MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
December 13, 2023, 8:30 a.m.

This meeting will be held in person at 18700 Ward Street, Fountain Valley, California, 92708 (Conference Room 101). As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Computer Audio: You can join the Zoom meeting by clicking on the following link:
https://zoom.us/j/8828665300

Telephone Audio: (669) 900 9128 fees may apply
(877) 853 5247 Toll-free
Webinar ID: 882 866 5300#

A&F Committee:
Director Dick, Chair
Director Thomas
Director Crane

Staff: H. De La Torre, C. Harris, H. Chumpitazi, M. Baum-Haley, K. Davanaugh

Ex Officio Member: Director Yoo Schneider

MWDOC Committee meetings are noticed and held as joint meetings of the Committee and the entire Board of Directors and all members of the Board of Directors may attend and participate in the discussion. Each Committee has designated Committee members, and other members of the Board are designated alternate committee members. If less than a quorum of the full Board is in attendance, the Board meeting will be adjourned for lack of a quorum and the meeting will proceed as a meeting of the Committee with those Committee members and alternate members in attendance acting as the Committee.

ROLL CALL

PUBLIC COMMENTS - Public comments on agenda items and items under the jurisdiction of the Committee should be made at this time.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING -- Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at http://www.mwdoc.com.

PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
   a. Revenue/Cash Receipt Report – November 2023
   b. Disbursement Approval Report for the month of December 2023
   c. Disbursement Ratification Report for the month of November 2023
   d. GM Approved Disbursement Report for the month of November 2023
   e. Consolidated Summary of Cash and Investment – October 2023

f. OPEB and Pension Trust Fund statement

2. FINANCIAL REPORT
   a. Combined Financial Statements and Budget Comparative for the Period Ending October 31, 2023
   b. FY 2022-23 Audit Report and Presentation regarding Audit Report

ACTION ITEM

3. AUTHORIZATION TO CONTRACT WITH LA DESIGN STUDIO FOR WEBSITE UPDATES

DISCUSSION ITEMS

4. FY 2024-25 BUDGET

INFORMATION ITEMS – (THE FOLLOWING ITEMS ARE FOR INFORMATIONAL PURPOSES ONLY – BACKGROUND INFORMATION IS INCLUDED IN THE PACKET. DISCUSSION IS NOT NECESSARY UNLESS REQUESTED BY A DIRECTOR.)

5. DEPARTMENT ACTIVITIES REPORTS
   a. Administration
   b. Finance and Information Technology

6. MONTHLY WATER USAGE DATA AND WATER SUPPLY INFORMATION

OTHER ITEMS

7. REVIEW ISSUES REGARDING DISTRICT ORGANIZATION, PERSONNEL MATTERS, EMPLOYEE BENEFITS FINANCE AND INSURANCE

ADJOURNMENT

NOTE: At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
November 2023

WATER REVENUES

Date	From	Description	Amount
11/02/2023	City of Westminster	September 2023 Water deliveries	11,513.51
11/03/2023	City of Huntington Beach	September 2023 Water deliveries	499,100.10
11/06/2023	City of La Palma	September 2023 Water deliveries	964.18
11/06/2023	Laguna Beach County Water District	September 2023 Water deliveries	338,878.75
11/06/2023	South Coast Water District	September 2023 Water deliveries	630,441.49
11/08/2023	City of Garden Grove	September 2023 Water deliveries	64,535.86
11/08/2023	Trabuco Canyon Water District	September 2023 Water deliveries	81,935.38
11/10/2023	Irvine Ranch Water District	September 2023 Water deliveries	1,178,161.37
11/13/2023	East Orange Co Water District	September 2023 Water deliveries	741,053.80
11/13/2023	El Toro Water District	September 2023 Water deliveries	1,710,837.05
11/13/2023	Santa Margarita Water District	September 2023 Water deliveries	2,362,212.38
11/13/2023	Santa Margarita Water District (ID9)	September 2023 Water deliveries	606,024.32
11/14/2023	City of Orange	September 2023 Water deliveries	195,992.96
11/14/2023	City of Seal Beach	September 2023 Water deliveries	11,681.24
11/15/2023	Golden State Water Company	September 2023 Water deliveries	778,459.98
11/15/2023	Moulton Niguel Water District	September 2023 Water deliveries	1,955,003.53
11/15/2023	Orange County Water District	September 2023 Water deliveries	156,733.96
11/15/2023	Yorba Linda Water District	September 2023 Water deliveries	415,587.10
11/24/2023	City of Brea	October 2023 Water deliveries	6,468.00
11/24/2023	City of Huntington Beach	October 2023 Water deliveries	593,743.43
11/27/2023	City of Fountain Valley	October 2023 Water deliveries	3,311.14
11/29/2023	City of La Habra	October 2023 Water deliveries	7,879.22
11/30/2023	City of Garden Grove	October 2023 Water deliveries	64,327.33
11/30/2023	City of Newport Beach	October 2023 Water deliveries	81,062.93
11/30/2023	City of Westminster	October 2023 Water deliveries	11,475.62

TOTAL WATER REVENUES $ 12,507,384.63

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
November 2023

MISCELLANEOUS REVENUES

Date	From	Description	Amount
11/02/2023	WePay	Scout BSA Clinic and December 2023 OCEMO Luncheon registrations	935.38
11/21/2023	OC Sheriff	December 2023 OCEMO Luncheon registrations	250.00
11/02/2023	Keith Lyon	November 2023 Retiree Health insurance	184.29
11/06/2023	Stan Sprague	November 2023 Retiree Health insurance	184.29
11/06/2023	Karl Seckel	November 2023 Retiree Health insurance	184.29
11/22/2023	Stan Sprague	December 2023 Retiree Health insurance	184.29
11/30/2023	Keith Lyon	December 2023 Retiree Health insurance	184.29
11/02/2023	Patricia Meszaros	Partial Nov-Dec 2023 Retiree Health insurance	33.05
11/21/2023	Steve Hedges	Nov-Dec 2023 Retiree Health insurance	93.56
11/17/2023	Igoe and Company Inc	COBRA Health and Vision insurance	781.66
11/16/2023	Igoe and Company Inc	Refund for FSA	765.40
11/27/2023	US Bank Custodial Account	Bank of America Interest payment	531.60
11/30/2023	US Bank	Monthly Interest	118.60
11/06/2023	City of Fountain Valley	September 2023 Turf Removal and Spray to Drip rebate program	333.00
11/06/2023	City of Orange	September 2023 Turf Removal and Spray to Drip rebate program	666.00
11/13/2023	City of Buena Park	September 2023 Turf Removal and Spray to Drip rebate program	436.82
11/22/2023	City of Newport Beach	September 2023 Turf Removal and Spray to Drip rebate program	579.77
11/13/2023	Laguna Beach County Water District	September 2023 High Efficiency Clothes Washers rebate program	130.00
11/24/2023	City of San Clemente	September 2023 Turf Removal and High Efficiency Clothes Washers rebate program	986.00
11/13/2023	El Toro Water District	September 2023 Turf Removal, Spray to Drip and High Efficiency Clothes Washers rebate program	2,715.00
11/10/2023	Irvine Ranch Water District	August 2023 Smartimer, Rotating Nozzles, Turf Removal and Spray to Drip rebate program	66,533.29
11/06/2023	Moulton Niguel Water District	August 2023 Smartimer, Rotating Nozzles, Turf Removal , Spray to Drip and High Efficiency Clothes Washers rebate program	36,547.09
11/22/2023	Mesa Water District	September 2023 Smartimer, Turf Removal and Spray to Drip rebate program	1,129.59
11/08/2023	Trabuco Canyon Water District	September 2023 Smartimer, Spray to Drip and High Efficiency Toilets and Clothes Washers rebate program	902.50
11/13/2023	Moulton Niguel Water District	September 2023 Smartimer, Rotating Nozzles, Turf Removal, Spray to Drip and High Efficiency Clothes Washers rebate program	64,290.31
11/06/2023	Bureau of Reclamation	Apr-Sep 2023 OC Sustainable Landscapes Program	155,063.48
11/09/2023	City of La Habra	Dedicated Irrigation Meters Measurement Program FY 22-24	20,359.00
11/21/2023	City of Garden Grove	Addition to the Choice School Program FY 23-24	2,181.32
11/02/2023	Metropolitan Water District	WEEA Sponsorship FY 2023-24	5,000.00

TOTAL MISCELLANEOUS REVENUES $ 362,283.87
TOTAL REVENUES $ 12,869,668.50

Harvey De La Torre, General Manager

Hilary Chumpitazi, Treasurer

Municipal Water District of Orange County
Disbursement Approval Report
For the month of December 2023

Vendor/ Invoice	Description	Amount to Pay
Core Disbursements:		
Ackerman Consulting-Richard C Ackerman		
1391	November 2023 Legal and regulatory specialized consulting services	3,500.00
Total		**3,500.00**
Alta FoodCraft		
12346015	November 2023 Coffee and tea supplies	145.19
Total		**145.19**
Richard Bell		
123123	July-December 2023 Retiree medical premium	1,102.62
Total		**1,102.62**
Brown and Caldwell		
12501743	October 2023 Hydraulic model work services for Moulton Niguel Water District	1,608.36
Total		**1,608.36**
Colleague-Nina H. Spencer		
1059	November 2023 MWDOC General Manager search - Travel and accommodations	1,371.94
Total		**1,371.94**
Hunter Cook		
123123	October-December 2023 Retiree medical premium	1,536.00
Total		**1,536.00**
Green Thumb (Indoor Plant Care) LLC-Dedo Verde Interior		
20231153	December 2023 Indoor Plant Service	305.50
Total		**305.50**
Dopudja & Wells Consulting Inc		
1337	October 2023 Senior Advisory Consulting Services for State and Federal Legislative and Policy Matters	5,360.00
Total		**5,360.00**
Economic Group Pension Services Inc		
176369	Pension administrative services for 2023 Plan Year	2,925.00
Total		**2,925.00**
Means Consulting-Edward G Means III		
MWDOC-1314	November 2023 East Orange County Feeder #2 Project Consulting Services	756.25
Total		**756.25**

Municipal Water District of Orange County
Disbursement Approval Report
For the month of December 2023

Vendor/ Invoice	Description	Amount to Pay
Flume Inc		
1928	October 2023 Water Efficiency Potential & Opportunities Study	10,625.00
Total		**10,625.00**
GovernmentJobscom Inc		
INV-34568	12/28/23-12/27/24 Subscription for Insight job application management and postings	5,024.20
Total		**5,024.20**
Hashtag Pinpoint Corporation		
1800	November 2023 Social Media consultation and services	7,913.00
Total		**7,913.00**
Irvine Window Cleaning		
4006	11/03/2023 Office windows & glass walls cleaned	400.00
Total		**400.00**
Lawnscape Systems Inc		
442068	November 2023 Landscape Maintenance for Atrium	495.00
Total		**495.00**
Natural Resource Results LLC		
4635	November and December 2023 Federal Advocacy Agreement services	16,000.00
Total		**16,000.00**
ND5		
826657	11/03/23 Board packet delivery service	134.72
826708	11/09/23 Board packet delivery service	134.72
Total		**269.44**
ODP Business Solutions LLC		
344509816001	12/01/23 Office Supplies	99.91
344509809001	12/04/23 Office Supplies	18.14
344394502001	12/04/23 Office Supplies	390.59
Total		**508.64**
Office Solutions		
I-02180090	12/01/23 Office Supplies	93.07
I-02180372	12/04/23 Office Supplies	19.38
Total		**112.45**
Orange County Business Council		
0011976-IN	2024 Annual membership renewal	5,000.00
Total		**5,000.00**

Municipal Water District of Orange County
Disbursement Approval Report
For the month of December 2023

Vendor/ Invoice	Description	Amount to Pay
Orange County Water District		
25926	October 2023 Postage, shared office & maintenance expense	14,950.12
Total		**14,950.12**
Roth Staffing Companies LP		
16091437	11/12/23 Week Ending Temporary Employee Services for Finance Department	1,946.39
16093970	11/19/23 Week Ending Temporary Employee Services for Finance Department	2,255.34
16096858	11/26/23 Week Ending Temporary Employee Services for Finance Department	880.51
Total		**5,082.24**
Soto Resources-Joey C Soto		
GA-NOV-82	November 2023 Grant Research and Acquisition	3,250.00
Total		**3,250.00**
USAFact Inc		
3113222	11/01/23 Motor Vehicle report	7.48
Total		**7.48**
VC3 Inc		
160046	November 2023 IT Support Services	7,084.00
Total		**7,084.00**
Pauline D Wennerstrom		
123123	October-December 2023 Retiree medical premium	494.70
Total		**494.70**
Whittingham Public Affairs Advisors-WPAA		
2216	December 2023 Strategic guidance services on local & regional issues	7,500.00
Total		**7,500.00**
Total Core Expenditures		**103,327.13**

Choice Expenditures:

Bryton Printing Inc		
17559	Water Use Efficiency Winter 2023 bill inserts for member agencies	4,499.11
Total		**4,499.11**
Building Block Entertainment Inc		
3712-2	November 2023 Choice Elementary School Program K-2	12,650.00
Total		**12,650.00**

Municipal Water District of Orange County
Disbursement Approval Report
For the month of December 2023

Vendor/ Invoice	Description	Amount to Pay
Mission RCD		
3398	November 2023 Field Inspection and Verification for Water Use Efficiency rebate programs	5,986.14
Total		**5,986.14**
Orange County Dept of Education		
94TI1806	October 2023 Choice School Program for grades 3-5	20,475.84
Total		**20,475.84**
Orange County Water District		
25926	October 2023 Postage, shared office & maintenance expense	56.91
Total		**56.91**
Lane M Matsuno		
17443	November 2023 Meter Accuracy Testing for Garden Grove	5,410.00
17458	November 2023 Meter Accuracy Testing for Fountain Valley	3,200.00
Total		**8,610.00**
Total Choice Expenditures		**52,278.00**

Other Funds Expenditures:

Mission RCD		
3398	November 2023 Field inspection and verification for Water Use Efficiency rebate programs	5,609.21
Total		**5,609.21**
Motorola Solutions Inc		
8281758690	November 2023 Motorola Radio Accessories for WEROC	18,583.02
Total		**18,583.02**
The Plant Nerd		
8275	November 2023 Landscape Design and Landscape Maintenance Assistance Program	6,940.00
Total		**6,940.00**
Santa Margarita Plumbing & Air		
16167-36054	October 2023 Services for Pressure Regulating Valve program	1,839.55
16167-36222	November 2023 Services for Pressure Regulating Valve program	2,499.55
Total		**4,339.10**
Soto Resources-Joey C Soto		
SA-NOV-83	November 2023 9112 Grant Administration Services for Prop 1 North	701.25
Total		**701.25**

Municipal Water District of Orange County
Disbursement Approval Report
For the month of December 2023

Vendor/ Invoice	Description	Amount to Pay
TerraWorks Studio		
MW0026	October 2023 Landscape Design Assistance Program	4,320.00
MW0027	November 2023 Landscape Design Assistance Program	4,450.00
Total		**8,770.00**
Total Other Funds Expenditures		**44,942.58**
Total Expenditures		**200,547.71**

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of November 2023

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
Linda Ackerman				
11/30/2023	EFT	100423	October 2023 Business expense	10.48
Total				10.48
Tiffany Baca				
11/30/2023	EFT	102723	October 2023 Business expense	215.52
Total				215.52
Hilary Chumpitazi				
11/30/2023	EFT	102323	October 2023 Business expense	109.91
Total				109.91
Corodata Records Management Inc				
11/30/2023	EFT	RS4959110	October 2023 Records Storage Fee	65.14
Total				65.14
Larry Dick				
11/30/2023	EFT	101923	October 2023 Business expense	159.82
Total				159.82
Beth Fahl				
11/30/2023	EFT	102523	October 2023 Business expense	24.75
Total				24.75
Tina Jocelyn Fann				
11/30/2023	EFT	101923	October 2023 Business expense	324.90
Total				324.90
Sam Fetter				
11/30/2023	EFT	100523	October 2023 Business expense	183.02
Total				183.02
GovConnection Inc				
11/30/2023	EFT	74702587	Credit memo for Microsoft 365 licenses from invoice 74678099	(638.98)
Total				(638.98)
Lina Gunawan				
11/30/2023	EFT	81923	August 2023 Business expense	20.00
Total				20.00
Claire Johnson				
11/30/2023	EFT	102623	October 2023 Business expense	117.90
Total				117.90
Robert McVicker				
11/30/2023	EFT	102523	October 2023 Business expense	19.65
Total				19.65
Al Nederhood				
11/30/2023	EFT	102723	October 2023 Business expense	239.71
Total				239.71

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of November 2023

Name/ Date	Check/ EFT	Invoice	Description	Amount
Petty Cash				
11/15/2023	142806	90123	July-September 2023 Petty cash reimbursement	22.95
Total				**22.95**
Ricoh USA Inc				
11/30/2023	EFT	5068365147	08/01/23-10/31/23 Ricoh copier maintenance	1,359.50
Total				**1,359.50**
Megan Schneider				
11/30/2023	EFT	101923	October 2023 Business expense	215.31
Total				**215.31**
Karl Seckel				
11/30/2023	EFT	102523	October 2023 Business expense	201.58
Total				**201.58**
Nathan Shepherd				
11/30/2023	EFT	102123	October 2023 Business expense	111.75
Total				**111.75**
Spectrum Business				
11/15/2023	142809	343564111023	November 2023 Telephone expense for one fax line	39.99
11/02/2023	142792	375210103023	November 2023 Telephone and internet expense	1,727.04
Total				**1,767.03**
Jeffery Thomas				
11/30/2023	EFT	102523	October 2023 Business expense	117.90
Total				**117.90**
Verizon Wireless				
11/02/2023	142793	9947608027	October 2023 4G Mobile broadband unlimited service	114.03
Total				**114.03**
US Bank				
11/30/2023	142873	2978/4192/8910-OCT23	09/23/23-10/23/23 Cal Card Charges	14,784.66
Total				**14,784.66**
Katie Vincent				
11/30/2023	EFT	101223	October 2023 Business expense	96.09
Total				**96.09**
Total Core Disbursements				**19,642.62**

Choice Disbursements:

Petty Cash				
11/15/2023	142806	90123	July-September 2023 Petty cash reimbursement	20.00
Total				**20.00**
US Bank Voyager Fleet Systems				
11/15/2023	EFT	8694349932343	9/25/23-10/24/23 Fuel for Water Loss Control Shared Service	877.22
Total				**877.22**
Total Choice Disbursements				**897.22**

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of November 2023

Name/ Date	Check/ EFT	Invoice	Description	Amount
Other Funds Disbursements:				
AT&T				
11/15/2023	142797	20734028	October 2023 Telephone expense for WEROC N. EOC	37.25
Total				**37.25**
Fertitta MLB Owner, LLC				
11/30/2023	142865	RTF5548	ORP Recycled Water Incentive for the Montage Hotel	4,767.75
Total				**4,767.75**
Mesa Water District				
11/15/2023	EFT	11276	September 2023 Credit for Local Resources program	31,152.13
Total				**31,152.13**
Metropolitan Water District				
11/30/2023	EFT113023	11269	September 2023 Water deliveries	12,555,725.87
Total				**12,555,725.87**
Santiago Aqueduct Commission				
11/30/2023	142869	93023	September 2023 SAC Pipeline Operation Surcharge	2,125.50
Total				**2,125.50**
Santa Margarita Water District				
11/30/2023	EFT	93023	September 2023 SCP Operation Surcharge	27,404.95
11/30/2023	EFT	RTF5488	ORP Recycled Water Incentive for the Las Flores Expansion	13,620.75
Total				**41,025.70**
Spray to Drip Rebate				
11/30/2023	142826	S2D2-C-SOCO-41972-21991	Harbor Creek Comm Assoc (Dana Point)	1,245.00
11/30/2023	142841	S2D4-R-SC-41877-17928	T. Nowak	5,000.00
11/13/2023	142808	S2D5-C-MNT-38663-18440-ADJ-	Aliso Villas No. 2 (Mission Viejo)	8,315.50
11/30/2023	142822	S2D5-C-YLWD-44710-18314-PA	City Of Yorba Linda (Yorba Linda)	5,452.50
11/30/2023	142823	S2D5-C-YLWD-44711-18315-PA	City Of Yorba Linda(Yorba Linda)	2,534.00
11/30/2023	142862	S2D5-R-HB-42774-18133	K. Watchorn	676.50
11/30/2023	142824	S2D6-C-BREA-48512-19249	Colyear Development (Brea)	14,933.00
11/30/2023	142835	S2D6-C-HB-51121-21867	Landing HOA (Huntingon Beach)	1,618.00
11/30/2023	142812	S2D6-C-IRWD-51350-22081	Alton Business Association (Irvine)	38,764.00
11/30/2023	142850	S2D6-C-MESA-51555-22018	The Irvine Company LLC (Costa Mesa)	13,349.00
11/30/2023	142860	S2D6-C-MNT-49032-21779	Village Townhomes Maintenance Corporation (Aliso Viejo)	16,273.60
11/30/2023	142833	S2D6-C-MNT-49032-21811	Laguna Heights Marketplace (Laguna Niguel)	34,595.00
11/30/2023	142844	S2D6-C-SM-4463-22006	Quail Run Community Assoc (Mission Viejo)	1,133.50
11/30/2023	142829	S2D6-C-YLWD-4463-22007	Icon Owner Pool1 LE/OC NBP (Yorba Linda)	8,344.50
11/30/2023	142815	S2D6-R-HB-51695-22090	B. Bissett	390.00
11/30/2023	142838	S2D6-R-IRWD-51671-2208S	E. Mashhoon	420.00
11/30/2023	142834	S2D6-R-IRWD-51698-22096	Y. Lai	952.80
11/30/2023	142857	S2D6-R-O-51096-21932	K. Tye	695.50
11/30/2023	142831	S2D6-R-O-51371-22082	T. Krause	1,689.50
11/30/2023	142825	S2D6-R-O-51658-22077	M. Fetalino	572.50
11/30/2023	142851	S2D7-C-NWPT-51555-22125	Irvine Company (Newport Beach)	3,607.50
11/30/2023	142819	S2D7-R-BREA-51762-22134	J. Chow	322.00
Total				**160,883.90**
TICIC Sub LLC				
11/30/2023	142871	RTF5542	ORP Recycled Water Incentive for the MacArthur Court	5,219.50
Total				**5,219.50**

