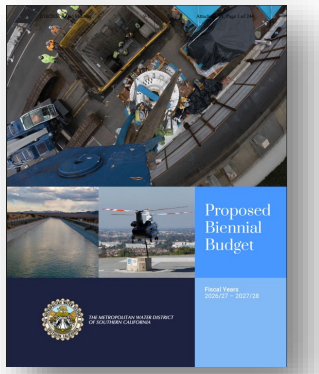






Metropolitan Budget and Rates
MWDOC/OCWD Joint Planning Committee
April 22, 2026

MWD Budget Development Process



Alternative Requested by Member Agency

1. Remove PWSC funding
2. Remove LRP funding for new agreements not previously approved by the Board
3. Reduce Conservation to the minimum needed for grant matching
4. Deferral of all new positions other than IOPSS, C&D, Treatment & Engineering
5. Assume 0.009% Property Tax Rate

Calendar Year	2027	2028
Baseline + Incremental Drivers (without PWSC (1))	**9.0%**	**9.0%**
Reduced LRP funding (2)	-0.25%	-0.25%
Reduced Conservation (3)	-0.5%	-0.5%
Deferral of new positions (4)	-0.15%	-0.15%
Alternative with 0.007% PTax* (Baseline + Incremental Drivers + Requested Adjustments)	**8.1%**	**8.1%**
Adjusted for 0.009% Ptax (5)	-2%	-2%
Alternative 0.009% PTax* (Baseline + Incremental Drivers + Requested Adjustments + Ptax)	**6.1%**	**6.1%**

** Displayed as a simple summed total. Rate impacts are estimated to help smooth rate changes across the biennium.*



January 29, 2026 — Draft Biennial Budget

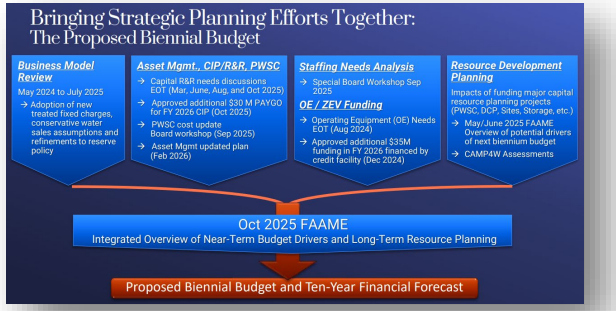
February 10, 2026 — Budget Workshop #1

February 24, 2026 — Budget Workshop #2

March 10, 2026 — Budget Workshop #3

March 24, 2026 — Budget Workshop #4

April 14, 2026 — Budget Adoption



Summary of Alternatives

Alternatives	Property Tax Rate*	Est. Overall Rate Increases for 2027 and 2028 w/ 45-MGD PWSC	Est. Overall Rate Increases for 2027 and 2028 Grant-funded PWSC
Revised Proposed Budget *Base CIP at $950M, fully fund staffing, operating equipment, LRP, and Conservation*	**0.007%**	**9.3% / 9.2% (18.5%)**	**8.8% / 8.7% (17.5%)**
Alternatives *Refined staffing, Auth. LRP Agreements, fully fund Conservation*			
Alt 1	0.007%	8.9% / 8.9% (17.8%)	8.4% / 8.4% (16.8%)
Alt 2	0.008%	7.9% / 7.9% (15.8%)	7.4% / 7.4% (14.8%)
Alt 3	0.009%	6.9% / 6.9% (13.8%)	6.4% / 6.4% (12.8%)
Eastern, Western, and MWDOC Proposal *Prop tax rate at 0.010%, refined staffing, grant only funding for PWSC, Auth. LRP Agreements, fully fund Conservation*	**0.010%**		**5.4% / 5.4% (10.8%)**
Los Angeles Proposal *60% exceedance water demands, no additional staffing, CIP at $800M, PAYGO at 35%, fully fund LRP and Conservation*	0.007%		4.8% / 4.8% (9.6%)



MWDOC
75 YEARS OF SERVICE

Key Budget Proposal Components

- Adjust Ad Valorem rate from 0.007% to **0.0085%**
- Base Capital Investment Plan (CIP) funding of **$875 million**
- Staff Request: Cap the new staff request at **79** positions between Operations and Maintenance and CIP departments
- LRP and Conservation Funding: Keep conservation at a level that funds the current programs and funds existing LRP agreements
  - Directive to evaluate the conservation and LRP programs within the next year to prioritize the cost-effective programs
- Pure Water Southern CA: Total appropriation of **$150** million over the biennium, funded by a combination of grants and Metropolitan unrestricted reserves

