting - Grant Funded (60-5729-5000)	-	237,464	389,460	223,207	389,460	428,000	400,000
5737	USGS	634,718	374,000	420,000	140,600	420,000	400,000	460,000
5810	Other Expenses	7,359	258	5,000	254	5,000	5,000	5,000
	NON-LABOR EXP	1,745,037	981,817	1,549,010	733,440	1,507,710	1,720,240	1,891,000
	TOTAL DEPT EXPENSES	3,120,966	2,193,323	3,153,005	1,882,645	2,969,857	3,277,744	3,495,049

Water Resources (WR) – Dept #60

Department Budget Initiative Detail (Page 1 of 2)

		Department Admin.	USGS 230	Data Coll. 310	Special Projects 336
	ADMINISTRATIVE EXPENSES:				
5600	Dept Wages	1,025,275	-	-	-
5612	Dept Overtime	-	-	-	-
5613	Health Insurance - Medical	117,588	-	-	-
5614	Payroll Taxes	33,143	-	-	-
5615	Misc Benefit	6,000	-	-	-
5616	Workers Compensation Expense	26,864	-	-	-
5618	Health Insurance - Dental/Vision	21,791	-	-	-
5620	Health Ins Reimb - FSA	26,500	-	-	-
5621	Deferred Comp Contributions	51,264	-	-	-
5623	PERS Retirement	249,079	-	-	-
	TOTAL WAGES & BENEFITS	1,557,504	-	-	-
5702	Safety Supplies	2,500	-	-	-
5703	Recruiting Expense	-	-	-	-
5704	Temporary Services	20,000	-	-	-
5710	Small Tools	-	-	1,500	-
5711	Books & Subscriptions	500	-	-	-
5719	Equipment Maintenance	7,500	-	-	-
5721	Data Collections	-	-	117,000	-
5724	Licenses/Dues & Fees	2,500	-	-	-
5725	Auto Expenses	25,000	-	-	-
5726	Travel Expenses	26,950	-	-	-
5728	Education, Training & Conferences	18,790	-	15,000	-
5729	Consulting	-	-	-	320,000
5729	Consulting - Grant Funded (60-5729-5000)	-	-	-	-
5737	USGS	-	400,000	-	-
5810	Other Expenses	5,000	-	-	-
	NON-LABOR EXP	108,740	400,000	133,500	320,000
	TOTAL DEPT EXPENSES	1,666,244	400,000	133,500	320,000

Water Resources (WR) – Dept #60

Department Budget Initiative Detail (Page 2 Of 2)

		Small Systems 505	Bureau of Recl. 403	FY 19/20 Total
	ADMINISTRATIVE EXPENSES:			
5600	Dept Wages	-	-	1,025,275
5612	Dept Overtime	-	-	-
5613	Health Insurance - Medical	-	-	117,588
5614	Payroll Taxes	-	-	33,143
5615	Misc Benefit	-	-	6,000
5616	Workers Compensation Expense	-	-	26,864
5618	Health Insurance - Dental/Vision	-	-	21,791
5620	Health Ins Reimb - FSA	-	-	26,500
5621	Deferred Comp Contributions	-	-	51,264
5623	PERS Retirement	-	-	249,079
	TOTAL WAGES & BENEFITS	-	-	1,557,504
5702	Safety Supplies	-	-	2,500
5703	Recruiting Expense	-	-	-
5704	Temporary Services	-	-	20,000
5710	Small Tools	-	-	1,500
5711	Books & Subscriptions	-	-	500
5719	Equipment Maintenance	-	-	7,500
5721	Data Collections	-	-	117,000
5724	Licenses/Dues & Fees	-	-	2,500
5725	Auto Expenses	-	-	25,000
5726	Travel Expenses	-	-	26,950
5728	Education, Training & Conferences	-	-	33,790
5729	Consulting	80,000	250,000	650,000
5729	Consulting - Grant Funded (60-5729-5000)	428,000	-	428,000
5737	USGS	-	-	400,000
5810	Other Expenses	-	-	5,000
	NON-LABOR EXP	508,000	250,000	1,720,240
	TOTAL DEPT EXPENSES	508,000	250,000	3,277,744