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of November 2023

Name/ Date	Check/ EFT	Invoice	Description	Amount
Turf Rebate				
11/30/2023	142842	TR14-R-SC-41855-40593	T. Nowak	4,875.00
11/30/2023	142863	TR15-R-HB-42774-41451	K. Watchorn	2,007.00
11/30/2023	142855	TR15-R-TC-44437-43085	T. Timmerman	6,036.00
11/30/2023	142843	TR16-C-BP-49174-49895	Pacgwl LLC (Buena Park)	63,574.00
11/30/2023	142810	TR16-C-ETWD-4463-50130	Aegean Heights H/O Assoc (Mission Viejo)	24,888.52
11/30/2023	142859	TR16-C-ETWD-49656-48182	United Mutual HOA (Laguna Woods)	20,980.00
11/30/2023	142821	TR16-C-HB-49680-48214-PA	City Of Huntington Beach (Huntington Beach)	79,864.00
11/30/2023	142848	TR16-C-IRWD-48768-49986	Rockfield Showplace (Lake Forest)	99,850.00
11/30/2023	142813	TR16-C-IRWD-51350-49791	Alton Business Association (Irvine)	250,000.00
11/30/2023	142837	TR16-C-IRWD-51402-49851	Mark IV Properties Inc. (Irvine)	16,670.00
11/30/2023	142852	TR16-C-MESA-51013-50097	The Irvine Company LLC (Costa Mesa)	52,524.00
11/30/2023	142856	TR16-C-MNT-26835-48247	Twelve Picket Lane C/O Action Property (Aliso Viejo)	24,204.00
11/30/2023	142811	TR16-C-MNT-51534-49994	Aliso Viejo Community Association (Aliso Viejo)	39,597.00
11/30/2023	142818	TR16-C-NWPT-4463-49946	Canyon Mesa C/A (Newport Beach)	10,594.00
11/30/2023	142846	TR16-C-SM-42878-50008	Samlarc (Rancho Santa Margarita)	3,240.00
11/30/2023	142847	TR16-C-SM-42878-50036	Samlarc (Rancho Santa Margarita)	41,698.00
11/30/2023	142845	TR16-C-SM-4463-49948	Quail Run Community Assoc (Mission Viejo)	4,534.00
11/30/2023	142830	TR16-C-YLWD-4463-49993	Icon Owner Pool1 IE/OC NBP (Yorba Linda)	50,776.00
11/30/2023	142861	TR16-R-ETWD-51699-50171	B. Van Vlear	5,884.00
11/30/2023	142816	TR16-R-HB-51695-50168	B. Bissett	2,139.00
11/30/2023	142849	TR16-R-IRWD-49419-47942	E. Stannard	4,695.79
11/30/2023	142839	TR16-R-IRWD-51671-50136	E. Mashhoon	9,255.00
11/30/2023	142814	TR16-R-MNT-48645-50058	H. Armstrong	1,748.00
11/30/2023	142858	TR16-R-O-51096-49682	K. Tye	3,495.00
11/30/2023	142832	TR16-R-O-51371-49814	T. Krause	7,842.00
11/30/2023	142828	TR16-R-O-51595-50057	P. Hetherington	1,710.00
11/30/2023	142853	TR17-C-IRWD-51783-50257	Rancho San Joaquin LP (Irvine)	10,874.00
11/30/2023	142854	TR17-C-IRWD-51783-50287	Columbia Court Apartment Homes (Irvine)	5,822.00
11/30/2023	142820	TR17-R-BREA-51762-50239	J. Chow	1,494.00
11/30/2023	142817	TR17-R-HB-51898-50384	K. Bromberg	3,300.00
11/30/2023	142836	TR17-R-IRWD-51791-50268	M. Le	2,225.00
11/30/2023	142840	TR17-R-IRWD-51875-50362	D. Mccoy	4,360.00
11/30/2023	142827	TR17-R-SM-51876-50363	M. Henson	10,425.00
Total				**871,180.31**
US Bank				
11/30/2023	142873	6066-OCT23	09/23/23-10/23/23 Cal Card Charges	843.08
Total				**843.08**
Verizon Wireless				
11/02/2023	142793	9947608027	October 2023 4G Mobile broadband unlimited service	76.02
Total				**76.02**
Total Other Funds Disbursements				**13,673,037.01**
Total Disbursements				**13,693,576.85**

Harvey De La Torre, General Manager

Hilary Chumpitazi, Treasurer

Cal Card Charges
Statement Date: October 23, 2023
Payment Date: November 30, 2023

Date	Description	Amount
Interim General Manager Card:		
9/26/2023	09/22/23-09/26/23 Meals for H. De La Torre	150.29
9/26/2023	ACWA - JPIA Human Resources Group Meeting (HRGM) in Rancho Cucamonga, CA on November 2, 2023 - Registration for C. Harris	35.00
9/27/2023	CSMFO Orange County Chapter Meeting in Orange, CA on October 5, 2023 - registration for H. Chumpitazi	45.00
9/27/2023	SWRCB Public Hearing in Sacramento, CA on October 4, 2023 - Airfare for J. Berg	605.96
9/27/2023	CRWUA Annual Conference in Las Vegas, NV from 12/13/23-12/15/23 - Airfare for A. Heide	142.42
9/28/2023	ISDOC quarterly luncheon from Mendicino Farms on September 28, 2023	1,234.39
10/02/2023	SWRCB Public Hearing in Sacramento, CA on October 4, 2023 - Airfare for J. Berg - Refund for flight changes	(14.00)
10/04/2023	WaterSmart Innovations 2023 in Las Vegas, NV from 10/03/2023-10/05/23 - Meal for S. Fetter	33.70
10/04/2023	ACWA Fall Conference in Indian Wells, CA from 11/28/23-11/30/23 - Registration for R.Crane	815.00
10/09/2023	ACWA State Legislaive Committee Meeting in Sacramento, CA on 10/20/23 - Airfare for H. Baez	655.97
10/10/2023	California Water Professionals Appreciation Week Celebration Lunch for MWDOC Employees on October 11, 2023	1,009.75
10/13/2023	North American Water Loss Conference 2023 in Denver, CO from 12/05/23-12/07/23 - Registration for R. Davis & H. Escamilla	890.00
10/16/2023	Water Audit Validator Renewal Workshop, Webinar on 11/07/23-11/08/23 - Registration for R. Davis	200.00
10/17/2023	10/04/23-10/14/23 Meals for H. De La Torre	381.52
10/17/2023	Annual Governmental GAAP Update Encore - Live Stream on December 14, 2023 Registration for H. Chumpitazi	135.00
10/18/2023	A Conversation on AI - Driven Communication, Webinar on October 24, 2023 - Registration for J. Thomas	50.00
Total:		**6,370.00**
Administration Card:		
9/22/2023	Canva annual subscription renewal	119.99
9/24/2023	08/25/23-09/24/23 Monthly charge for web hosting	15.00
9/26/2023	Toner for Ricoh C840	235.98
9/26/2023	Power supply replacement for Engineering; mouse pad/charger/case for IT; thumb drives for HR and IT	193.65
9/29/2023	BCWaterJobs - WEROC Emergency Program Specialist job posting	200.00
10/01/2023	10/02/23-11/01/23 Zoom Video Communications fee with audio licenses	174.93
10/02/2023	Pre-employment assessments	1,200.00
10/02/2023	10/02/2023 Management staff lunch	241.31
10/03/2023	10/03/23 Management lunch on interview day	46.83
10/03/2023	ESRI license for Engineering	714.70
10/05/2023	AWWA Water Use Efficiency 2 Class in Rancho Cucamonga, CA from 10/17/23-10/19/23 - Registration for T. Fann	430.00
10/05/2023	ACWA Fall Conference in Indian Wells, CA from 11/28/23-11/30/23 - Accommodations for R. Crane (advance deposit)	600.46
10/05/2023	SWRCB Public Hearing Conservation as a way of Life in Sacramento, CA on October 4, 2023 - Accommodations for J. Berg	380.59
10/09/2023	Supplies for California Water Professionals Appreciation Week Celebration 10/09/23-10/13/23	546.63

Cal Card Charges
Statement Date: October 23, 2023
Payment Date: November 30, 2023

Date	Description	Amount
Administration Card (continued):		
10/11/2023	Two 24" Dell Monitors for GM office	216.60
10/11/2023	Employee five-year anniversary gift card	25.00
10/11/2023	New Tires for Water Loss Control Shared Services Van	562.17
10/18/2023	(2) windows pro upgrade licenses for IT, (2) docking stations for IT, (1) iPad case for WUE	549.61
10/20/2023	Online Governmental Accounting Course for L. Gunawan	19.99
10/20/2023	Two self-inking MWDOC address stamps	54.39
Total:		**6,527.83**
Public Affairs Card:		
9/23/2023	Red Tape to Red Carpet application fee	125.00
9/27/2023	Public Affairs team planning lunch	133.22
9/28/2023	Mission Statement sign for conference room	394.76
9/29/2023	09/29/2023 Supplies for community events	182.45
9/30/2023	October 2023 - Open AI monthly subscription, language processing tool	20.00
10/01/2023	October 2023 Monthly Public Storage Unit for Public Affairs	619.00
10/02/2023	Framing for certificates of recognition for City of Seal Beach and Santa Margarita Water District	273.13
10/07/2023	Padlet Subscription for online surveys and message boards	69.99
10/08/2023	Supplies for community education events	53.66
10/18/2023	Supplies for community events, watershed model activity	15.62
Total:		**1,886.83**
WEROC Card:		
9/27/2023	Blink Annual Subscription	100.00
10/01/2023	Purchase of items from Amazon for First Aid Kits for MWDOC Staff Go-Bags	370.58
10/11/2023	OCEMO Meeting and Luncheon on December 7, 2023, registration for J. Schunk	50.00
10/20/2023	Home Depot (WEROC EOC Decommissioning Supplies)	187.19
10/20/2023	10/20/23 Lunch for staff for packing of WEROC primary SEOC's decommission	125.31
10/20/2023	OCWR - Landfill Fees (EOC Decommissioning) Load 1	5.00
10/20/2023	OCWR - Landfill Fees (EOC Decommissioning) Load 2	5.00
Total:		**843.08**

Municipal Water District of Orange County
GM Approved Disbursement Report [1]
For the Month of November 2023

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
E Source Companies LLC				
11/30/2023	EFT	11452	October 2023 Retail Agency Technical Assistance Services	2,960.00
Total				**2,960.00**
Office Solutions				
11/30/2023	EFT	I-02173047	11/03/23 Office supplies	126.43
Total				**126.43**
Anne Sandberg				
11/09/2023	EFT	92823	Predict Success Harrison Assessments for new hired staff	300.00
Total				**300.00**
Roth Staffing Companies LP				
11/30/2023	EFT	16085972	10/29/23 Week Ending Temporary Employee Services for Finance Department	2,224.44
11/30/2023	EFT	16088919	11/05/23 Week Ending Temporary Employee Services for Finance Department	1,977.28
Total				**4,201.72**
Lisa Thompson				
11/30/2023	142872	2552	Ricky Educational Book to Spanish	1,250.00
Total				**1,250.00**
Total Core Disbursements				**8,838.15**
Choice Disbursements:				
Lane M Matsuno				
11/30/2023	142875	17441	October 2023 Meter Accuracy Testing for Seal Beach	1,720.00
Total				**1,720.00**
Total Choice Disbursements				**1,720.00**

Municipal Water District of Orange County
GM Approved Disbursement Report [1]
For the Month of November 2023

Name/ Date	Check/ EFT	Invoice	Description	Amount
Other Funds Disbursements:				
E Source Companies LLC				
11/30/2023	EFT	11452	October 2023 Retail Agency Technical Assistance Services	79,445.00
Total				**79,445.00**
GovConnection Inc				
11/30/2023	EFT	74684898	(3) Office 365 G3 licenses (including MS Teams) for WEROC; One-year subscription	673.62
Total				**673.62**
County of Orange				
11/03/2023	EFT	STC5002283	10/01/23-12/31/23 WEROC Radio System operations and maintenance costs	636.50
Total				**636.50**
Total Other Funds Disbursements				**80,755.12**
Total Disbursements				**91,313.27**

Harvey De La Torre, General Manager

Hilary Chumpitazi, Treasurer

[1] For disbursements that did not make the cut-off of previous month's Disbursement Approval report. Disbursements are approved by GM for payment and need A & F Committee ratification.

MWDOC

Street Address:
18700 Ward Street
Fountain Valley, California 92708

Mailing Address:
P.O. Box 20895
Fountain Valley, CA 92728-0895

(714) 963-3058
Fax: (714) 964-9389
www.mwdoc.com

Megan Yoo Schneider, P.E.
President

Bob McVicker, P.E., D.WRE
Vice President

Randall Crane, Ph.D.
Director

Larry D. Dick
Director

Al Nederhood
Director

Karl W. Seckel, P.E.
Director

Jeffery M. Thomas
Director

Harvey F. De La Torre
General Manager

MEMBER AGENCIES

City of Brea
City of Buena Park
East Orange County Water District
El Toro Water District
Emerald Bay Service District
City of Fountain Valley
City of Garden Grove
Golden State Water Co.
City of Huntington Beach
Irvine Ranch Water District
Laguna Beach County Water District
City of La Habra
City of La Palma
Mesa Water District
Moulton Niguel Water District
City of Newport Beach
City of Orange
Orange County Water District
City of San Clemente
Santa Margarita Water District
City of Seal Beach
Serrano Water District
South Coast Water District
Trabuco Canyon Water District
City of Tustin
City of Westminster
Yorba Linda Water District

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

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

Fund	Book Value	% of Portfolio
Restricted Reserves		
WEROC Operating Fund	$573,566	2.85%
Pension 115 Trust	1,327,664	6.60%
Total Restricted Reserves	1,901,230	9.45%
Designated Reserves		
Operating Reserves	3,819,350	18.98%
Election Reserve	482,587	2.40%
OPEB Reserve	297,147	1.47%
Total Designated Reserves	4,599,084	22.85%
General Operations Fund	13,573,230	67.44%
Water Purchase Payments Fund	832,165	4.13%
Conservation Fund	(796,562)	(3.96%)
Trustee Activities - AMP	18,809	0.09%
Total Other Funds	13,627,642	67.70%
Total	**$20,127,956**	**100.00%**

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.86%	$173,493	$173,493
Pension 115 Trust	6.60%	1,327,664	1,327,664
Short-term investment			
• LAIF	56.44%	11,360,691	11,360,691
• OCTP	20.70%	4,166,165	4,166,165
Long-term investment			
• US Government Issues	1.24%	249,943	226,578
• Corporate Bond	5.96%	1,200,000	1,082,415
• Certificates of Deposit	8.20%	1,650,000	1,571,919
Total	**100.00%**	**$20,127,956**	**$19,908,925**

The average number of days to maturity/call as of October 31, 2023 equaled 117 and the average yield to maturity is 3.528%. During the month of October 2023, the District's average daily balance was $29,026,591.23. Funds were invested in US Bank, Negotiable Certificate of Deposits, Corporate Bonds, US Government Issues, Local Agency Investment Funds (LAIF) and Orange County Treasurer's Pool (OCTP).

The ($219,031) difference between the book value and the market value on October 31, 2023 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Harvey De La Torre
General Manager

Hilary Chumpitazi
Treasurer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary

October 31, 2023

10/31/2023	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,650,000.00	1,571,919.00	1,650,000.00	8.86	1,109	3.126
Corporate Bond	1,200,000.00	1,082,415.00	1,200,000.00	6.44	272	1.518
US Government Issues	250,000.00	226,577.50	249,943.18	1.34	26	0.860
Local Agency Investment Funds	11,360,691.09	11,360,691.09	11,360,691.09	60.99	1	3.659
Orange County Treasurer's Pool	4,166,164.67	4,166,164.67	4,166,164.67	22.37	1	4.071
Total Investments	**18,626,855.76**	**18,407,767.26**	**18,626,798.94**	**100.00**	**117**	**3.528**
Cash						
Cash	173,493.10	173,493.10	173,493.10		1	0.00
Pension 115 Trust	1,327,664.29	1,327,664.29	1,327,664.29		1	0.00
Total Cash and Investments	**20,128,013.15**	**19,908,924.65**	**20,127,956.33**		**117**	**3.528**

Total Earnings	Month Ending October	Fiscal Year to Date
Current Year	**81,096.13**	**275,398.20**
Average Daily Balance	**29,026,591.23**	
Effective Rate of Return	**3.528%**	

We certify that this report reflects the cash and investments of the Municipal Water District of Orange County and is in conformity with the Government Code requirements and the District Investment Policy and Guidelines in effect at the time of investment. The Investment Program herein shown provides sufficient cash flow liquidity to meet the next six month's estimated expenditure. The source for the market values are from U.S. Bank. Per Resolution 2059 there are no compliance exceptions to report.

Harvey De La Torre, General Manager — Date: 12/7/2023

Hilary Chumpitazi, Treasurer — Date: 12/07/2023

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
October 31, 2023

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Negotiable Certificate Of Deposit									
American Express Bank	02589ADE9	7/20/2022	200,000.00	186,510.00	200,000.00	3.350	3.350	1,358	7/20/2027
Capital One Bank	14042TBQ9	8/7/2019	250,000.00	243,560.00	250,000.00	2.250	2.250	281	8/7/2024
Capital One NA	14042RMJ7	7/24/2019	250,000.00	243,807.50	250,000.00	2.200	2.200	267	7/24/2024
Discover Bank	2546736R2	7/26/2023	250,000.00	240,672.50	250,000.00	4.500	4.500	1,728	7/24/2028
Sallie Mae Bank	7954507A7	7/14/2021	200,000.00	178,494.00	200,000.00	1.000	1.000	987	7/14/2026
State Bank of India	8562852O3	8/10/2023	250,000.00	244,172.50	250,000.00	4.550	4.550	1,745	8/10/2028
Toyota Financial SGS Bank	89235MPD7	9/27/2022	250,000.00	234,702.50	250,000.00	3.650	3.650	1,422	9/22/2027
Sub Total			**1,650,000.00**	**1,571,919.00**	**1,650,000.00**	**3.126**	**3.126**	**1,109**	
US Government Issues									
FHLB	3130ALGR9	3/1/2021	250,000.00	226,577.50	249,943.18	0.850	0.860	26	2/26/2026
Sub Total			**250,000.00**	**226,577.50**	**249,943.18**	**0.850**	**0.860**	**26**	
Corporate Bond									
Bank of America Corp	06048WK41	12/7/2020	250,000.00	222,442.50	250,000.00	0.850	0.800	756	11/25/2025
Citigroup Global Markets	17328WFZ6	9/16/2020	250,000.00	224,795.00	250,000.00	1.000	1.000	46	9/16/2025
JP Morgan Chase	48128GV56	8/18/2020	250,000.00	225,067.50	250,000.00	0.800	0.800	292	8/18/2025
Morgan Stanley Fin LLC	61766YKH3	6/29/2022	200,000.00	187,010.00	200,000.00	4.500	4.500	242	6/29/2027
Societe Generale	83369MD25	8/19/2020	250,000.00	223,100.00	250,000.00	1.150	1.088	19	8/19/2025
Sub Total			**1,200,000.00**	**1,082,415.00**	**1,200,000.00**	**1.542**	**1.518**	**272**	
Total Investments			**3,100,000.00**	**2,880,911.50**	**3,099,943.18**	**2.329**	**2.321**	**698**	

Total Earnings	Month Ending October	Fiscal Year To Date
Current Year	6,158.46	23,770.39

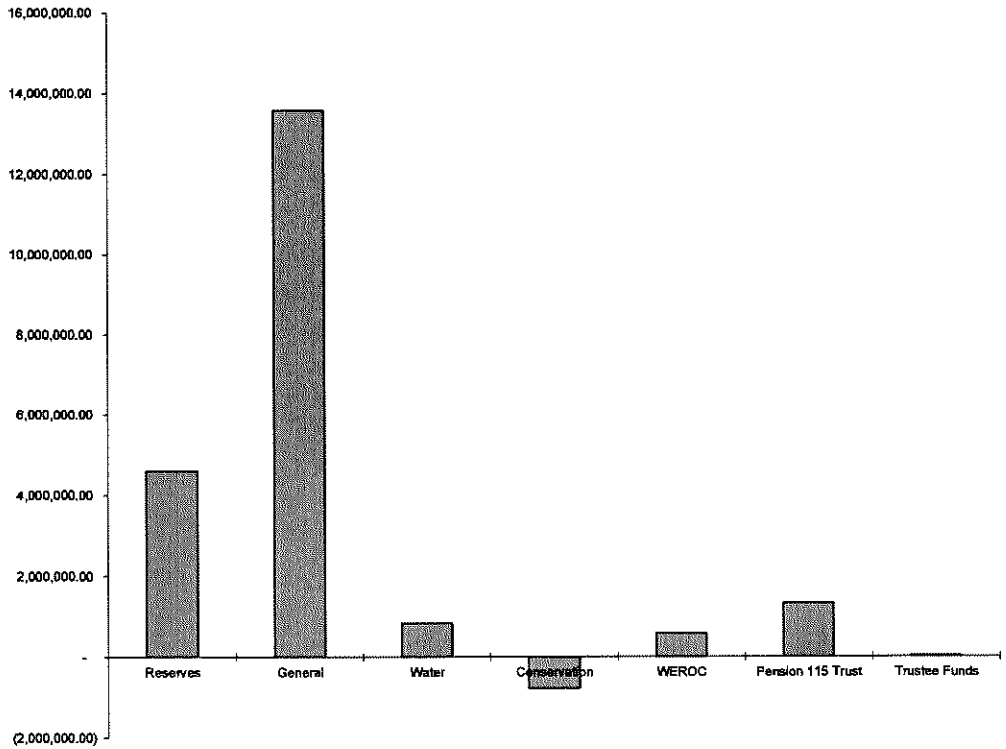
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
October 31, 2023