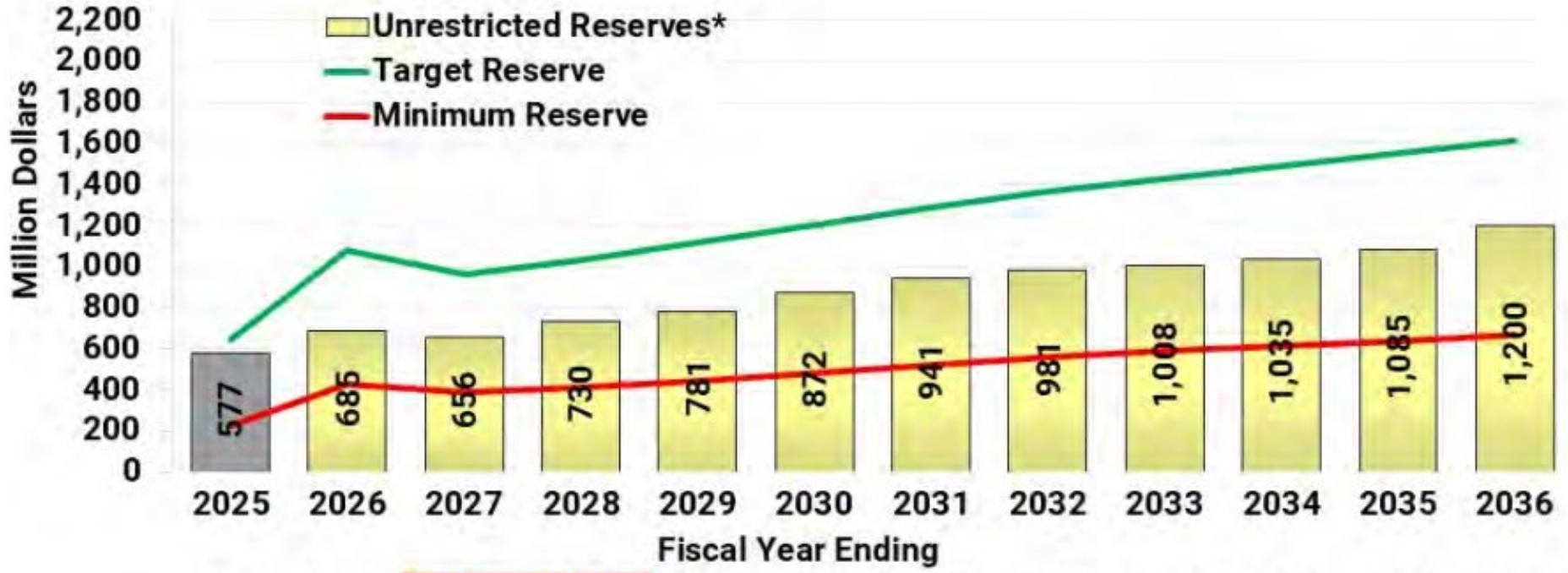
MWDOC
75 YEARS OF SERVICE

Adopted Rates & Charges

Table 5: Option 1 - Rates and Charges

Rates & Charges Effective January 1st	Current 2026	Proposed 2027	Inc	% Δ	Proposed 2028	Inc	% Δ
Supply Rates ($/AF)	$313	$413	$100	31.9%	$440	$27	6.5%
System Access Rate ($/AF)	$492	$472	($20)	(4.1%)	$525	$53	11.2%
System Power Rate ($/AF)	$179	$145	($34)	(19.0%)	$141	($4)	(2.8%)
Full Service Untreated Volumetric ($/AF)	**$984**	**$1,030**	**$46**	**4.7%**	**$1,106**	**$76**	**7.4%**
Treatment Surcharge ($/AF)	$544	$390	($154)	(28.3%)	$408	$18	4.6%
Full Service Treated Volumetric ($/AF)	**$1,528**	**$1,420**	**($108)**	**(7.1%)**	**$1,514**	**$94**	**6.6%**
Treatment Peaking Capacity Charge ($/CFS)		$33,700			$21,600	($12,100)	(35.9%)
Treatment Used Standby Capacity Charge ($/AF)		$15			$120	$105	700.0%
Treatment Remaining Capacity Charge ($/AF)		$72			$64	($8)	(11.1%)
Capacity Charge ($/CFS)	$14,500	$17,500	$3,000	20.7%	$19,600	$2,100	12.0%
Total Readiness-to-Serve Charge ($M)*	$188	$239	$51	27.1%	$248	$9	3.8%
Overall Rate Increase				**6.2%**			**6.2%**

Ten-Year Financial Forecast



Overall Rate Inc.	**8.5%**	**8.5%**	**6.2%**	**6.2%**	**7.0%**	**7.0%**	**6.5%**	**6.5%**	**6.5%**	**6.5%**	**5.0%**	**5.0%**
Water Transaction (MAF)	1.34	1.22	1.21	1.28	1.28	1.28	1.29	1.28	1.29	1.30	1.30	1.32
Rev. Bond Cvg	2.5	2.1	1.7	1.9	1.8	1.9	2.0	2.0	2.1	2.1	2.0	2.2
CIP, $M	300	307	467	483	520	541	562	585	608	633	658	684
PAYGO, $M	175	205	185	200	210	240	250	300	325	338	351	365
Prop Tax Rate (%)	0.007	0.007	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085	0.0085


Questions?
MWDOC