Watermaster (WM) – Dept #90

Department Budget Summary

		FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Budget	Actual YTD as of 03/31/2019	FY 18/19 Projected	FY 19/20 Budget	FY 20/21 Budget
	ADMINISTRATIVE EXPENSES:							
5600	Dept Wages	409,735	406,867	427,645	322,591	430,520	448,569	462,026
5612	Dept Overtime	3,936	2,257	4,000	3,707	4,000	4,000	4,000
5613	Health Insurance - Medical	48,960	47,548	55,455	38,137	48,162	43,630	44,939
5614	Payroll Taxes	12,659	12,524	14,010	10,634	13,729	14,274	14,702
5616	Workers Compensation Expense	2,005	2,116	2,554	2,279	2,279	2,635	2,714
5618	Health Insurance - Dental/Vision	9,524	7,752	8,525	6,107	8,525	8,493	8,748
5620	Health Ins Reimb - FSA	5,949	5,892	10,600	8,130	10,600	10,600	10,918
5621	Deferred Comp Contributions	-	-	21,382	16,231	21,627	22,428	23,101
5623	PERS Retirement	72,908	92,139	90,784	86,849	99,000	112,304	115,673
	TOTAL WAGES & BENEFITS	565,676	577,095	634,955	494,665	638,442	666,933	686,821
5702	Safety Supplies	-	-	500	-	-	500	500
5710	Small Tools	-	-	250	-	250	250	250
5711	Books & Subscriptions	37	-	50	-	-	50	50
5713	Printing	-	-	500	-	-	500	500
5725	Auto Expenses	368	310	500	371	500	500	500
5726	Travel Expenses	-	-	8,800	4	3,000	9,000	9,000
5728	Education, Training & Conferences	-	-	5,800	-	3,000	8,000	8,000
5736	Engineering, General	72,981	64,284	93,500	134,163	143,500	93,500	93,500
5741	Aerial Photos	10,875	10,875	15,000	10,531	10,531	11,000	11,000
	NON-LABOR EXP	84,261	75,469	124,900	145,069	160,781	123,300	123,300
	TOTAL DEPT EXPENSES	649,937	652,564	759,855	639,734	799,223	790,233	810,121
5610	Labor & Benefits from Watermaster	(276,286)	(288,547)	(317,478)	(168,938)	(319,221)	(333,467)	(343,411)
	Total Capital Labor & OH Out	(276,286)	(288,547)	(317,478)	(168,938)	(319,221)	(333,467)	(343,411)
	TOTAL NET DEPT EXPENSES:	373,651	364,017	442,377	470,796	480,002	456,766	466,710

Fiscal Year 2019/2020 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 reassessment of 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.

Information Technology Department (IT)

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 funding category offers MWA 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 & 5

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 & 6

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 & 6

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.

Community Outreach & Employee Relations Department (PI) continued

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 4, 5 & 6

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.

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 are needed.

Water Resources Department (WR) continued

Special Projects (Project 336): Goals 3 and 5

Provides funding for consultant support on grants, miscellaneous water supply projects, specialized hydrogeological studies and 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, and other MCRCD cooperative programs, work to define natural systems to support the Judgment, water banking analysis 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 has been developed to support and assist DACs. In the IRWM Plan process, this objective was ranked as a high importance and a high urgency project. The scope of this program to provide guidance/assistance with grant applications, performing needs assessments, providing specific training to DACs, and applying for state and/or federal funding related to improving water management practices.

Bureau of Reclamation (Project 403): Goal 1

Funding for grant procurement and matching 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 include evaluation of specific recharge site(s) and water banking programs.