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds									
LAIF LGIP	LAIF	6/30/2010	11,360,691.09	11,360,691.09	11,360,691.09	3.659	3.659	1	N/A
Sub Total			**11,360,691.09**	**11,360,691.09**	**11,360,691.09**	**3.659**	**3.659**	**1**	
Orange County Treasurer's Pool									
County of Orange LGIP	OCIP	6/29/2005	4,166,164.67	4,166,164.67	4,166,164.67	4.071	4.071	1	N/A
Sub Total			**4,166,164.67**	**4,166,164.67**	**4,166,164.67**	**4.071**	**4.071**	**1**	
Total Investments			**15,526,855.76**	**15,526,855.76**	**15,526,855.76**	**3.770**	**3.770**		
Cash									
Petty Cash Cash	CASH	7/1/2010	500.00	500.00	500.00	0.000	0.000	1	N/A
US Bank Cash	CASHUSBANK	7/25/2018	172,993.10	172,993.10	172,993.10	0.000	0.000	1	N/A
Pension 115 Trust	115TRUST	7/1/2018	1,327,664.29	1,327,664.29	1,327,664.29	0.000	0.000	1	N/A
Total Cash			**1,501,157.39**	**1,501,157.39**	**1,501,157.39**	**0.000**	**0.000**	**1**	
Total Cash and Investments			**17,028,013.15**	**17,028,013.15**	**17,028,013.15**	**3.770**	**3.770**	**1**	

Total Earnings	Month Ending October	Fiscal Year To Date
Current Year	74,937.67	251,627.81

Municipal Water District of Orange County
Cash and Investments at October 31, 2023

ALLOCATION		AMOUNT	%
MWDOC			
Restricted Reserves			
WEROC Operating Fund	$	573,566	2.85%
Pension 115 Trust		1,327,664	6.60%
Total Restricted Reserves		1,901,230	9.45%
Designated Reserves			
Operating Reserve		3,819,350	18.98%
Election Reserve		482,587	2.40%
OPEB Reserve		297,147	1.47%
Total Designated Reserves		4,599,084	22.85%
General Operations Fund		13,573,230	67.44%
Water Purchase Payments Fund		832,165	4.13%
Conservation Fund		(796,562)	-3.96%
Total Other Funds		13,608,833	67.61%
TOTAL MWDOC	$	20,109,147	99.91%
TRUSTEE ACTIVITIES			
AMP Sales Admin	$	18,809	0.09%
TOTAL TRUSTEE ACTIVITIES	$	18,809	0.09%
TOTAL CASH & INVESTMENTS	$	**20,127,956**	**100.00%**



PUBLIC AGENCY RETIREMENT SERVICES | PARS

MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS Post-Employment Benefits Trust

Account Report for the Period
10/1/2023 to 10/31/2023

Hilary Chumpitazi
Accounting Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708

Account Summary

Source	Balance as of 10/1/2023	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 10/31/2023
OPEB	$2,494,931.39	$0.00	-$59,226.35	$1,239.29	$0.00	$0.00	$2,434,465.75
PENSION	$1,284,763.22	$0.00	-$30,498.56	$638.16	$0.00	$0.00	$1,253,626.50
Totals	**$3,779,694.61**	**$0.00**	**-$89,724.91**	**$1,877.45**	**$0.00**	**$0.00**	**$3,688,092.25**

Investment Selection

Source	
OPEB	**Moderate HighMark PLUS**
PENSION	**Moderate HighMark PLUS**

Investment Objective

Source	
OPEB	The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.
PENSION	The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return 3-Years	5-Years	10-Years	Plan's Inception Date
OPEB	-2.37%	-7.19%	3.69%	1.57%	4.13%	4.55%	10/26/2011
PENSION	-2.37%	-7.15%	3.73%	1.58%	4.13%	-	7/31/2018

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

COMBINED FINANCIAL STATEMENTS

AND

BUDGET COMPARATIVE

JULY 1, 2023 THRU OCTOBER 31, 2023

Municipal Water District of Orange County
Combined Balance Sheet
As of October 31, 2023

	Amount
ASSETS	
Cash in Bank	173,493.10
Investments	19,954,463.23
Accounts Receivable	23,903,610.65
Accounts Receivable - Other	633,440.29
Accrued Interest Receivable	120,120.75
Prepaids/Deposits	485,910.20
Leasehold Improvements	7,011,190.45
Furniture, Fixtures & Equipment	913,949.69
Less: Accumulated Depreciation	(4,084,914.95)
TOTAL ASSETS	**49,111,263.41**
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	24,580,179.01
Accrued Salaries and Benefits Payable	756,799.64
Other Liabilities	468,276.94
Unearned Revenue	1,253,622.54
TOTAL LIABILITIES	**27,058,878.13**
FUND BALANCES	
Restricted Fund Balances	
WEROC Reserve	317,999.82
Pension 115 Trust	1,120,664.29
Total Restricted Fund Balances	1,438,664.11
Unrestricted Fund Balances	
Designated Reserves	
General Operations	3,819,350.00
Election Expense	482,587.00
OPEB	297,147.00
Total Designated Reserves	4,599,084.00
General Fund	7,948,699.52
General Fund Capital	86,023.20
Total Unrestricted Fund Balances	12,633,806.72
Excess Revenue over Expenditure	
Operating Fund	7,990,805.67
Other Funds	(10,891.22)
TOTAL FUND BALANCES	**22,052,385.28**
TOTAL LIABILITIES AND FUND BALANCES	**49,111,263.41**

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2023 thru October 31, 2023

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
REVENUES						
Retail Connection Charge	0.00	9,206,255.25	9,206,255.00	100.00%	0.00	(0.25)
Ground Water Customer Charge	0.00	383,697.00	383,697.00	100.00%	0.00	0.00
Water Rate Revenues	**0.00**	**9,589,952.25**	**9,589,952.00**	**100.00%**	**0.00**	**(0.25)**
Interest Revenue	82,703.61	281,801.54	319,410.00	88.23%	0.00	37,608.46
Subtotal	**82,703.61**	**9,871,753.79**	**9,909,362.00**	**99.62%**	**0.00**	**37,608.21**
Choice Programs	1,949.04	1,404,717.47	1,591,032.00	88.29%	0.00	186,314.53
MWD Revenue - Shared Services	51,042.00	117,631.00	0.00	0.00%	0.00	(117,631.00)
Miscellaneous Income	0.00	1,114.61	3,000.00	37.15%	0.00	1,885.39
Revenue - Other	128.95	783.32	0.00	0.00%	0.00	(783.32)
School Contracts	7,023.56	18,945.62	435,950.00	4.35%	0.00	417,004.38
Delinquent Payment Penalty	0.00	1.05	0.00	0.00%	0.00	(1.05)
Transfer-In from Reserve	0.00	0.00	404,537.00	0.00%	0.00	404,537.00
Subtotal	**60,143.55**	**1,543,193.07**	**2,434,519.00**	**63.39%**	**0.00**	**891,325.93**
TOTAL REVENUES	**142,847.16**	**11,414,946.86**	**12,343,881.00**	**92.47%**	**0.00**	**928,934.14**

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2023 thru October 31, 2023

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
EXPENSES						
Salaries & Wages	409,135.44	1,600,686.95	5,135,356.00	31.17%	0.00	3,534,669.05
Salaries & Wages - Grant Recovery	0.00	0.00	(30,000.00)	0.00%	0.00	(30,000.00)
Director's Compensation	25,539.54	94,627.27	275,041.00	34.40%	0.00	180,413.73
MWD Representation	8,513.18	40,928.75	117,875.00	34.72%	0.00	76,946.25
Employee Benefits	121,940.67	477,663.21	1,507,382.00	31.69%	0.00	1,029,718.79
CalPers Unfunded Liability Contribution	0.00	0.00	207,000.00	0.00%	0.00	207,000.00
Director's Benefits	8,780.01	35,055.42	104,447.00	33.56%	0.00	69,391.58
Health Insurance for Retirees	3,566.33	22,001.02	84,847.00	25.93%	0.00	62,845.98
Training Expense	943.99	1,498.99	36,000.00	4.16%	0.00	34,501.01
Tuition Reimbursement	1,561.00	1,561.00	5,000.00	31.22%	0.00	3,439.00
Temporary Help Expense	0.00	10,503.24	5,000.00	210.06%	0.00	(5,503.24)
Personnel Expenses	**579,980.16**	**2,284,525.85**	**7,447,948.00**	**30.67%**	**0.00**	**5,163,422.15**
Engineering Expense	1,100.00	11,636.50	307,000.00	3.79%	79,403.00	215,960.50
Legal Expense	19,614.43	76,962.40	241,000.00	31.93%	164,037.60	0.00
Audit Expense	15,000.00	15,000.00	36,500.00	41.10%	16,500.00	5,000.00
Professional Services	122,828.95	421,264.76	1,798,425.00	23.42%	1,103,665.08	273,495.16
Professional Fees	**158,543.38**	**524,863.66**	**2,382,925.00**	**22.03%**	**1,363,605.68**	**494,455.66**
Conference - Staff	890.00	8,530.00	49,832.00	17.12%	0.00	41,302.00
Conference - Directors	865.00	4,430.00	23,065.00	19.21%	0.00	18,635.00
Travel & Accom. - Staff	2,628.10	9,856.44	102,200.00	9.64%	0.00	92,343.56
Travel & Accom. - Directors	242.70	5,371.96	42,400.00	12.67%	0.00	37,028.04
Travel & Conference	**4,625.80**	**28,188.40**	**217,497.00**	**12.96%**	**0.00**	**189,308.60**
Membership/Sponsorship	39,445.00	144,428.58	167,366.00	86.30%	0.00	22,937.42
CDR Support	0.00	15,608.28	62,433.00	25.00%	46,824.86	(0.14)
Dues & Memberships	**39,445.00**	**160,036.86**	**229,799.00**	**69.64%**	**46,824.86**	**22,937.28**
Business Expense	452.56	1,318.73	2,000.00	65.94%	0.00	681.27
Office Maintenance	15,150.96	49,663.39	175,860.00	28.24%	108,796.61	17,400.00
Building Repair & Maintenance	506.36	6,063.24	25,200.00	24.06%	6,480.76	12,656.00
Storage Rental & Equipment Lease	65.14	298.19	1,800.00	16.57%	501.81	1,000.00
Office Supplies	1,937.32	5,675.51	27,000.00	21.02%	2,243.28	19,081.21
Supplies - Water Loss Control	56.93	1,585.33	4,000.00	39.63%	0.00	2,414.67
Postage/Mail Delivery	554.37	2,246.91	11,675.00	19.25%	1,261.92	8,166.17
Subscriptions & Books	119.99	399.98	1,000.00	40.00%	0.00	600.02
Reproduction Expense	3,627.37	6,832.95	93,000.00	7.35%	2,951.62	83,215.43
Maintenance - Computers	235.98	2,661.32	5,000.00	53.23%	0.00	2,338.68
Software Purchase	6,606.87	36,525.18	106,498.00	34.30%	1,749.30	68,223.52
Software Support	5,873.90	28,133.48	50,185.00	56.06%	0.00	22,051.52
Computers and Equipment	568.21	9,261.21	43,000.00	21.54%	0.00	33,738.79
Maintenance Expense	0.00	0.00	6,000.00	0.00%	0.00	6,000.00
Automotive Expense	1,278.68	4,111.15	9,400.00	43.74%	0.00	5,288.85
Vehicle Expense	1,439.39	6,833.16	12,000.00	56.94%	0.00	5,166.84
Toll Road Charges	45.44	132.74	975.00	13.61%	0.00	842.26
Insurance Expense	15,862.90	65,519.45	182,976.00	35.81%	0.00	117,456.55
Utilities - Telephone	4,536.57	14,196.27	46,438.00	30.57%	1,026.27	31,215.46
Bank Fees	0.00	0.00	2,600.00	0.00%	0.00	2,600.00
Miscellaneous Expense	6,934.59	34,276.04	154,200.00	22.23%	5,839.00	114,084.96
MWDOC's Contrb. to WEROC	24,442.25	97,769.00	293,307.00	33.33%	0.00	195,538.00
Depreciation Expense	9,278.00	37,112.32	0.00	0.00%	0.00	(37,112.32)
Other Expenses	**99,573.78**	**410,615.55**	**1,254,114.00**	**32.74%**	**130,850.57**	**712,647.88**
Election Expense	0.00	0.00	563,020.00	0.00%	0.00	563,020.00
Capital Aquisition	0.00	1,510.56	25,892.00	5.83%	0.00	24,381.44
Building Expense	4,803.03	14,400.31	222,686.00	6.47%	22,082.21	186,203.48
TOTAL EXPENSES	**886,971.15**	**3,424,141.19**	**12,343,881.00**	**27.74%**	**1,563,363.32**	**7,356,376.49**
NET INCOME (LOSS)	**(744,123.99)**	**7,990,805.67**	**0.00**	**0.00%**	**(1,563,363.32)**	**(6,427,442.35)**

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
July 1, 2023 thru October 31, 2023

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
WATER REVENUES					
Water Sales	9,953,833.00	45,961,189.70	181,024,108.00	25.39%	135,062,918.30
Readiness to Serve Charge	1,138,233.52	4,567,945.93	13,768,707.00	33.18%	9,200,761.07
Capacity Charge CCF	293,620.00	1,174,480.00	4,816,710.00	24.38%	3,642,230.00
SCP/SAC Pipeline Surcharge	28,513.42	124,507.33	358,000.00	34.78%	233,492.67
TOTAL WATER REVENUES	**11,414,199.94**	**51,828,122.96**	**199,967,525.00**	**25.92%**	**148,139,402.04**
WATER PURCHASES					
Water Sales	9,953,833.00	45,961,189.70	181,024,108.00	25.39%	135,062,918.30
Readiness to Serve Charge	1,138,233.52	4,567,945.93	13,768,707.00	33.18%	9,200,761.07
Capacity Charge CCF	293,620.00	1,174,480.00	4,816,710.00	24.38%	3,642,230.00
SCP/SAC Pipeline Surcharge	28,513.42	124,507.33	358,000.00	34.78%	233,492.67
TOTAL WATER PURCHASES	**11,414,199.94**	**51,828,122.96**	**199,967,525.00**	**25.92%**	**148,139,402.04**
EXCESS OF REVENUE OVER EXPENDITURE	**0.00**	**0.00**	**0.00**	**0.00%**	**0.00**

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Use Efficiency
July 1, 2023 thru October 31, 2023

	Year to Date Actual	Annual Budget	% Used
Spray To Drip Conversion(3423)			
Revenues	220,555.29	613,600.00	35.94%
Expenses	260,579.18	613,600.00	42.47%
Excess of Revenues over Expenditures	(40,023.89)	0.00	
Member Agency Administered Pass-Thru(3425)			
Revenues	0.00	338,000.00	0.00%
Expenses	0.00	338,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program(3410)			
Revenues	520.00	1,000.00	52.00%
Expenses	740.00	1,000.00	74.00%
Excess of Revenues over Expenditures	(220.00)	0.00	
HECW Rebate Program(3411)			
Revenues	26,146.83	40,000.00	65.37%
Expenses	20,785.00	40,000.00	51.96%
Excess of Revenues over Expenditures	5,361.83	0.00	
CII Rebate Program(3416)			
Revenues	0.00	1,000.00	0.00%
Expenses	0.00	1,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Turf Removal Program(3418)			
Revenues	1,751,194.07	11,298,000.00	15.50%
Expenses	1,774,367.68	11,298,000.00	15.71%
Excess of Revenues over Expenditures	(23,173.61)	0.00	
Comprehensive Landscape (CLWUE)(3427)			
Revenues	63,991.73	152,400.00	41.99%
Expenses	77,581.86	152,400.00	50.91%
Excess of Revenues over Expenditures	(13,590.13)	0.00	
Recycled Water Program(3433)			
Revenues	0.00	50,000.00	0.00%
Expenses	37,228.75	50,000.00	74.46%
Excess of Revenues over Expenditures	(37,228.75)	0.00	
WSIP - Industrial Program(3432)			
Revenues	0.00	53,720.00	0.00%
Expenses	0.00	53,720.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Land Design Program(3431)			
Revenues	45,125.00	300,000.00	15.04%
Expenses	56,985.00	300,000.00	19.00%
Excess of Revenues over Expenditures	(11,860.00)	0.00	
Pressure Regulation Program(3435)			
Revenues	8,951.02	15,000.00	59.67%
Expenses	8,951.02	15,000.00	59.67%
Excess of Revenues over Expenditures	0.00	0.00	
Dedicated Irrigation Meters Measurement Project (DIMM)(3439)			
Revenues	41,860.00	743,000.00	5.63%
Expenses	173,339.43	743,000.00	23.33%
Excess of Revenues over Expenditures	(131,479.43)	0.00	

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Use Efficiency
July 1, 2023 thru October 31, 2023

	Year to Date Actual	Annual Budget	% Used
Total WUE Projects			
Revenues	2,158,343.94	13,605,720.00	15.86%
Expenses	2,410,557.92	13,605,720.00	17.72%
Excess of Revenues over Expenditures	(252,213.98)	0.00	
WEROC			
Revenues	387,569.00	586,614.00	66.07%
Expenses	168,788.42	586,614.00	28.77%
Excess of Revenues over Expenditures	218,780.58	0.00	



FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Table of Contents

Page

Independent Auditor's Report ..... 1 - 3

Management's Discussion and Analysis (Unaudited) ..... 4 - 10

Basic Financial Statements:

- Statement of Net Position ..... 11 - 12
- Statement of Revenues, Expenses and Changes in Net Position 13
- Statement of Cash Flows ..... 14 - 15
- Notes to Basic Financial Statements ..... 16 - 35

Required Supplementary Information (Unaudited):

- Schedule of Changes in Net OPEB Liability and Related Ratios 36
- Schedule of OPEB Contributions 37
- Notes to Schedule for OPEB 38
- Cost Sharing Retirement Plan Schedule of the District's Proportionate Share of the Net Pension Liability 39
- Notes to Schedule for Retirement Plan 40
- Cost Sharing Retirement Plan Schedule of Contributions 41
- Summary of Change of Benefits or Assumptions 42



INDEPENDENT AUDITORS' REPORT

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

Independent Auditor's Report

Municipal Water District of Orange County
Board of Directors
Fountain Valley, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Municipal Water District of Orange County (the District), as of and for the year June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the District as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Other Post-Employment Benefit Plan: Schedule of Changes, Other Post-Employment Benefit Plan: Schedule of OPEB Contributions, Cost Sharing Retirement Plan: Schedule of the District's Proportionate Share of the Net Pension Liability, and Cost Sharing Retirement Plan: Schedule of Contributions* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance

on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited the financial statements of the Municipal Water District of Orange County for the year ended June 30, 2022, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 2, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Irvine, California
December 7, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

The following is a brief discussion of the Municipal Water District of Orange County's (District) activities and financial performance for the year ended June 30, 2023. Please read it in conjunction with the District's basic financial statements and accompanying notes which follow this section.

FINANCIAL HIGHLIGHTS

- The District's revenues were $174.7 million in FY 2022-23, compared to $214.9 million in the prior fiscal year, a 18.7% decrease.
- The District's expenses were $174.1 million in FY 2022-23, compared to $213.6 million in the prior fiscal year, a 18.5% decrease.
- The District's assets at June 30, 2023 were $36.7 million, a 33.9% decrease compared to total assets of $55.6 million at June 30, 2022.
- The District's liabilities at June 30, 2023 were $25.7 million, a 40.2% decrease compared to total liabilities of $43.0 million at June 30, 2022.
- The District's net position at June 30, 2023 was $12.9 million, a 4.7% increase compared to net position of $12.3 million at June 30, 2022.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The District's financial statements, prepared in accordance with generally accepted accounting principles (GAAP), offer key, high-level financial information about the District activities during the reporting period. The financial statements of the District consist of three interrelated statements designed to provide the reader with relevant information on the District's financial condition and operating results. These statements offer short-term and long-term financial information about the District's activities utilizing the full accrual basis of accounting.

The *Statement of Net Position* includes all of the District's assets and deferred outflows of resources, less liabilities and deferred inflows of resources, with the difference being reported as Net Position. It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

All the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses and Changes in Net Position*. This statement measures the District's operations over the past year and can be used to determine whether the District has successfully recovered all its projected costs through its rates and other service related charges.

The final required financial statement is the *Statement of Cash Flows*, which presents information about the District's cash receipts and cash payments during the reporting period classified as cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities. This statement also provides comparative information on the sources and uses of the District's cash during the reporting period.

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is: "Is the District, as a whole, financially better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and changes in them. You can think of the District's net position (the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources) as one way to measure financial health or financial position. Over time, increases or decreases in the District's Net Position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors, such as changes in economic conditions, population growth, changes in rates and charges and new or changed government legislation or accounting standards.

STATEMENT OF NET POSITION

Net position is the difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources, and may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's Statement of Net Position.

TABLE 1
Condensed Statements of Net Positions
(In thousands of dollars)
June 30:

	FY 2023	FY 2022	Variance	Total Percent Change
Current Restricted Assets	$ 3,656	$ 3,303	$ 353	10.7%
Current Unrestricted Assets	28,980	48,030	(19,050)	(39.7%)
Capital Assets	3,877	4,141	(264)	(6.4%)
Other Assets	203	104	99	95.2%
Total Assets	**36,716**	**55,578**	**(18,862)**	**(33.9%)**
Deferred Outflows of Resources	**2,354**	**1,345**	**1,009**	**75.0%**
Current Liabilities Payable from Restricted Assets	1,103	1,351	(248)	(18.4%)
Current Liabilities Payable from Unrestricted Liabilities	21,001	40,556	(19,555)	(48.2%)
Noncurrent Unrestricted Liabilities	3,613	1,098	2,515	229.1%
Total Liabilities	**25,717**	**43,005**	**(17,288)**	**(40.2%)**
Deferred Inflows of Resources	**433**	**1,579**	**(1,146)**	**(72.6%)**
Net Position:				
Investment in Capital Assets	3,877	4,141	(264)	(6.4%)
Restricted for Trustee Activities	2,553	1,952	601	30.8%
Unrestricted	6,490	6,246	244	3.9%
Total Net Position	**$ 12,920**	**$ 12,339**	**$ 581**	**4.7%**

- Total Assets decreased by $18.9 million due to a decrease in Accounts Receivable for June Water Sales, an increase in conservation rebates which create an internal borrowing, and an increase in the net OPEB asset.

- Total Liabilities decreased by $17.3 million primarily due to lower Water Sales in June for unrestricted offset by an increase in net pension liability for noncurrent liabilities.

- Total Net Position had a small increase due to a reduction in restricted activities and deferred inflows caused from pension liabilities increasing.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

While the Statement of Net Position shows the financial position at year-end, the Statement of Revenues, Expenses and Changes in Net Position provides information as to the results of operations of the District during the year. The District reported an increase in net position of $581 thousand for the year ended June 30, 2023, as compared to $1.4 million for the year ended June 30, 2022. The following is a summary of the change in the District's net position.

TABLE 2
Condensed Statements of Revenues
Expenses, and Changes in Net Position
(In thousands of dollars)

	FY 2023	FY 2022	Variance	Total Percent Change
Water Sales	$ 165,457	$ 210,432	$ (44,975)	(21.4%)
Special Project Revenues	8,767	4,663	4,104	88.0%
Non-operating Revenues/(Expenses)	468	(166)	634	(381.9%)
Total Revenues	**174,692**	**214,929**	**(40,237)**	**(18.7%)**
Operating Expenses	165,016	208,609	(43,593)	(20.9%)
Special Projects Expenses	8,767	4,662	4,105	88.1%
Depreciation Expense	328	281	47	16.7%
Total Expenses	**174,111**	**213,552**	**(39,441)**	**(18.5%)**
Change in Net Position	**581**	**1,377**	**(796)**	**(57.8%)**
Beginning Net Position	**12,339**	**10,962**	**1,377**	**12.6%**
Ending Net Position	**$ 12,920**	**$ 12,339**	**$ 581**	**4.7%**

The sources of change in net position are the following:

- Water Sales Revenues and Operating Expenses are lower due to lower water sales for the year.
- Special Projects Revenue and Expense are higher due to increased conservation and Federal Grant activity in conservation rebates.
- Non-operating Revenues are higher due to an increase in interest revenue.
- Net position increased mainly due to the increase in Non-operating Revenues.

CAPITAL ASSETS

The following is a summary of the District's capital assets at June 30, 2023 and June 30, 2022.

TABLE 3
Capital Assets
(In thousands of dollars)

	FY 2023	FY 2022	Variance	Total Percent Change
Leasehold Improvements	$ 7,011	$ 7,001	$ 10	0.1%
Furniture, Equipment & Computer Equipment	914	885	29	3.3%
Subtotal	**7,925**	**7,886**	**39**	**0.5%**
Less Accumulated Depreciation	**(4,048)**	**(3,745)**	**(303)**	**8.1%**
Net Capital Assets	**$ 3,877**	**$ 4,141**	**$ (264)**	**(6.4%)**

The District's completed office remodel and retrofit project has had a full year of depreciation. Additional information regarding capital assets can be found in Notes 1 and 4 of the notes to the financial statements.

DEBT ADMINISTRATION

The District had no debt outstanding as of June 30, 2023. The District does not plan to issue new debt in the year ending June 30, 2024.

BUDGETARY HIGHLIGHTS

The District is governed by a Board of Directors consisting of seven elected members. The Board adopts an annual appropriated budget prior to the start of the fiscal year. The Budget may be revised by Board action during the fiscal year. All amendments to the budget, or transfers of operating budget appropriations to or from reserve accounts, require Board notification. The General Manager is authorized to transfer budget amounts within programs and cost centers. The legal level of budgetary control is at the total fund level. An actual vs. budget comparison schedule for FY 2022-23 is presented in Table 4 to demonstrate compliance with the adopted budget.

TABLE 4
FY 2023 Actual vs Budget
(In thousands of dollars)

	Actual	Budget	Variance	Total Percent Change
Revenues:				
From Operations	$ 174,224	$ 194,308	$ (20,084)	(10.3%)
Non-operating Revenues	468	154	314	203.9%
Total Revenues	**174,692**	**194,462**	**(19,770)**	**(10.2%)**
Expenses:				
From Operations				
Cost of Water	154,367	174,477	20,110	11.5%
Other Operating	19,416	20,437	1,021	5.0%
Depreciation	328	323	(5)	(1.5%)
Total Expenses	**174,111**	**195,237**	**21,126**	**10.8%**
Change In Net Assets	**$ 581**	**$ (775)**	**$ 1,356**	**(175.0%)**

The variances on the budget to actual are as follows:

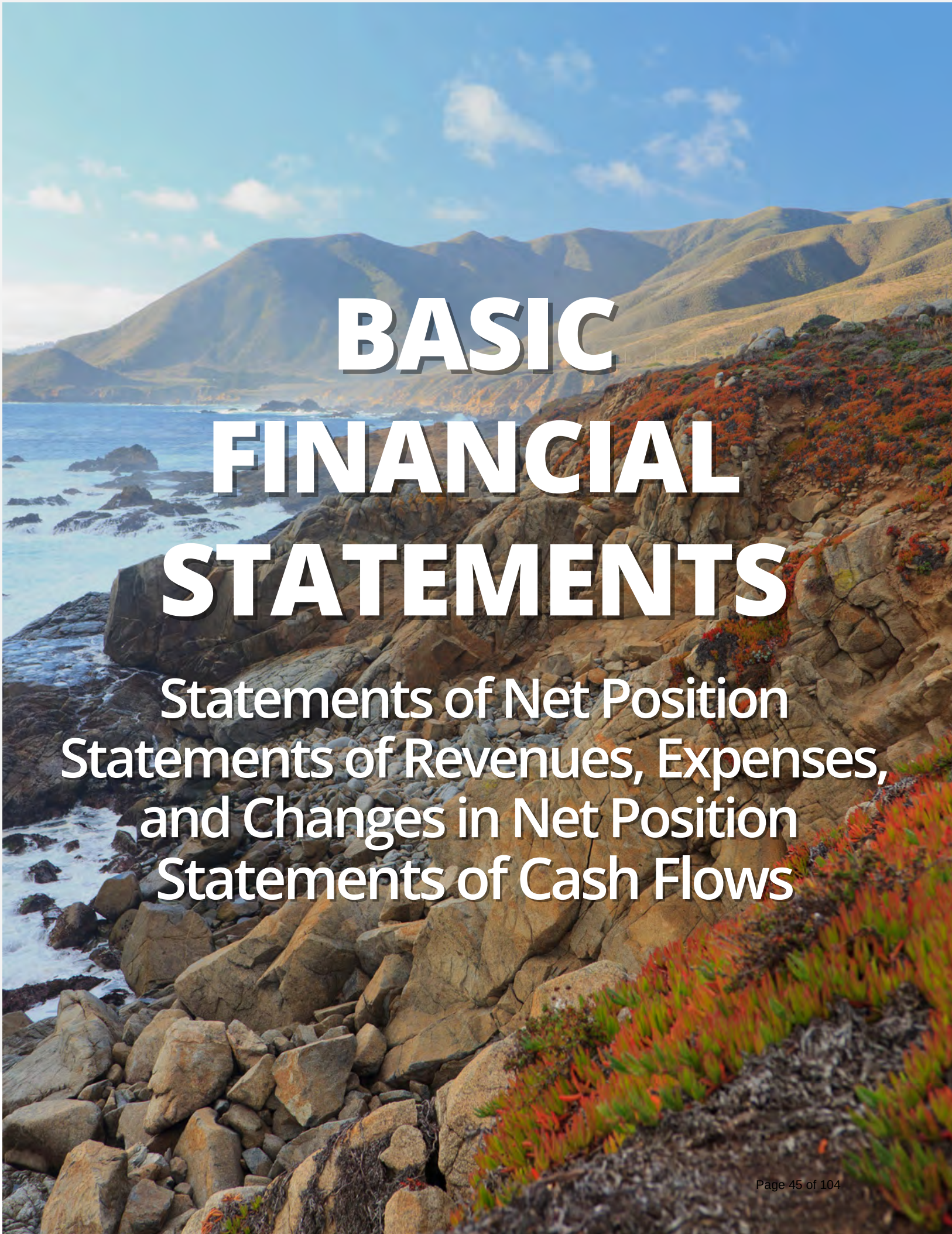
- Revenues from Operations were $20.1 million less than budget due to actual water sales being lower than expected.
- Non-Operating Revenues are higher due to an increase in interest income.
- Expenses from Cost of Water purchased were $20.1 million lower than budget due to actual water sales being lower than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's Board of Directors and management considered many factors during the preparation and approval of the annual budget for FY 2023-24. The budgeted operating expenses total $226.2 million and operating revenues total $225.8 million.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is intended to provide the Board of Directors, customers, taxpayers, creditors, and other interested parties with a general overview of the District's financial operations and condition as of and for the year ended June 30, 2023, and to demonstrate the District's accountability for the funds it receives. If you have questions about this report or need additional information, you may contact the Municipal Water District of Orange County, Finance Dept., at 18700 Ward Street, Fountain Valley, CA 92708, (714) 963-3058. Or visit our website at www.mwdoc.com.



BASIC FINANCIAL STATEMENTS

Statements of Net Position
Statements of Revenues, Expenses, and Changes in Net Position
Statements of Cash Flows

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Net Position

June 30, 2023

(with comparative data as of June 30, 2022)

	2023	2022
ASSETS		
Current Assets:		
Restricted Assets (Note 3):		
Cash and Cash Equivalents (Note 2)	$ 365,110	$ 946,679
Investments (Note 2)	1,120,665	$ -
Accounts Receivable Other	2,169,947	2,355,276
Accrued Interest Receivable	149	978
Total Restricted Assets	3,655,871	3,302,933
Unrestricted Assets:		
Cash and Cash Equivalents (Note 2)	6,740,899	7,291,393
Investments (Note 2)	2,875,886	2,962,367
Accounts Receivable:		
Water Sales	18,599,500	37,502,695
Other	458,696	85,033
Accrued Interest Receivable	135,419	47,085
Deposits and Prepaid Expenses	169,843	141,139
Total Unrestricted Assets	28,980,243	48,029,712
Total Current Assets	32,636,114	51,332,645
Noncurrent Assets:		
Unrestricted Assets:		
Capital Assets, Net (Note 4)	3,877,338	4,141,177
Net Other Post Employment Benefits (OPEB) Asset (Note 8)	202,948	104,284
Total Noncurrent Assets	4,080,286	4,245,461
TOTAL ASSETS	36,716,400	55,578,106
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount Related to Pensions (Note 7)	2,150,394	1,008,822
Deferred Amount Related to OPEB (Note 8)	203,488	336,022
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,353,882	1,344,844

See accompanying notes to basic financial statements

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Net Position (Continued)
June 30, 2023
(with comparative data as of June 30, 2022)

	2023	2022
LIABILITIES		
Current Liabilities:		
Payable from Restricted Assets		
Accrued Liabilities	$ 48,412	$ 275,981
Advances from Participants	1,054,844	1,074,951
Total Payable from Restricted Assets	1,103,256	1,350,932
Unrestricted Liabilities:		
Accounts Payable, Metropolitan Water District of Southern California	18,900,555	38,268,338
Accrued Liabilities	2,100,680	2,288,018
Total Unrestricted Liabilities	21,001,235	40,556,356
Total Current Liabilities	22,104,491	41,907,288
Noncurrent Liabilities:		
Unrestricted Liabilities:		
Net Pension Liability (Note 7)	3,612,624	1,097,925
Total Noncurrent Liabilities	3,612,624	1,097,925
TOTAL LIABILITIES	25,717,115	43,005,213
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount Related to Pensions (Note 7)	274,992	1,195,031
Deferred Amount Related to OPEB (Note 8)	158,066	383,875
TOTAL DEFERRED INFLOWS OF RESOURCES	433,058	1,578,906
NET POSITION		
Net Investment in Capital Assets	3,877,338	4,141,177
Restricted	2,552,615	1,952,001
Unrestricted	6,490,156	6,245,653
TOTAL NET POSITION	$ 12,920,109	$ 12,338,831

See accompanying notes to basic financial statements

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Revenues, Expenses and
Changes in Net Position
For the Fiscal Year Ended June 30, 2023
(with comparative data as of June 30, 2022)

	2023	2022
Operating Revenues:		
Water Sales	$ 165,457,192	$ 210,432,332
Special Projects Revenue	7,058,040	2,796,851
Federal Grant Revenue	801,847	702,714
State Grant Revenue	907,018	1,162,824
Total Operating Revenues	174,224,097	215,094,721
Operating Expenses:		
Cost of Water Sold	154,366,951	200,130,346
Salaries and Employee Benefits	6,524,046	5,275,533
General and Administrative	4,124,773	3,203,110
Special Project Expenses	8,766,905	4,662,389
Depreciation	327,888	281,210
Total Operating Expenses	174,110,563	213,552,588
Operating Income	113,534	1,542,133
Nonoperating Revenues:		
Investment Income/(Loss)	452,095	(174,503)
Other Income	15,649	8,784
Total Nonoperating Revenues	467,744	(165,719)
Change in Net Position	581,278	1,376,414
NET POSITION - BEGINNING OF YEAR	12,338,831	10,962,417
NET POSITION - END OF YEAR	$ 12,920,109	$ 12,338,831

See accompanying notes to basic financial statements

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2023

(with comparative data for the Year Ended June 30, 2022)

	2023	2022
Cash Flows from Operating Activities:		
Cash received from member agencies-water deliveries	$ 184,360,387	$ 206,595,295
Cash (payments) to Metropolitan Water District of Southern California	(173,734,734)	(196,152,292)
Cash (payments) for salaries and employee benefits	(6,262,897)	(6,424,321)
Cash (payments) for general and administrative expenses	(4,714,478)	(5,076,491)
Cash received from special projects	8,724,665	3,255,043
Cash (payments) for special projects	(8,787,012)	(3,999,480)
Other income	15,649	8,784
Net Cash Provided (Used) by Operating Activities	(398,420)	(1,793,462)
Cash Flows from Capital and Related Financing Activity:		
Acquisition of capital assets	(64,049)	(1,060,186)
Cash Used by Capital and Related Financing Activity	(64,049)	(1,060,186)
Cash Flows from Investment Activities:		
Investment income	452,095	80,136
Investments matured/(purchased)	(1,024)	(79,400)
Cash Provided (Used) by Investment Activities	451,071	736
Net increase (decrease) in cash and cash equivalents	(11,398)	(2,852,912)
Cash and Cash equivalents at beginning of year	8,238,072	11,090,984
Cash and Cash Equivalents at End of Year	$ 8,226,674	$ 8,238,072
Financial Statement Presentation:		
Cash and Cash Equivalents (Restricted)	$ 1,485,775	$ 946,679
Cash and Cash Equivalents (Unrestricted)	6,740,899	7,291,393
Totals	$ 8,226,674	$ 8,238,072

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Cash Flows (Continued)

For the Fiscal Year Ended June 30, 2023

(with comparative data for the Year Ended June 30, 2022)

	2023	2022
Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	$ 113,534	$ 1,542,133
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	327,888	281,210
Other Income	15,649	8,784
Changes in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable - Water Sales	18,903,195	(3,837,037)
(Increase)/Decrease in Accounts Receivable - Other	(373,663)	145,793
(Increase) in Deposits and Prepaid Expenses	(28,704)	51,914
(Increase) in OPEB asset	(98,664)	(15,088)
(Increase)/Decrease in Accounts Receivable - Special Projects	185,329	(1,242,874)
(Increase)/Decrease in Deferred Outflows - Pension/OPEB Related	(1,009,038)	(447,065)
Increase/(Decrease) in Accrued and Other Liabilities	(187,338)	(2,071,088)
Increase/(Decrease) in Restricted Accrued Liabilities	(227,569)	(164,472)
Increase/(Decrease) in Advances from Participants	(20,107)	662,909
Increase/(Decrease) in Accounts Payable to Metropolitan Water District of Southern California	(19,367,783)	3,978,054
Increase/(Decrease) in Net Pension and OPEB Liability	2,514,699	(1,746,908)
Increase in Deferred Inflows - Pension/OPEB Related	(1,145,848)	1,060,273
Total Adjustments	(511,954)	(3,335,595)
Net Cash Provided by Operating Activities	$ (398,420)	$ (1,793,462)
Noncash investing activity:		
Unrealized gain/(loss) on investments*	$ (54,820)	$ (318,469)
Total noncash investing activity	$ (54,820)	$ (318,469)

See accompanying notes to basic financial statements.



NOTES TO BASIC FINANCIAL STATEMENTS

(1) Organization and Summary of Significant Accounting Policies

Reporting Entity

The Municipal Water District of Orange County (the District) was formed as a municipal water district on January 11, 1951 under the Municipal Water District Act of 1911. The District is a wholesale water supplier and resource planning agency that serves all of Orange County through 27 cities and water agencies (except the Cities of Anaheim, Fullerton, and Santa Ana which are independent member agencies of Metropolitan Water District of Southern California (Metropolitan). As a public agency member of Metropolitan, the District purchases imported water from Metropolitan and provides water to the District's 27 member agencies, which provide retail or wholesale water services to over 2.35 million residents within the District's service area of approximately 600 square miles. The District's primary sources of water from Metropolitan are the California State Water Project (SWP) and the Colorado River Aqueduct.

The District is an independent special district of the State of California governed by an elected seven-member board. On January 2001, the District merged with the Coastal Municipal Water District (Coastal) under the recommendation of the Local Agency Formation Commission of Orange County (LAFCO) as part of an effort to streamline local government. The consolidation of the two agencies allows the new district to more efficiently provide wholesale water services for the benefit of residents living throughout the service area.

The District's reporting entity includes the accounts of the District and the Municipal Water District of Orange County Water Facilities Corporation (WFC). Formed as a separate California nonprofit corporation on April 20, 1978 to assist in the financing of the Allen-McColloch Pipeline (AMP) and the Flow Augmentation Project (FAP), the WFC has no employees. The WFC is governed by a seven-member board comprised of the District's board members. The WFC had no activity or balances for the year ended June 30, 2023, and is kept active for potential future financing arrangements. WFC is a blended component unit of the District and the District has operational responsibility for WFC.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting.

Under the economic resources measurement focus, all assets, deferred inflows and outflows of resources, and liabilities (whether current or noncurrent) associated with these activities are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Basic Financial Statements

The District's basic financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows, and the Notes to the Basic Financial Statements.

(1) Organization and Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The District accounts for its activities as an enterprise fund. An enterprise fund is a proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's basic financial statements have been prepared on the accrual basis of accounting, and are presented on an economic measurement focus reporting all economic resources and obligations as of and for the year ended June 30, 2023.

Net Position

In the Statement of Net Position, net position is classified in the following categories:

- Net investment in capital assets – This amount consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets as applicable.

- Restricted net position – This amount consists of restricted assets reduced by liabilities. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported or a resource subject to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

- Unrestricted net position – This amount is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first and then unrestricted resources, as they are needed.

Operating and Nonoperating Revenues and Expenses

The District's primary purpose is to provide a dependable wholesale supply of imported water for its 27 member agencies. Accordingly, operating revenues such as water sales result from exchange transactions associated with the principal activity of the District, which is the purchase and resale of imported water to the District's member agencies.

Revenues from federal and state grants, reimbursements from participants and special projects, as well as special project expenses are defined as operating revenues and expenses, respectively. Nonoperating revenues consist of investment income and other miscellaneous income.

(1) Organization and Summary of Significant Accounting Policies (Continued)

Water Sales and Cost of Water Sold

Historically, the District's primary source of revenue has been from the resale of imported water to the District's 27 member agencies located in Orange County. Based on Metropolitan's cost of water, each year Metropolitan's Board of Directors approves water rates comprised of a capacity charge, readiness to serve charge and a per acre-foot charge. Metropolitan's rates are based on cost-of-service studies performed on a biennial basis. Water rates are not subject to regulation by the California Public Utilities Commission or by any other local, state, or federal agency. Revenue from sales of water is recognized on an accrual basis as water is delivered.

The District's revenue is from a per retail meter connection charge and a groundwater customer charge. Choice services are charged directly to the agencies as a "fee for service" on a subscription basis. The member agencies also pay for the resale of imported water in addition to the other charges noted.

Investments

Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investment policy and delegation of investment authority is reviewed and approved each year by the Board of Directors. The investment policy authorizes the Treasurer to invest, reinvest, sell or exchange permitted fixed income securities in accordance with the California Government Code. Investment income from restricted assets remains restricted.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash and short-term, highly liquid investments (i.e., Local Agency Investment Fund and Orange County Investment Pool) which are readily convertible to cash and mature within ninety (90) days of original purchase.

Accounts Receivable

The District extends credit to customers in the normal course of operations. Management believes all accounts receivable are collectible. In the event any accounts receivables are determined they are uncollectible, an allowance is recorded.

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and a useful life greater than one (1) year. Upon retirement, sale or other disposition of capital assets, the cost and related accumulated depreciation are removed from their respective accounts and any gains or losses are recognized. Depreciation is computed using the straight-line method over the estimated useful

(1) Organization and Summary of Significant Accounting Policies (Continued)

life of the asset, which range from 3 to 10 years for furniture, fixtures, and equipment, and up to 30 years for leasehold improvements.

Deposits and Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as Deposits and Prepaid Expenses in the basic financial statements.

Deferred Outflows and Inflows of Resources

The District reported deferred outflows and inflows of resources related to pensions and OPEB. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net position by the district that is applicable to a future period. Refer to Note 7 and 8 for items identified as deferred inflows and outflows of resources as of June 30, 2023.

Compensated Absences

As vacation leave is a vested employee benefit, the District is obligated to compensate employees for all earned but unused vacation days. Employee vacation days are accrued each pay period and reported as accrued liabilities. Depending on the length of employment, employees earn a minimum of 10 up to a maximum of 21 vacation days per year. Accumulated vacation days may not exceed 2 times the number of days earned per year without prior approval of the General Manager. Sick leave time is a non-vested employee benefit (i.e., accumulated sick leave is not payable in the event of employee termination), is considered a contingent liability, and is not reflected in the accompanying financial statements.

Unearned Revenue / Advances from Participants

Unearned revenue and advances from participants represent grant and agency revenues received in advance of the recognition of the related expense.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees Retirement System (CalPERS) plan and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources, deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at

(1) Organization and Summary of Significant Accounting Policies (Continued)

the time of purchase of one year or less, which are reported at cost.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that could affect certain reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates. Also, the preparation of the financial statements inherently requires rounding of amounts and estimates. Management believes that any differences due to rounding are not material.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's prior year financial statements, from which this selected financial data was derived.

(2) Cash and Investments

Cash and investments at June 30, 2023, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents (restricted)	$	365,110
Cash and cash equivalents (unrestricted)		6,740,899
Investments (restricted)		1,120,665
Investments (unrestricted)		2,875,886
Total Cash and Investments	$	11,102,560

Cash and investments as of June 30, 2023 consist of the following:

Cash on hand	$	500
Deposits with financial institutions		131,061
Investments		10,970,999
Total Cash and Investments	$	11,102,560

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy). The table also identifies certain provisions of the California Government Code (or the District's investment policy) that address interest rate risk and concentration of credit risk. The District's investment policy allows for funds to be divided into two categories. The Operating Fund authorized investments are below:

(2) Cash and Investments (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One
U.S. Treasuries	5 years	100%	100%
U.S. Government Agencies	5 years	100%	50%
Corporate Securities	5 years	30%	10%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	5%
Bankers' Acceptances	180 days	40%	5%
Repurchase Agreements	1 year	20%	10%
Money Market Mutual Funds	N/A	20%	20%
Collective Investment Pool	N/A	20%	10%
County Investment Pool	N/A	100%	100%
State Investment Pool	N/A	100%	100%

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that a change in market interest rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair market values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

		Remaining Maturity (in Months)		
Investment Type	Total	12 Months or Less	13 to 24 Months	25-60 Months
Negotiable Certificate of Deposits	$ 1,578,107	$ 499,133	$ 483,065	$ 595,909
Corporate Securities	1,073,835	-	-	1,073,835
US Government Issues	223,945	-	-	223,945
Orange County Treasurer's Pool	4,075,235	4,075,235	-	-
State Investment Pool	2,899,213	2,899,213	-	-
PARS Section 115 Trust	1,120,664	1,120,664	-	-
	$10,970,999	$ 8,594,245	$ 483,065	$ 1,893,689

(2) Cash and Investments (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or District's investment policy, or debt agreements, and the actual rating by Standard and Poor's (S&P) as of the year end of each investment type. The District purchases all investments at the minimum rating but some investments' ratings may downgrade during its life but it is the District's policy to hold investments until their maturity.

			Ratings as of Year End			
Investment Type	Total	Minimum Rating	AA+	A	A-**	Not Rated
Negotiable Certificate of Deposits	$ 1,578,107	N/A	$ -	$ -	$ -	$1,578,107
Corporate Securities	1,073,835	A	-	443,320	630,515	-
US Government Issues	223,945	A	223,945	-	-	-
Orange County Treasurer's Pool	4,075,235	N/A	-	-	-	4,075,235
State Investment Pool	2,899,213	N/A	-	-	-	2,899,213
PARS Section 115 Trust	1,120,664	N/A	-	-	-	1,120,664
	$10,970,999		$223,945	$443,320	$630,515	$9,673,219

** Investments conformed to District's Investment Policy at time of acquisition

Disclosures Relating to Fair Value Measurement and Application

Investments categorized as Level 2 are valued using a market approach using quoted market prices. Values are determined using pricing models and discounted cash flow models and includes management judgement and estimation. Uncategorized investments are not subject to fair value categorization.

The District had the following recurring fair value measurements as of June 30, 2023:

		Fair Value Application			
Investment Type	Total	1	2	3	Uncategorized
Negotiable Certificate of Deposits	$ 1,578,107	$ -	$ 1,578,107	$ -	$ -
Corporate Securities	1,073,835	-	1,073,835	-	-
US Government Issues	223,945	-	223,945	-	-
Orange County Treasurer's Pool	4,075,235	-	-	-	4,075,235
State Investment Pool	2,899,213	-	-	-	2,899,213
PARS Section 115 Trust	1,120,664	-	-	-	1,120,664
	$10,970,999	$ -	$ 2,875,887	$ -	$ 8,095,112

(2) Cash and Investments (Continued)

Concentration of Credit Risk

The District's investment policy contains limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. At June 30, 2023, the District did not have investments in more than one issuer (other than U.S. Treasury securities, mutual funds, external investment pools) that represented 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. The Government Code also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2023, the District's deposits with financial institutions are covered by the Federal Deposit Insurance Corporation up to $250,000, the remaining amounts of $989,866 were collateralized as described above.

Investment in Public Agency Retirement Services

The District is a voluntary participant in Public Agency Retirement Services (PARS) with US Bank as our trustee and HighMark Capital Management as our investment manager. The plan administrator is the District's General Manager. The District has a Section 115 Irrevocable Exclusive Benefit Trust for pension and OPEB to supplement our liabilities. Govt Code Section 53216.6 and 53620 govern plan investments within the Trust. Our current investment strategy is Moderate HighMark PLUS in a pooled account. The OPEB Plan was established July 2011 and Pension was February 2018. Only the Pension plan is reported as Restricted Investments in these financial statements. Once contributions are placed into the PARS Trust, assets from the Trust can only be used for specific benefit pan purposes.

Investment in State and County Investment Pool

The District is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California, and in the OCTP under the oversight of the Orange County Treasurer. The fair market value of the District's investment in these pools is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair market value provided by LAIF and OCTP for the entire LAIF and OCTP portfolios (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF and OCTP, which are recorded on an amortized cost basis.

(2) Cash and Investments (Continued)

LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provides oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office.

The OCTP is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The County Treasury Oversight Committee conducts OCTP oversight. Cash on deposit in OCTP at June 30, 2023, is stated at fair value. The OCTP values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end.

For further information regarding OCTP, refer to the County of Orange Annual Comprehensive Financial Report.

(3) Restricted Assets

Restricted assets are monies held in restricted funds or accounts by the District for the benefit of member agencies and the District's specific benefit plan purposes. As of June 30, 2023, $1,485,775 was reported as restricted assets which includes the District's PARS Section 115 Trust and member agency activities as shown in Note 2.

(4) Capital Assets

The following is a summary of capital assets at June 30, 2023 with changes therein:

	2022	Additions	Deletions	2023
Furniture,Fixtures and Equipment	$ 885,095	$ 54,376	$ (25,521)	$ 913,950
Leasehold Improvements	7,001,518	9,673	-	7,011,191
	7,886,613	64,049	(25,521)	7,925,141
Less Accumulated Depreciation:				
Furniture,Fixtures and Equipment	(536,405)	(102,493)	25,521	(613,377)
Leasehold Improvements	(3,209,031)	(225,395)	-	(3,434,426)
	(3,745,436)	(327,888)	25,521	(4,047,803)
Net Capital Assets	$ 4,141,177	$ (263,839)	$ -	$ 3,877,338

(5) Deferred Pension Plan

The District sponsors a Money Purchase Pension Plan (the Pension Plan), a defined contribution plan, under Internal Revenue Code Section 401(a). Currently the MWDOC Board of Directors, MWDOC MET Directors and the General Manager participate in the Pension Plan. In accordance with section 3401(c) of the Internal Revenue Code, the term employee includes officers, whether elected or appointed. The Directors contribute 7.5 percent of their covered compensation to the Pension Plan, in lieu of contributing to Social Security. The Directors' contributions to the Pension Plan totaled $40,531 for the year ended June 30, 2023. Participants become vested in the Pension Plan at a rate of 20% per year of service until they are fully vested after five (5) years. District employees were previously part of the Pension Plan until March 2003 when they became members of the CalPERS plan. See Note 7.

(6) Risk Management

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA) (Insurance Authority). The Insurance Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage for participating member agencies.

The Insurance Authority bills the District a deposit premium at the beginning of each year, which is placed in a reserve fund to cover the self-insurance portion of any claim. Settlements and/or expenses related to claims during the year are then charged to the reserve. If the balance of the reserve at the end of the year is deemed too low in relation to the amount of outstanding claims, the District is billed for additional premiums. When the claims are fully settled, any amounts remaining in the reserve are refunded to the District.

At June 30, 2023, the District participated in the self-insurance programs as follows:

Property Program - The Insurance Authority has pooled self-insurance up to $100,000 per occurrence and has purchased excess insurance coverage up to $500 million. The District has a $1,000 deductible for buildings, personal property and fixed equipment and $500 for licensed vehicles/trailers.

General, Auto and Public Officials Liability - The Insurance Authority has pooled self-insurance up to $5 million per occurrence and has purchased excess insurance coverage up to $55 million per occurrence.

Crime and Excess Crime Program - The Insurance Authority has a total coverage limit of $3 million, per loss. The District has a $1,000 deductible and coverage in excess has a $100,000 deductible.

Cyber Liability – The Insurance Authority has a coverage limit of $5 million aggregate with a $75,000 to $100,000 deductible.

Workers' Compensation Program – The District is a member of the Special District Risk Management Authority (SDRMA) and participates in its Workers' Compensation Program for special districts and other public agencies. The SDRMA provides responsive claims management, cost containment, combined with tailored safety and loss prevention and an unequaled full-service workers' compensation program. All claims are handled by a third-party administrator, Sedgwick. Comprehensive Coverage includes Statutory Workers' Compensation Limits, $5 million Employer's Liability, Zero Member Deductible, and SDRMA maintains a Self-Insured Retention that is periodically adjusted based on market conditions.

The District pays annual premiums for all policy coverages and to date does not have any active/open claims or pending settlements.

(7) Cost-Sharing Defined Benefit Plan

General Information about the Pension Plan

Plan Descriptions – Effective March 1, 2003, all qualified regular full-time employees working over 1,000 hours in a fiscal year are eligible to participate in the District's employee pension plan, a cost-sharing multiple employer defined benefit pension plan administered by CalPERS. The CalPERS Plans (the Plans) consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. The risk pools are included within the Public Employees' Retirement Funds C (PERF C). Benefit provisions under the Plans are established and may be amended by State statute and the District's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, membership information, and related financial information can be found on the CalPERS website at: http://www.calpers.ca.gov.

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years (5) of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Formula	2.0% @55	2.0% @62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of annual salary	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	6.75%
Required employer contribution rates	10.87%	7.47%
Pensionable Compensation Cap*	$330,000	$175,250

* Will increase to reflect changes in the Consumer Price Index

Contributions – Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

Contributions recognized by the Plans from the employer for the year ended June 30, 2023, were $654,493.

(7) Cost-Sharing Defined Benefit Plan (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows / Inflows of Resources Related to Pensions

As of June 30, 2023, the District's proportionate share of the net pension liability of the Plan is as follows:

	Net Position Liability
Balance at: December 31, 2021	$ 1,097,925
Balance at: December 31, 2022	3,612,624
Net change during 2022	$ 2,514,699

The District's net pension liability was measured as the proportionate share of the net pension liability of the collective cost-sharing plan. The District's net pension liability was measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023 were as follows:

	Miscellaneous
Proportion - June 30, 2022	0.05782%
Proportion - June 30, 2023	0.07721%
Change - Increase (Decrease)	0.01939%

For the year ended June 30, 2023, the District recognized pension expense of $1,107,582.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 72,549	$ 48,590
Changes of Assumptions	370,189	-
Differences between Projected and Actual Investment Earnings	661,737	-
Change in Employer's Proportion	391,426	-
Differences between Employers Contributions and Proportionate Share of Contributions	-	226,402
Pension Contributions Made Subsequent to Measurement Date	654,493	-
Total	$ 2,150,394	$ 274,992

(7) Cost-Sharing Defined Benefit Plan (Continued)

The amount of $654,493 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Miscellaneous
2024	$ 340,369
2025	303,381
2026	172,418
2027	404,741
	$ 1,220,909

Actuarial Assumptions – The total pension liabilities in the June 30, 2021 actuarial valuation with update procedures used to roll forward the total pension liability to June 30, 2022, was based on the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table[1]	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

[1] The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details refer to the 2021 experience study report on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(7) Cost-Sharing Defined Benefit Plan (Continued)

Long-Term Expected Rate of Return - In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects the expected real rates of return by asset class.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10[1,2]
Global Equity - cap-weighted	30.00%	4.45%
Global Equity - non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
Fixed Income	5.00%	2.27%
Inflation Assets	5.00%	2.48%
Private Equity	5.00%	3.57%
Real Assets	15.00%	3.21%
Liquidity	-5.00%	-0.59%
Total	100.00%	

[1] An expected inflation of 2.30% used for this period.
[2] Figures are based on the 2021-22 Asset Liability Management study

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability, calculated using the discount rate, as well as what the District's proportionate share of net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's Net Pension Liability/(Asset)	$ 6,143,646	$ 3,612,624	$ 1,530,222

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

(7) Cost-Sharing Defined Benefit Plan (Continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net Difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

(8) Retiree Medical Plan – Other Post-Employment Benefits (OPEB)

Plan Description:

Effective October 1, 2011, the District established a Post-Retirement Healthcare Plan (Health Plan) and has contributed to a Section 115 Irrevocable Exclusive Benefit Trust for the pre-funding of post-employment health care costs. Currently, the District provides health benefits for employees, retirees, and their dependents with a choice of medical plans through the Association of California Water Agencies (ACWA) Joint Powers Insurance Authority. Employees and retirees select from the same plans. Retired employees (hired prior to July 1, 2012) who are at least 55 years of age are eligible for these health and welfare benefits based on their years of full-time accrued service. There are two benefit tiers for the years of accrued service:

Tier 1: Employees retiring with a minimum of 10 consecutive years of full-time service with the District, earn medical coverage on the following terms: The District will pay for Retiree only or couples coverage on the same basis as active employees. Retiree and spouse/domestic partner have the option to continue dental and vision benefits at their own cost and COBRA coverage is offered. Upon becoming Medicare eligible, the retiree must enroll and transition to Medicare coverage. The District will reimburse retiree only up to the annual cap of $3,080.82 for a Medicare Advantage Plan, a supplemental Medigap insurance policy, Medicare Prescription Drug Insurance or Medicare Part B coverage. If a spouse or domestic partner survives a retiree, their coverage will continue until remarriage, enrollment in another plan or becoming Medicare eligible.

Tier 2: Employees retiring with a minimum of 25 consecutive years of full-time service with the District earn medical, dental and vision benefits on the following terms: The District will pay for retiree only or couples coverage on the same basis as active employees. The District pays the following for dental and vision coverage: Dental for retiree only 90%; couples coverage 80%. Vision coverage for retiree only 100%; couples coverage 80%. Retirees and their spouses/domestic partner are required to enroll in Medicare Parts A and B upon eligibility. The District will reimburse for Medicare Part B for both retiree and their eligible

(8) Retiree Medical Plan – Other-Post-Employment Benefits (OPEB) (Continued)

spouse/domestic partner. If a spouse or domestic partner survives a retiree, their coverage will continue until remarriage or enrollment in another plan.

The following guidelines apply to both tiers:

1. The District does not make contributions to Health Savings Accounts on behalf of retirees.
2. Reenrollment is not permitted if a retiree discontinues medical coverage.
3. Annual open enrollment is not permitted for retirees.
4. Reimbursement requires proper verification and is made on a quarterly to yearly basis.

Employees hired on or after July 1, 2012 are ineligible for District-paid retiree health benefits. Plan benefits and contribution requirements of Health Plan members and the District are established, and may be amended, by the District's Board of Directors.

The following parties are responsible for administration of the Health Plan:

- Public Agency Retirement Services (PARS) serves as Trust Administrator and Consultant
- US Bank serves as Trustee, and
- HighMark Capital Management (HighMark) serves as Investment Manager

PARS issues monthly account reports to the District and HighMark publishes quarterly performance reports.

Plan membership at June 30, 2022, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	13
Active plan members	9
Total	22

Funding Policy:

The contribution requirements of Health Plan members and the District are established, and may be amended, by the District's Board of Directors. The District has fully funded the OPEB obligation with the addition of an OPEB Designated Reserve account.

Net OPEB Liability/(Asset):

The District's Net OPEB Liability/(Asset) was measured as of June 30, 2022 and the Total OPEB Liability/(Asset) used to calculate the Net OPEB Liability/(Asset) was determined by an actuarial valuation as of July 1, 2022 (June 30, 2022). Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

(8) Retiree Medical Plan – Other-Post-Employment Benefits (OPEB) (Continued)

Actuarial assumptions:

The total OPEB liability/(asset) was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age, Level Percent of Pay
Valuation of fiduciary net position	Fair value of assets
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	3.00 percent
Inflation rate	3.00 percent
Investment rate of return	6.00 percent, net of OPEB plan investment expense
Healthcare cost trend rate	6.00 percent for 2023, 5.50 percent for 2024, 5.30 percent for 2025-2030, 5.50 percent for 2031-2040, 5.20 percent for 2041-2050, 5.10 for 2051-2060, 5.00 percent for 2061-2069, and 4.50 percent for 2070 and later years; Medicare ages: 4.50 percent for all years.
Preretirement Mortality	Preretirement Mortality Rates from CalPERS Experience Study (2000-2019).
Postretirement Mortality	Post-retirement Mortality Rates for Healthy Recipients from CalPERS Experience Study (2000-2019).

Actuarial assumptions used in the July 1, 2022 valuation were based on a review of plan experience during the period July 1, 2020 to June 30, 2022.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Broad U.S. Equity	50%	4.4%
U.S. Fixed	50%	1.8%

Discount rate:

GASB 75 requires a discount rate that reflects the following:

a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.

b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

(8) Retiree Medical Plan – Other-Post-Employment Benefits (OPEB) (Continued)

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's total OPEB liability/(asset) is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments	Fidelity GO AA 20-Year Municipal Index	Discount Rate
June 30, 2022	June 30, 2022	6.00%	3.69%	6.00%
June 30, 2023	June 30, 2023	6.00%	3.86%	6.00%

The components of the net OPEB liability/(asset) at June 30, 2023, were as follows:

Total OPEB liability	$2,371,670
Plan fiduciary net position	2,574,618
Net OPEB liability (asset)	(202,948)
Measurement date	June 30, 2023
Reporting date	June 30, 2023
Covered employee payroll	$1,379,093
Net OPEB liability (asset) as a percentage of covered payroll	-14.72%
Plan fiduciary net position as a percentage of the total OPEB liability	108.56%

Schedule of Changes in Net OPEB Liability/(Asset) (June 30, 2022 to June 30, 2023):

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balances at June 30, 2022	$2,304,315	$ 2,408,599	$ (104,284)
Changes for the year:			
Service Cost	17,857	-	17,857
Interest	136,751	-	136,751
Differences between expected and actual experience		-	-
Change in assumptions		-	-
Net investment income	-	180,315	(180,315)
Contributions			
Employer - cash subsidy	-	87,253	(87,253)
Benefit payments, including implicit subsidy	(87,253)	(87,253)	-
Administrative expense	-	(14,296)	14,296
Net changes	67,355	166,019	(98,664)
Balances at June 30, 2023	**$2,371,670**	**$ 2,574,618**	**$ (202,948)**

(8) Retiree Medical Plan – Other-Post-Employment Benefits (OPEB) (Continued)

Sensitivity of the net OPEB liability/(asset) to changes in the discount rate:

The following presents the net OPEB liability/(asset), as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB liability (asset)	$84,429	$(202,948)	$(441,650)

Sensitivity of the net OPEB liability/(asset) to changes in the healthcare cost trend rates:

The following presents the net OPEB liability/(asset), as well as what the net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease[2]	Trend Rate	1% Increase[3]
Net OPEB liability (asset)	($436,002)	($202,948)	$79,435

2 Trend rate for each future year reduced by 1%
3 Trend rate for each future year increased by 1%

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District made a total contribution of $77,918, which represents actual health care costs for its retirees and their covered dependents. Total contribution inclusive of implicit subsidy amounted to $87,253.

At June 30, 2023, the District's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ 163,277	$ -
Differences between expected and actual experience	-	158,066
Changes in assumptions	40,211	-
Total	$ 203,488	$ 158,066

(8) Retiree Medical Plan – Other-Post-Employment Benefits (OPEB) (Continued)

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year ending June 30:	Deferred Outflows of Resources
2024	$ (77,020)
2025	29,057
2026	100,631
2027	(7,246)
	$ 45,422

Investments

For the year ended June 30, 2023 the annual money-weighted rate of return on investments, net of investment expense, was 7.51%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

The District's policy regarding the allocation of the plan's invested assets is established and may be amended by the District's management and Board of Directors. The current investment selection is the Moderate HighMark PLUS. The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

Asset Class	Strategic Asset Allocation Ranges
Equity	40-60%
Fixed income	40-60%
Cash	0-20%

(9) Commitments and Contingencies

The District is involved in various litigation from time to time arising from the normal course of business. In the opinion of management and legal counsel, the District is not involved in any litigation that is expected to have a material adverse effect on the overall financial position of the District at June 30, 2023.

(10) Subsequent Events

The District's Board of Directors approved a revision to the Reserve Policy consolidating the reserve funds and reducing the level from 180 to 120 Days Cash. The total reduction of $1.9M was allocated as follows:

- $500,000 credit to our Member Agencies on their annual Retail Meter and Groundwater customer charge invoices, billed in July 2023.
- $1 Million to our unfunded pension liability
- Approx $400,000 to WEROC's Mobile Emergency Operating Center



REQUIRED SUPPLEMENTARY INFORMATION

(Unaudited)

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2023

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Measurement Periods Ended June 30

Measurement Period	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$ 17,857	$ 15,920	$ 32,103	$ 30,118	$ 34,408	$ 33,406
Interest on the total OPEB liability	136,751	159,271	155,170	148,417	140,392	134,254
Actual and expected experience difference	-	(609,684)	-	(86,201)	-	-
Changes in assumptions	-	155,101	-	102,437	-	-
Changes in benefit terms	-	-	-	-	-	-
Benefit Payments	(87,253)	(108,197)	(97,452)	(71,334)	(71,021)	(59,870)
Net change in total OPEB liability	67,355	(387,589)	89,821	123,437	103,779	107,790
Total OPEB liability - beginning	2,304,315	2,691,904	2,602,083	2,478,646	2,374,867	2,267,077
Total OPEB liability - ending (a)	2,371,670	2,304,315	2,691,904	2,602,083	2,478,646	2,374,867
Plan Fiduciary Net Position						
Contribution - employer	87,253	108,197	97,452	71,334	71,021	59,870
Net investment income	180,315	(356,249)	509,846	85,732	140,186	128,809
Benefit payments	(87,253)	(108,197)	(97,452)	(71,334)	(71,021)	(59,870)
Administrative expense	(14,296)	(16,252)	(14,829)	(11,886)	(5,669)	(11,456)
Net change in plan fiduciary net position	166,019	(372,501)	495,017	73,846	134,517	117,353
Plan fiduciary net position - beginning	2,408,599	2,781,100	2,286,083	2,212,237	2,077,720	1,960,367
Plan fiduciary net position - ending (b)	2,574,618	2,408,599	2,781,100	2,286,083	2,212,237	2,077,720
Net OPEB liability/(asset) - ending (a)-(b)	$ (202,948)	$ (104,284)	$ (89,196)	$ 316,000	$ 266,409	$ 297,147
Plan fiduciary net position as a percentage of the total OPEB liability	108.56%	104.53%	103.31%	87.86%	89.25%	87.49%
Covered-employee payroll	$1,379,093	$1,351,622	$1,889,365	$1,975,686	$1,956,477	$1,933,612
Net OPEB liability as a percentage of covered-employee payroll	-14.72%	-7.72%	-4.72%	15.99%	13.62%	15.37%

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2023

Schedule of OPEB Contributions
Last Ten Fiscal Years*

Fiscal Year Ended June 30	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ 13,122	$ 51,962	$ 50,448	$ 46,537	$ 49,847	$ 48,878
Contributions in relation to the ADC	(87,253)	(108,197)	(97,452)	(71,334)	(71,021)	(59,870)
Contribution deficiency (excess)	$ (74,131)	$ (56,235)	$ (47,004)	$ (24,797)	$ (21,174)	$ (10,992)
Covered-employee payroll	$1,379,093	$1,351,622	$1,889,365	$1,975,686	$1,956,477	$1,933,612
Contributions as a percentage of covered-employee payroll	6.33%	8.00%	5.16%	3.61%	3.63%	3.10%

* Fiscal year 2018 was the first year of implementation, therefore only six years are shown

Notes to Schedule:

The District's Net OPEB Liability was measured as of June 30, 2023 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2022 (June 30, 2022). Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

The Total OPEB Liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age, Level Percent of Pay
Valuation of fiduciary net position	Fair Value of Assets
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	3.00%
Inflation Rate	3.00%
Investment Rate of Return	6.00%, net of OPEB plan investment expense
Pre-Retirement Mortality	CalPERS Experience Study (2000-2019)
Post-Retirement Mortality	CalPERS Experience Study (2000-2019)

Healthcare Cost Trend:

Year	Pre-Medicare	Medicare
2023	6.00%	4.50%
2024	5.50%	4.50%
2025-2030	5.30%	4.50%
2031-2040	5.50%	4.50%
2041-2050	5.20%	4.50%
2051-2060	5.10%	4.50%
2061-2069	5.00%	4.50%
2070+	4.50%	4.50%

Actuarial assumptions used in the July 1, 2022 valuation were based on a review of plan experience during the period July 1, 2020 to June 30, 2022.

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2023

Cost Sharing Retirement Plan
Schedule of the District's Proportional Share of the Net Pension Liability
Last Ten Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.06744%	0.06744%	0.06744%	0.06283%	0.05877%	0.05774%	0.05387%	0.05019%	0.02186%
Proportionate share of the net pension liability	$3,612,624	$1,097,925	$2,844,833	$2,516,221	$2,214,703	$2,276,032	$1,871,472	$1,376,955	$1,360,017
Covered Payroll	$4,448,997	$4,204,889	$3,792,545	$3,482,913	$3,295,260	$3,022,872	$2,748,796	$2,640,576	$2,601,571
Proportionate share of the net pension liability as a percentage of covered payroll	81.20%	26.11%	75.01%	72.24%	67.21%	75.29%	68.08%	52.15%	52.28%
Plan fiduciary net position as a percentage of the total pension liability	78.19%	90.49%	75.10%	75.26%	75.26%	73.31%	75.87%	78.40%	79.82%

* Fiscal year 2015 was the first year of implementation, therefore only nine years are shown

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2023

Notes to Schedule:

Fiscal Year End:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Valuation Date:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

Methods and assumptions used to determine liability:

Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar Amount	Level Dollar Amount	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Discount Rate	6.80%	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%
Projected Salary Increase	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service
Inflation	2.30%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Payroll Growth	2.75%	2.75%	2.75%	2.75%	3.25%	3.00%	3.00%	3.00%	3.00%
Individual Salary Growth	The price inflation assumption, plus 0.5% per annum productivity component, and an annual merit increase based on length of service.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2023

Cost Sharing Retirement Plan
Schedule of Contributions
Last Ten Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	$ 654,493	$ 622,104	$ 413,399	$ 349,145	$ 302,458	$ 273,125	$ 252,815	$ 220,517	$ 288,065
Contributions in relation to the actuarially determined contribution	(654,493)	(622,104)	(413,399)	(349,145)	(302,458)	(273,125)	(252,815)	(220,517)	(288,065)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ - [1]	$ - [1]
Covered Payroll	$4,422,761	$4,448,997	$4,204,889	$3,792,545	$3,482,913	$3,295,260	$3,022,872	$2,748,796	$2,640,576
Contributions as a percentage of covered-employee payroll	14.80%	13.98%	9.83%	9.21%	8.68%	8.29%	8.36%	8.02%	10.91%

* Fiscal year 2015 was the first year of implementation, therefore only nine years are shown

[1] Restated Covered Payroll

Summary of Changes of Benefits or Assumptions

Benefit Changes: There were no changes to the benefit terms that applied to all members of the Public Agency Pool.

Changes of Assumptions: Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Item No. 3

ACTION ITEM
December 20, 2023

TO: Board of Directors

FROM: **Administration & Finance Committee**
(Directors Dick, Thomas, Crane)

Harvey De La Torre
General Manager

Staff Contact: Damon Micalizzi & Tiffany Baca

SUBJECT: Authorization to Contract with LA Design Studio For Website Updates

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize entering into a contract with LA Design Studio to provide enhancements and updates for the Municipal Water District of Orange County's website.

COMMITTEE RECOMMENDATION

The committee recommends (To be determined at Committee Meeting)

SUMMARY

It has been six years since MWDOC's redesigned website launched. A site that has won numerous awards for digital media, web development, and branding excellence in the public sector. L.A. Design Studio is the firm that initially built the new mwdoc.com and has provided back-end support since its launch. Regular updates and improvements are necessary to maintain the website's relevance, interactivity, and ease of use for its users.

The District solicited proposals and received quotes from several qualified firms. After careful review, MWDOC staff determined that L.A. Design Studio, the original architect, was best equipped to update the district's website efficiently and expeditiously. This recommendation was taken to the Executive Committee in November. After a thorough discussion, the Committee recommended that the District opt for a sole source contract with L.A. Design Studio in lieu of a formal RFP process. This recommendation was made due to the nature of the contract and the fact that the same Consultant had already completed proprietary work in the prior phase of professional services.

Budgeted (Y/N): Y	Budgeted amount: $50,000	Core X	Choice __
Action item amount: 50,000	Line item: 32-7040		
Fiscal Impact (explain if unbudgeted):			

Based on a review of proposals from three firms, the consultant's previously demonstrated success, the proprietary nature of the work, a highly competitive pricing structure, and the recommendation of the Executive Committee, staff recommends that the Board of Directors authorize entering into a contract with L.A. Design Studio to provide enhancements and updates for the Municipal Water District of Orange County's website.

BOARD OPTIONS

Option #1

- Approve a contract with L.A. Design Studio to provide website updates and enhancements not to exceed $50,000.
- Business Analysis: Continuity of business with a consultant who presently has access and experience with MWDOC's brand and needs.
- Fiscal Impact $50,000. ($50,000 currently budgeted FY 22/23)

Option #2

- Take no action and direct staff to perform a formal RFP process.
- Business Analysis: The website updates would be delayed for months.

Item No. 4

DISCUSSION ITEM
December 13, 2023

TO: **Administration & Finance Committee**
(Directors Dick, Thomas, Crane)

FROM: **Harvey De La Torre, General Manager**

Staff Contact: Hilary Chumpitazi

SUBJECT: **FYE 2024-25 Budget**

STAFF RECOMMENDATION

It is recommended that the Administration & Finance Committee review the budget schedule and preliminary budget assumptions, discuss activities and/or projects they would like added or deleted from the budget, and direct the General Manager as appropriate.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

The General Manager notified the MWDOC Member Agencies in November of the initiation of the budget process. The notification included this year's budget schedule (attached) and invited the member agencies to provide their initial budget suggestions and actively participate in the process. Staff has subsequently initiated the program/project planning and line-item budget process. The initial review of budget issues with the A&F Committee is scheduled for January 10, 2024, with the review of the first draft budget at the February 14 A&F meeting. Approval of the final budget is scheduled for the April 17, 2024 Board of Directors meeting.

Preliminary key budget assumptions/changes for FYE 2024-25:

- A review of the District's projected reserves accounts and targets for the coming year.
- Evaluation of adding a part-time accountant to the Finance Department as result of increased WUE activities and shared service programs.

Budgeted (Y/N): N/A	Budgeted amount: N/A	Core __	Choice __
Action item amount:			
Fiscal Impact (explain if unbudgeted): Not applicable			

- Outline a budget and identify the resources needed to initiate a MWDOC "Ambassador program" in FY 2024-25.
- The working assumption for the compensation merit pool will be based on the 10-month (Jan.- Oct. 2023) CPI-U average for LA/Riverside/Anaheim area of 3.57%. Based on our formula for the Compensation Pool, a 3.57% CPI is in the moderate range. Therefore, the budget will utilize the moderate inflation category formula of CPI + 1.85%, or 6.6%. This number will be updated once the final 12-month CPI average is available in Mid-January along with survey information from our other agencies.
- As past practice, staff will present any proposed budgetary additions to the A&F Committee for discussion and agreement before such expenses are included in the proposed budget numbers.

An important component of the budget process is the early input from the MWDOC Directors as to the policy and program modifications they believe should be included in the budget. This meeting is the appropriate time for that input and direction to staff.

Attachment: FYE 2024-25 Budget Schedule

FY 2024-25 BUDGET SCHEDULE

November 2023
• Notification to Member Agencies of start of budget process and solicitation of input
December 2023
• MWDOC staff begins preparation of budget hours and costs on program and line-item basis
• Review of four-month actuals and fiscal year-end projections
• Review budget adjustments for current fiscal year
• Preparation of internal, draft conceptual budget (review changes for upcoming fiscal year
January 2024
• Initial review of budget issues with A&F Committee for feedback **(1-10-24)**
• Initial discussion of budget issues with Member Agencies for feedback
• Request for Member Agencies' preliminary indication of participation in Choice
February 2024
• Publish and post the FIRST DRAFT Budget in the packet for the A&F Committee **(2-9-24)**
• Review First Draft Budget with A&F Committee **(2-14-24)**
• Formally request comments from all Member Agencies
• DRAFT information completed on prior year Choice WUE program benefits to Member Agencies to serve as basis for charging agencies for the upcoming year for Choice WUE activities
• Member Agencies' INITIAL CONFIRMATION of participation in Choice Services by **February 20**. The Updated Agreement by the end of **March** or after the Elected Officials Meeting
• Discuss FIRST DRAFT Budget at Member Agency Managers' Meeting **(2-22-24)**
• Meet with Member Agencies as requested or scheduled

FY 2024-25 BUDGET SCHEDULE

March 2024
• Revised information completed on prior year Choice WUE benefits to Member Agencies to serve as basis of charging agencies for the upcoming year for WUE activities
• Discuss SECOND DRAFT Budget in A&F Committee **(3-13-24)**
• Review SECOND DRAFT Budget at Member Agency Managers' Meeting **(3-21-24)**
• Update Choice Participation
• Member Agencies submit Formal Comments on the Budget **(3-29-24)**
April 2024
• Conduct meeting with Elected Officials from Member Agencies to discuss budget and other topics
• THIRD DRAFT Budget and Rates presented to A&F Committee **(4-10-24)**
• Member Agencies' Formal Comments presented to A&F Committee **(4-10-24)**
• Board approval of FY2023-24 FINAL Budget and Rates **(4-17-24)**
June 2024
• Member Agencies confirm final Choice Participation **(6-14-24)**
August 2024
• Reconciliation of FY 2023-24 WUE & Choice Programs
September 2024
• REVISED FINAL Choice Budget presented to A&F Committee **(9-11-24)**
• Board approval of FY2024-25 REVISED FINAL Choice Budget **(9-18-24)**

Administration Activities Report

November 3, 2023 – December 7, 2023

Activity	Summary
Administration/ Board	Administration team worked on the following: • Scheduled meetings for Harvey De La Torre and Board members (including Special meetings and Ad Hoc meetings). • Assisted Harvey with various write-ups and follow-up for the Committees and Board. • Continue to send the Water Supply Reports to the member agencies. • Processed and reviewed agreements for appropriate Board approval and insurance requirements as well as execution following approval. • Responded to two Public Records Act requests. • Made various updates/changes to the website including WACO items, District calendar, Transparency items, etc.; worked with Public Affairs on technical issues with the website. • Held discussion with a representative from Granicus regarding Form 700 software capabilities. • Prepared and sent various letters on behalf of President Yoo Schneider supporting member agency projects. • MET with legal counsel regarding Administrative Code language. • Worked with MET staff on MWDOC's meeting calendar. • Solicited availability and scheduled in-person and Zoom meetings for the Interim GM, Director of MET Issues & Policy, Engineering Department, and staff. • Registered Staff and Directors for various conferences, training, made travel accommodations, and processed business expenses. • Prepared agreements, followed up on insurance forms, solicited signatures and created requisitions for Interim GM, Director of Engineering, and Principal Engineer. • Formatted letters for the Director of Government Affairs and the Engineering Department. • Assisted with hosting ISDOC Meeting • Assisted with preparations for the in-person ISDOC Quarterly Luncheon on January 25, 2024
Records Management	• Provided Records Management training for new staff member. • Continued to review incoming mail and log necessary documents into the Laserfiche system. • Staff continues to review documents and update information in Laserfiche.
Health and Welfare Benefits	• Open enrollment 2024 has been closed.
Recruitment / Departures	• Recruitment efforts for the WEROC Specialist will be restarted in January.

	• Interviews are being scheduled for the new Water Loss Control Program Intern.
Projects/ Activities	Administration Team worked on the following: • Assisted with WACO on Meetings via Zoom, PowerPoint presentations, preparing for hybrid meetings, various correspondence and note taking. Coordinating with WACO president and speakers. • Attended Board Meetings and Committee Meetings, as well as preparation for these meetings, including packet preparation, meeting setup/take-down, Zoom coordination, etc. • Assist Finance Department with filing, processing of invoices, purchase requisitions, business expense reports and credit card reconciliations. • HR has started reviewing job descriptions with the consultant as part of the Classification and Compensation Study. • HR Responded to inquiries pertaining to open enrollment, retiree health benefits, and other health and welfare benefits from active employees as well as retirees. • Staff continues to research new vendors and pricing on MWDOC Logo Apparel. • HR is coordinating the January HR OC Water agency work group meeting. • HR Coordinated and participated in interviews for the WEROC Specialist position. • HR continues working with Anne Sandberg of Predict Success to schedule Executive team Assessments, team building and training exercises. • Working on the 2024 Orange County Cities and Water Agencies Directory. • An in person All Employee Meeting was held on November 16th. • HR is reviewing items and vendors in putting together a new hire welcome kit. • Obtaining quotes for name plates for offices and workstations. • Attended ACWA/JPIA Webinar regarding Illness Injury Prevention Program. • HR completed GM Salary Survey consisting of MWDOC and MET Member Agency Water Districts. • HR coordinated with District Counsel on GM Contract.

Item No. 5b

INFORMATION ITEM
December 13, 2023

TO: **Administration & Finance Committee**
(Directors Dick, Thomas, Crane)

FROM: Harvey De La Torre, General Manager
Staff Contact: Steven Hung

SUBJECT: **Finance and IT Pending Items Report**

SUMMARY

The following list details the status of special projects in progress or to be completed during this Fiscal Year.

Finance

Accounting	Rebate Program(s)	W-9 collection for conservation rebates. Currently holding 1 rebate check(s) awaiting W-9 form(s).
	Audit	FY22/23 audit is 99% complete
	Other	RFP for Custodial Services
Finance	Cyber Security Training (Knowbe4)	For this Quarter, training completion by all MWDOC Staff (and Directors) is 64% complete
	Budget	The FY24/25 Budget is 10% complete

Information Technology (IT)

Hardware	Redundant Internet	Installation and configuration completed; final implementation scheduled for first week of December
	Routers/Switches	Project initiated to gather vendor proposals to replace aging network routers and switches
	Surplus Hardware	Surplus desktop devices and printers from EOC recycled with certified on-site destruction of all data devices
	Phones	Beginning research on Voice over IP (VoIP) phone systems, features, and assessing potential benefits to the District
Software	Customer Database	Project to manage member agency contact information into Microsoft 365 is complete; data validation will continue in the coming weeks

Security	Reports	Efforts continue to review cyber best practices and recommendations from prior assessments.
	Vulnerability Scanning	Weekly DHS vulnerability scans report no identified vulnerabilities
Service	Device Provisioning	Three laptops provisioned and readied for staff; we continue to consolidate devices to docking stations where possible
Training/ Development	Artificial Intelligence	Staff presented an introduction to Artificial Intelligence (AI), ChatGPT, and associated benefits, drawbacks, and risks, at all-hands meeting.

INFORMATION ITEM
December 13, 2023

TO: **Administration & Finance Committee**
(Directors Crane, Dick, Thomas)

FROM: **Harvey De La Torre, Interim General Manager**

Staff Contact: Kevin Hostert

SUBJECT: **Monthly Water Usage Data and Water Supply Info.**

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee receive and file this information.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

The attached figures show the recent trend of water consumption in Orange County (OC), an estimate of Imported Water Sales for MWDOC, and selected water supply information.

- OC Water Usage, Monthly by Supply ***OCWD Groundwater was the main supply in October.***
- Estimated OC Water Usage, Monthly, Comparison to Previous Years Water usage in October ***2023 was below average compared to the last 5 years***. We are projecting an increase in overall water usage compared to FY 2022-23. On March 24th 2023, state officials eased back drought emergency provisions that were in place since July 2021.
- Historical OC Water Consumption Orange County M & I projected water consumption is ***518,500 AF for FY 2023-24*** *(this includes ~7 TAF of agricultural usage and non-retail water agency usage).* This is about ***38,500 AF more than FY 2022-23*** and is about ***27,500 AF less than FY 2021-22***. Water usage per person is projected to be slightly lower in ***FY 2022-23 for Orange County at 147 gallons per day*** (This includes recycled water usage). Although OC population has increased

Budgeted (Y/N): N	Budgeted amount: N/A	Core X	Choice __
Action item amount: N/A	Line item:		
Fiscal Impact (explain if unbudgeted):			

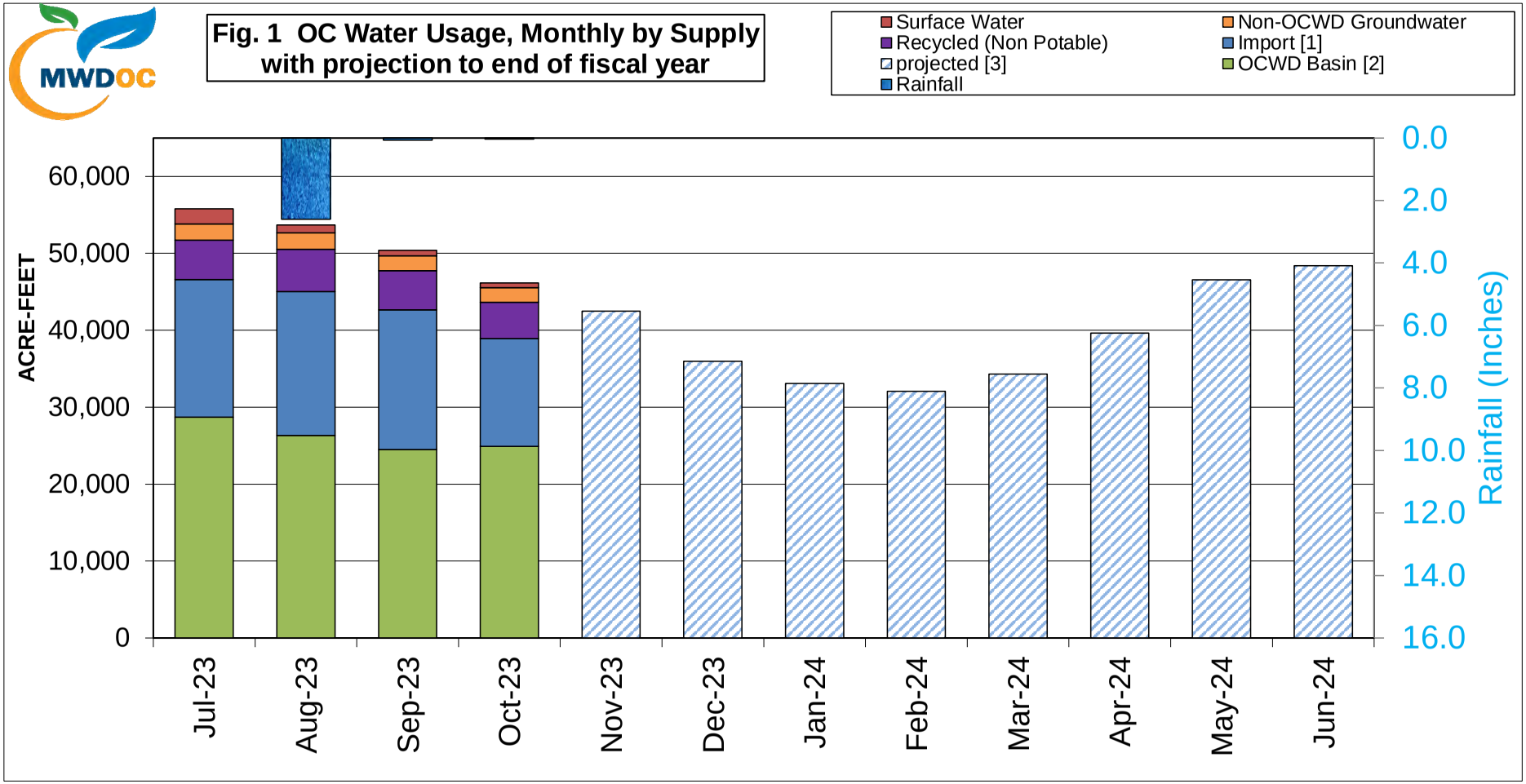
20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts. ***O.C. Water Usage has declined significantly since the end of FY 2013-14. Since FY 2013-14 average O.C. Annual Water usage is 528,500 AF, a decline of 93,000 AF since FY 2013-14. FY 2022-23*** Orange County M & I water consumption was ***the lowest since FY 1978-79 (44 Years).***

Water Supply Information Includes data on Rainfall in OC; the OCWD Basin overdraft; Northern California and Colorado River Basin hydrologic data; the State Water Project (SWP) Allocation, and regional storage volumes. The data have implications for the magnitude of supplies from the three watersheds that are the principal sources of water for OC. Note that a hydrologic year is Oct. 1st through Sept. 30th.

- Orange County's accumulated precipitation through ***early December was below average*** for this period. Water year to date rainfall in Orange County is ***0.5 inches***, which is ***23% of normal***.

- Northern California accumulated precipitation through ***early December was 19% of normal for this period***. Water Year 2023 was 133% of normal while water year 2022 was 48% of normal. The ***Northern California snowpack was 215% of normal as of April 9th, 2023. As of late November, 0.00%*** of California is experiencing ***moderate drought conditions***. ***0.0%*** of California is experiencing ***severe to exceptional drought conditions.*** The State Water Project Contractors Table A Allocation was increased to 100% as of April for WY 2023.

- Colorado River Basin accumulated precipitation through ***early December was 88% of normal*** for this period. The ***Upper Colorado Basin snowpack was 60.5% of normal*** as of April 10th 2023***. Lake Mead and Lake Powell*** combined have about ***53.0% of their average storage volume*** for this time of year and are at ***34.7% of their total capacity***. Lake Mead's ***levels have been below the "trigger" limit of 1,075 ft. since the start of CY 2022***. The US Bureau of Reclamation (USBR) has declared a shortage at Lake Mead, impacting Colorado River water deliveries to the Lower Basin states. Lake Mead as of early December was ***9.62' BELOW the "trigger" limit***. The USBR has declared a ***shortage on the Colorado River that started on January 1st 2022***. ***There is a 100% chance of shortage continuing in 2024, 93% in 2025 and 77% in 2026.*** Lake Mead as of early December was ***20.38' ABOVE the State of California "trigger" limit***. ***There is a 0% chance of mandatory cutbacks for California in 2024, 0% in 2025 and 20% in 2026.***

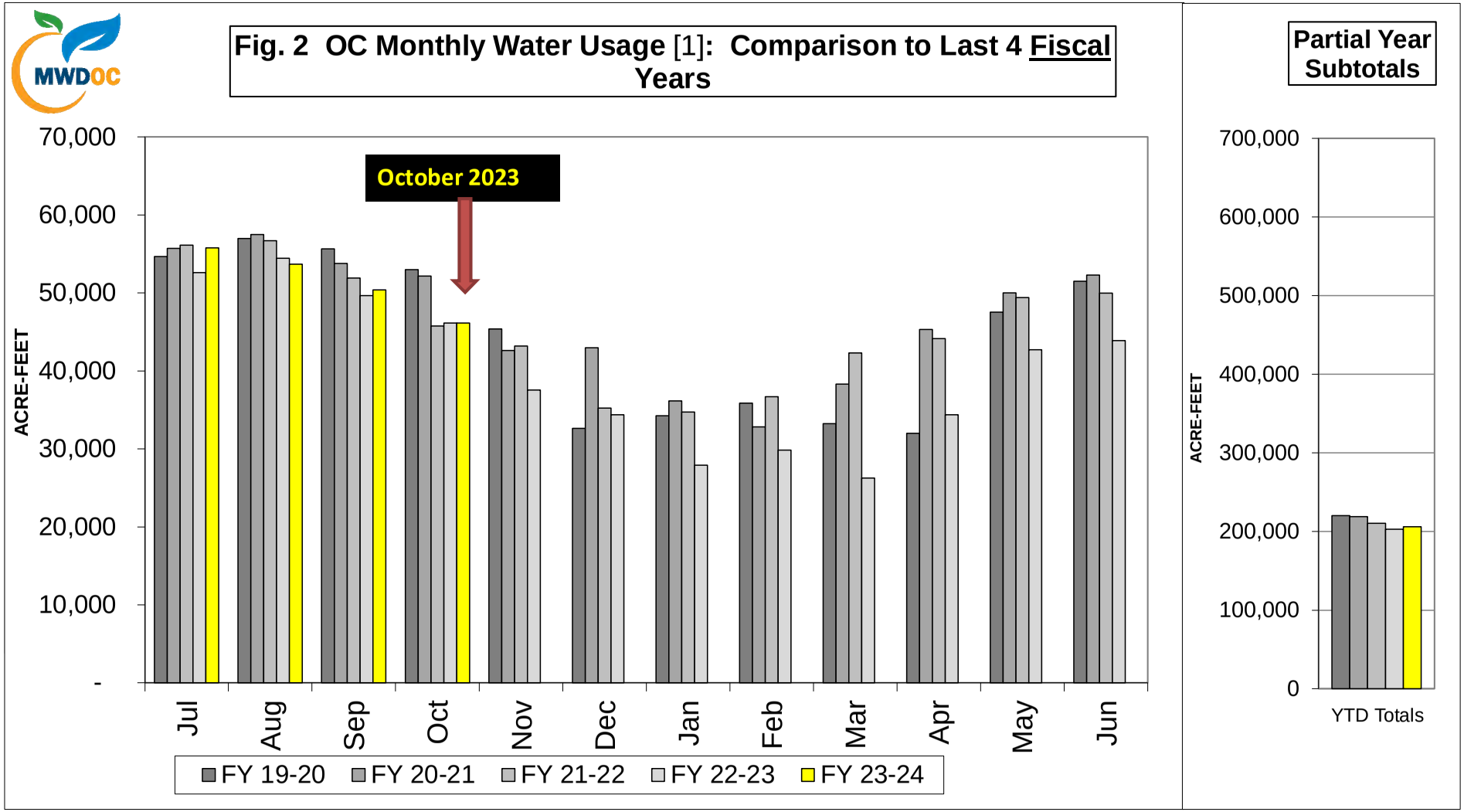


[1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water and deliveries into Irvine Lake.

[2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '23-24 is 85%.

[3] MWDOC's estimate of monthly demand is based on the projected 5 Year historical retail water demand and historical monthly demand patterns.

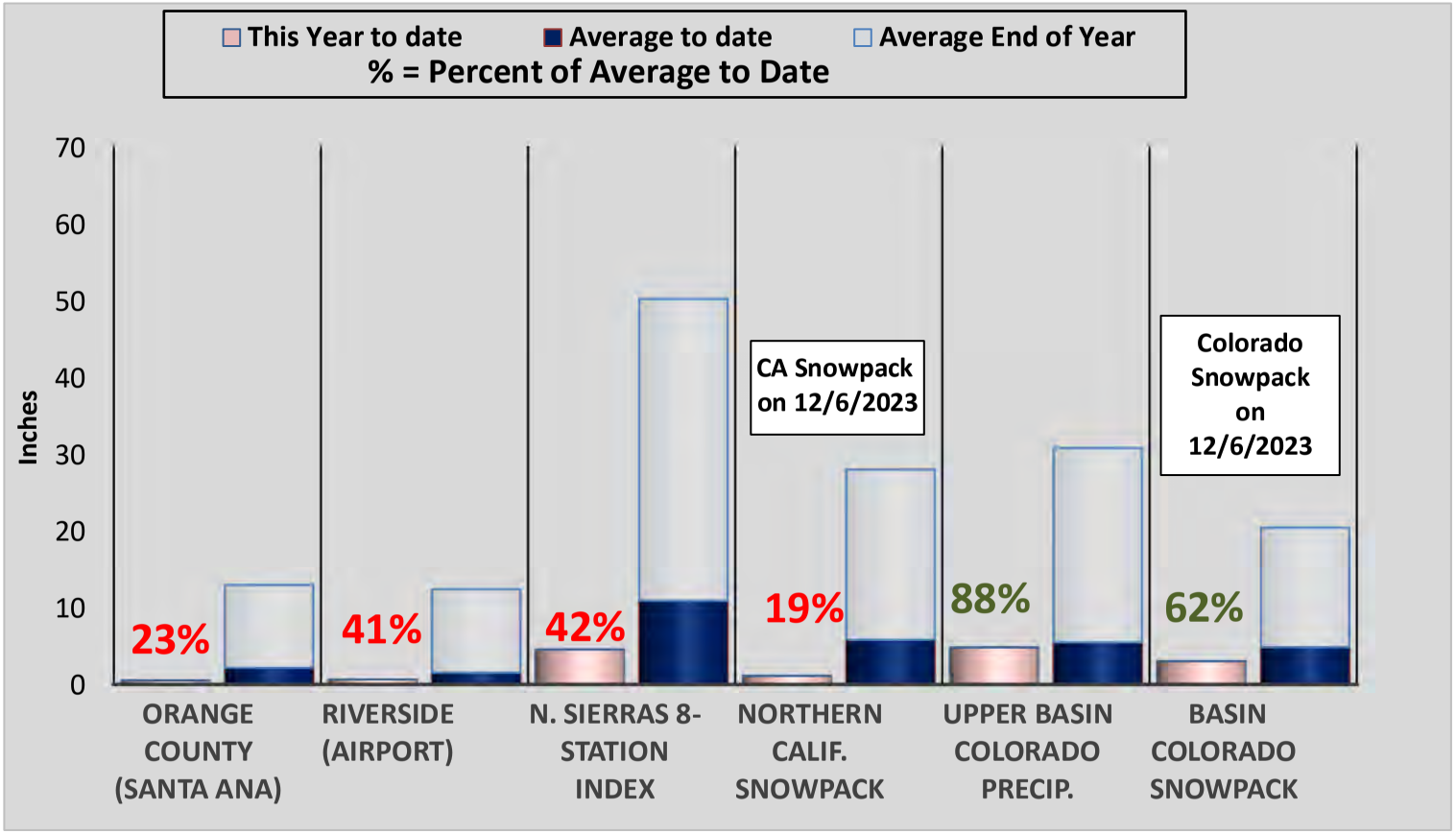
[4] Total water usage includes IRWD groundwater agricultural use and usage by non-retail water agencies.



[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment "and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water and excludes GWRS production) Recent months numbers include some estimation.

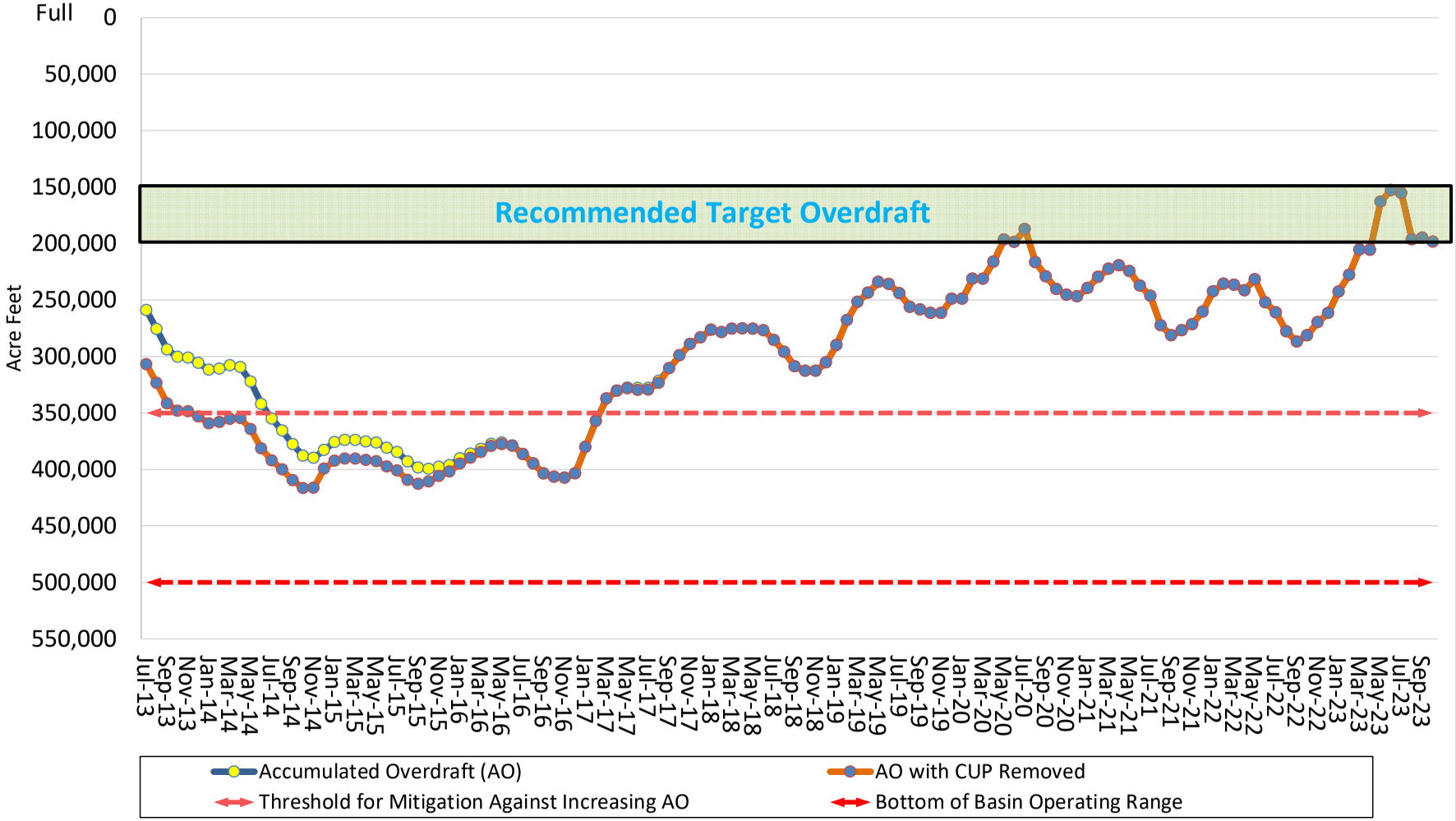
Accumulated Precipitation

for the *Oct.-Sep.* water year, early of December 2023



* The date of maximum snowpack accumulation (April 1st in Northern Calif. , April 15th in the Upper Colorado Basin) is used for year to year comparison.

Accumulated Overdraft of the OCWD Groundwater Basin as of October 2023

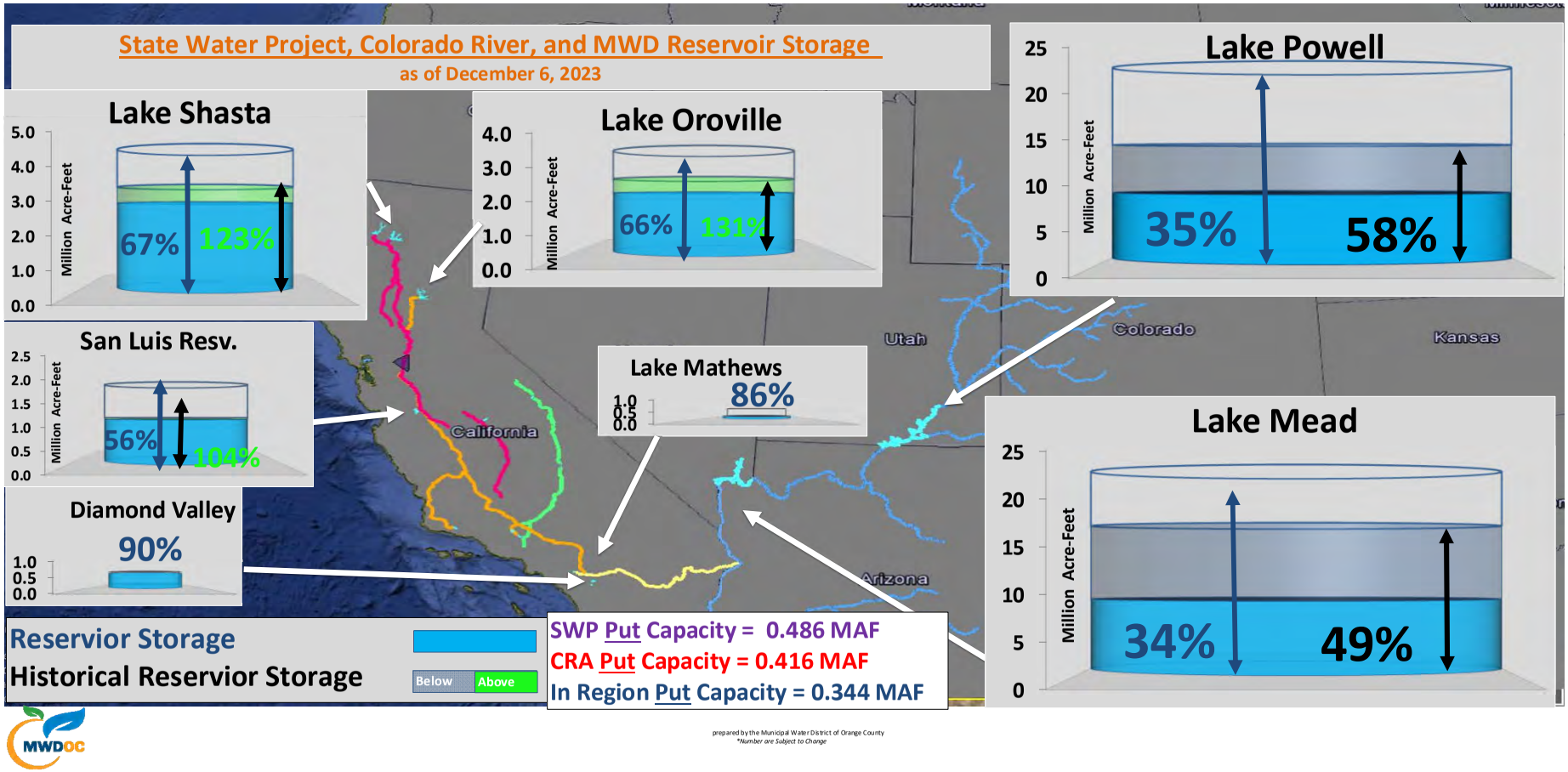


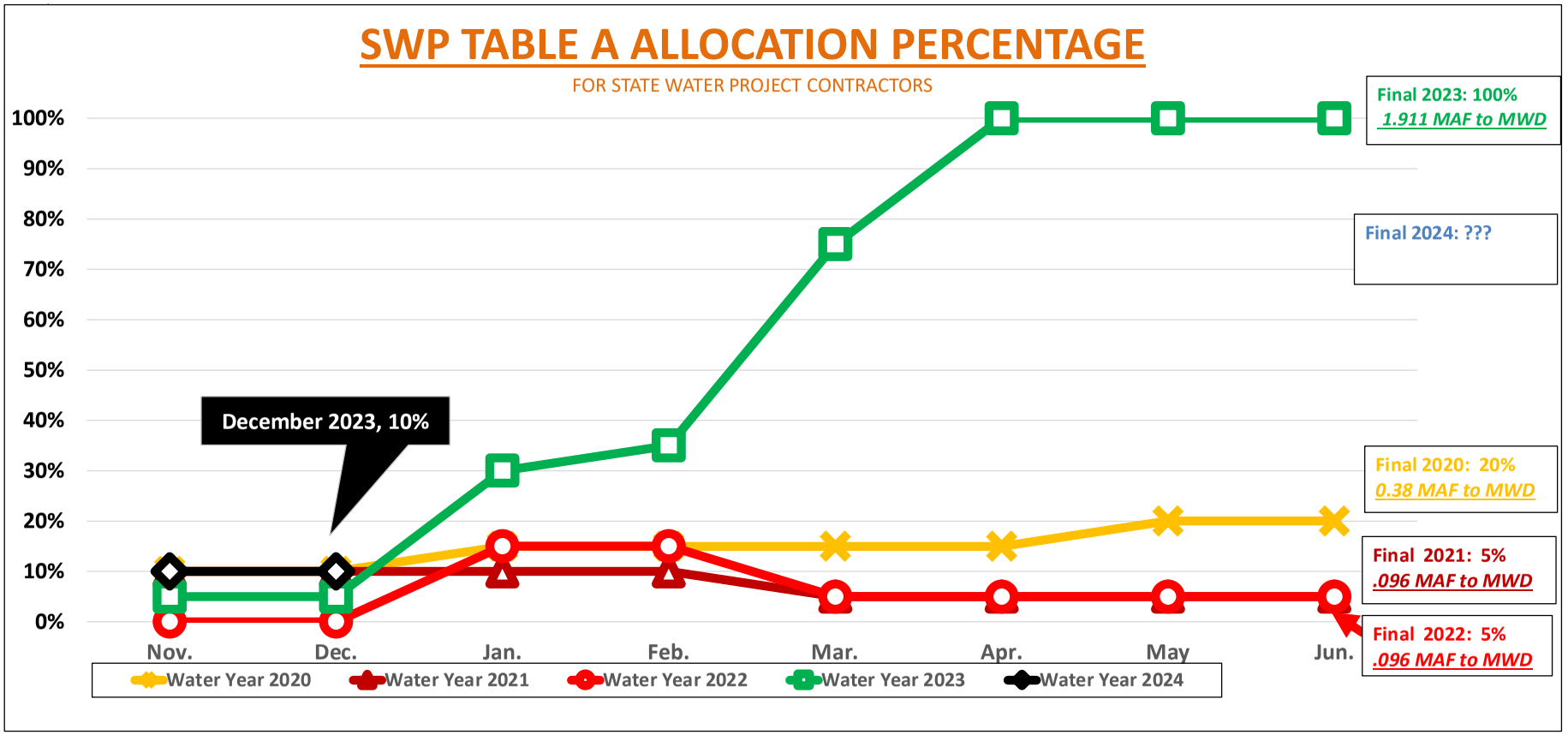
	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
AO (AF)	261,145	277,756	286,988	281,407	269,746	261,614	242,610	227,738	205,331	205,717	162,963	152,904
AO w/CUP removed (AF)	261,145	277,756	286,986	281,407	269,746	261,614	242,610	227,738	205,331	205,717	162,964	152,904
	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
AO (AF)	155,360	196,275	194,961	198,554								
AO w/CUP removed (AF)	155,360	196,275	194,961	198,554								

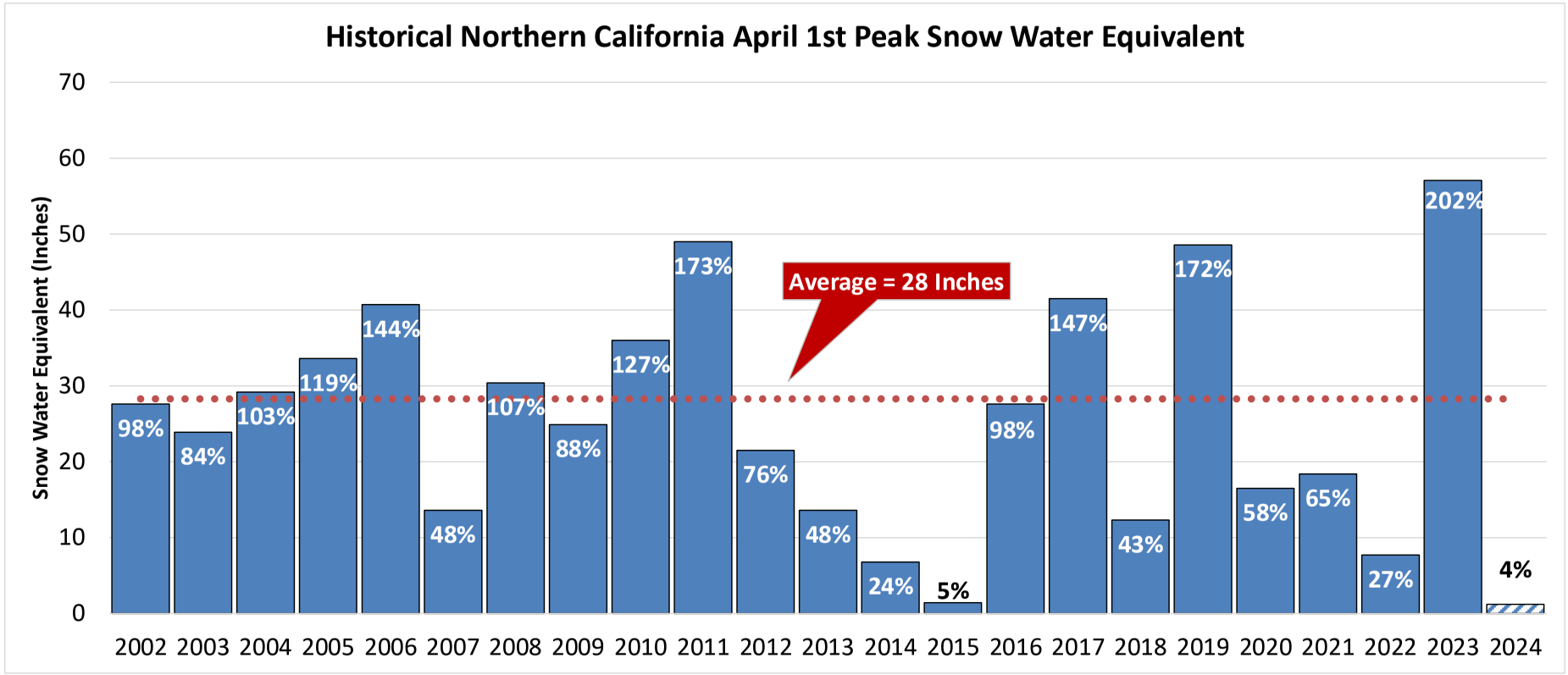
**** Source ~ OCWD Monthly Board of Directors Packet, Water Resources Summary***

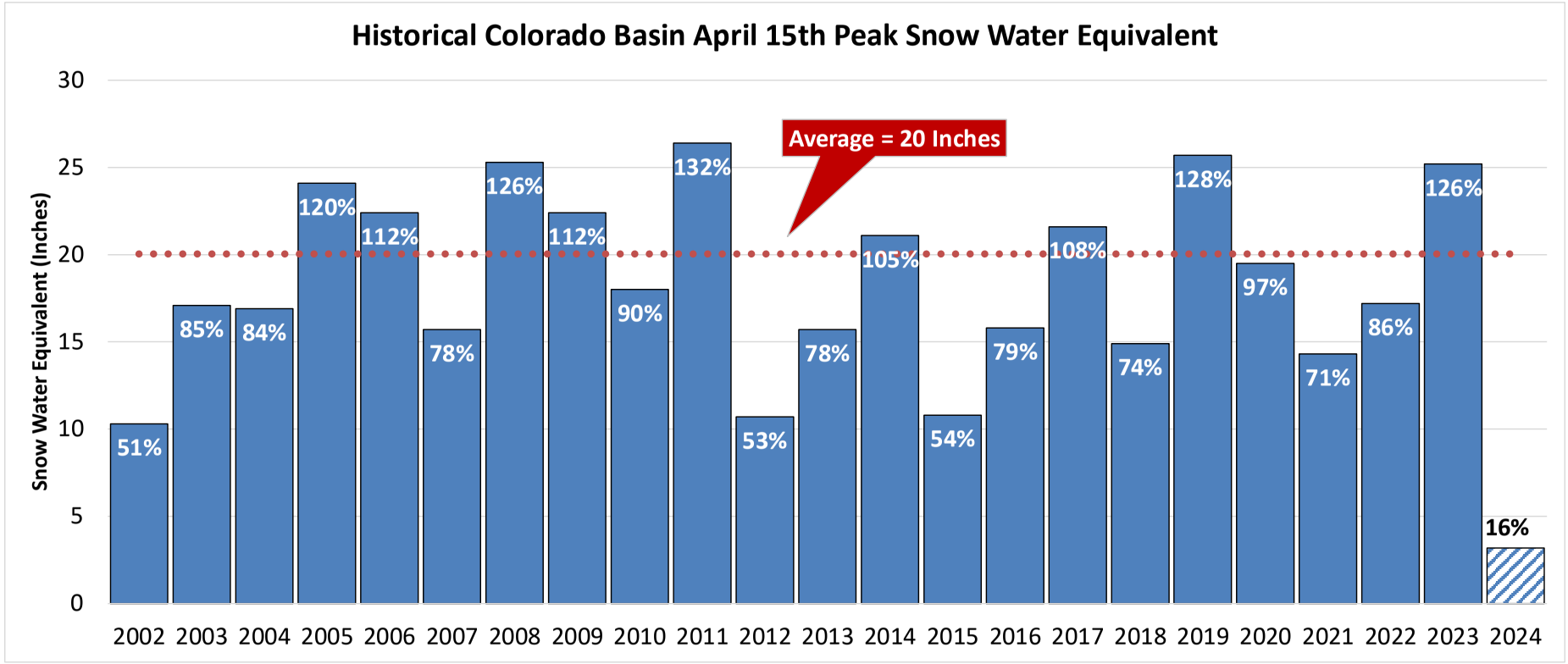
MWDOC

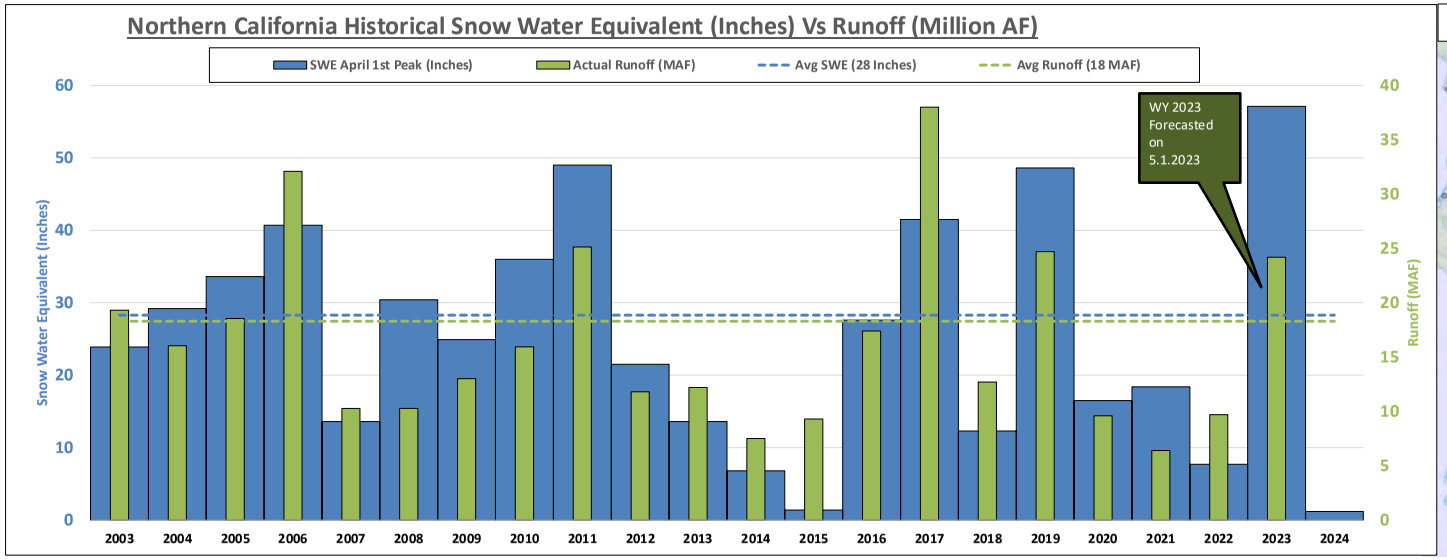
Source of data = OCWD monthly Water Resources Report in Board meeting packet


State Water Project, Colorado River, and MWD Reservoir Storage
as of December 6, 2023
Lake Shasta
Million Acre-Feet
5.0
4.0
3.0
2.0
1.0
0.0
67%
123%
Lake Oroville
Million Acre-Feet
4.0
3.0
2.0
1.0
0.0
66%
131%
Lake Powell
Million Acre-Feet
25
20
15
10
5
0
35%
58%
San Luis Resv.
Million Acre-Feet
2.5
2.0
1.5
1.0
0.5
0.0
56%
104%
Lake Mathews
1.0
0.5
0.0
86%
Diamond Valley
1.0
0.5
0.0
90%
Lake Mead
Million Acre-Feet
25
20
15
10
5
0
34%
49%
Utah
Colorado
Kansas
California
Arizona
Reservior Storage
Historical Reservior Storage
Below
Above
SWP Put Capacity = 0.486 MAF
CRA Put Capacity = 0.416 MAF
In Region Put Capacity = 0.344 MAF
MWDOC
prepared by the Municipal Water District of Orange County
*Number are Subject to Change

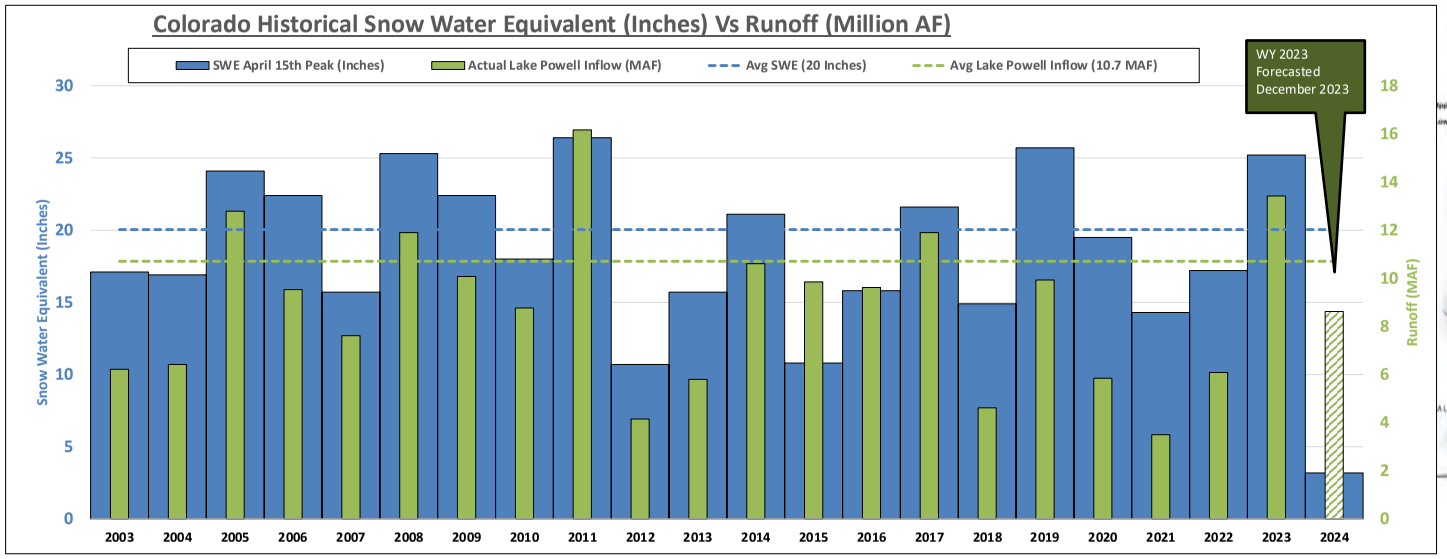

SWP TABLE A ALLOCATION PERCENTAGE
FOR STATE WATER PROJECT CONTRACTORS
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Nov.
Dec.
Jan.
Feb.
Mar.
Apr.
May
Jun.
December 2023, 10%
Water Year 2020
Water Year 2021
Water Year 2022
Water Year 2023
Water Year 2024
Final 2023: 100%
1.911 MAF to MWD
Final 2024: ???
Final 2020: 20%
0.38 MAF to MWD
Final 2021: 5%
.096 MAF to MWD
Final 2022: 5%
.096 MAF to MWD


Historical Northern California April 1st Peak Snow Water Equivalent
Snow Water Equivalent (Inches)
70
60
50
40
30
20
10
0
Average = 28 Inches
98%
84%
103%
119%
144%
48%
107%
88%
127%
173%
76%
48%
24%
5%
98%
147%
43%
172%
58%
65%
27%
202%
4%
2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

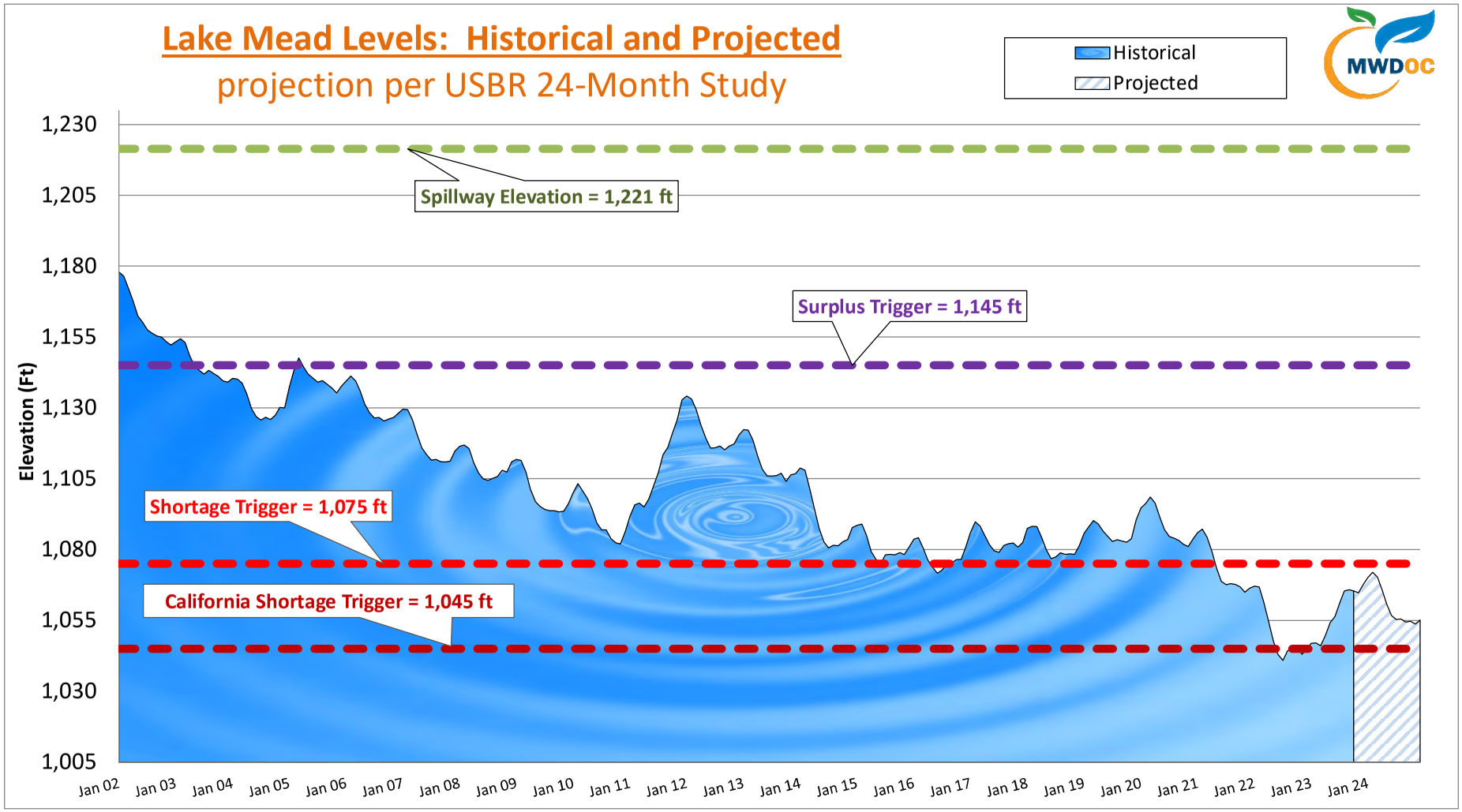

Historical Colorado Basin April 15th Peak Snow Water Equivalent
Snow Water Equivalent (Inches)
30
25
20
15
10
5
0
Average = 20 Inches
51%
85%
84%
120%
112%
78%
126%
112%
90%
132%
53%
78%
105%
54%
79%
108%
74%
128%
97%
71%
86%
126%
16%
2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

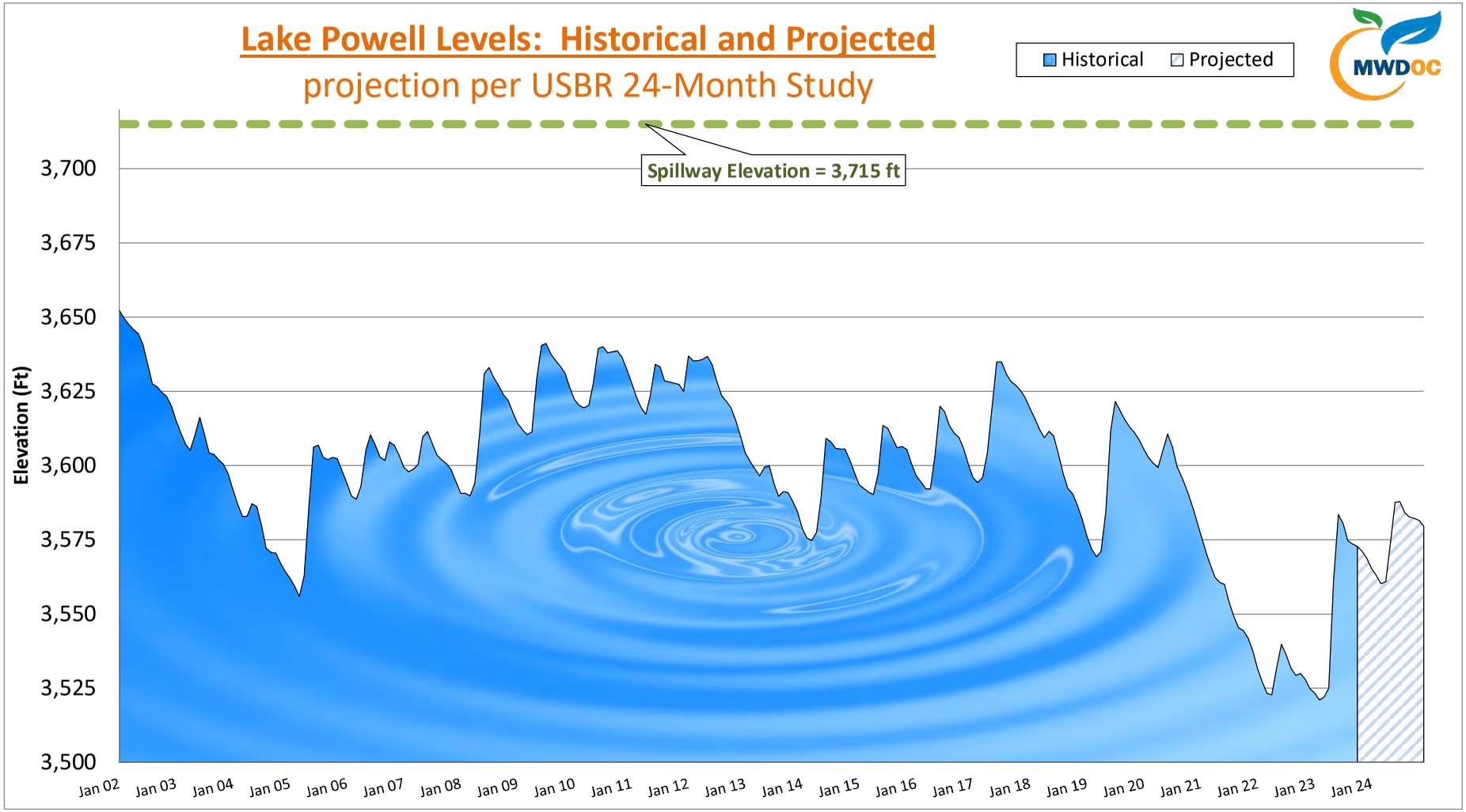

Northern California Historical Snow Water Equivalent (Inches) Vs Runoff (Million AF)
SWE April 1st Peak (Inches)
Actual Runoff (MAF)
Avg SWE (28 Inches)
Avg Runoff (18 MAF)
Snow Water Equivalent (Inches)
Runoff (MAF)
WY 2023 Forecasted on 5.1.2023
0 10 20 30 40 50 60
0 5 10 15 20 25 30 35 40
2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

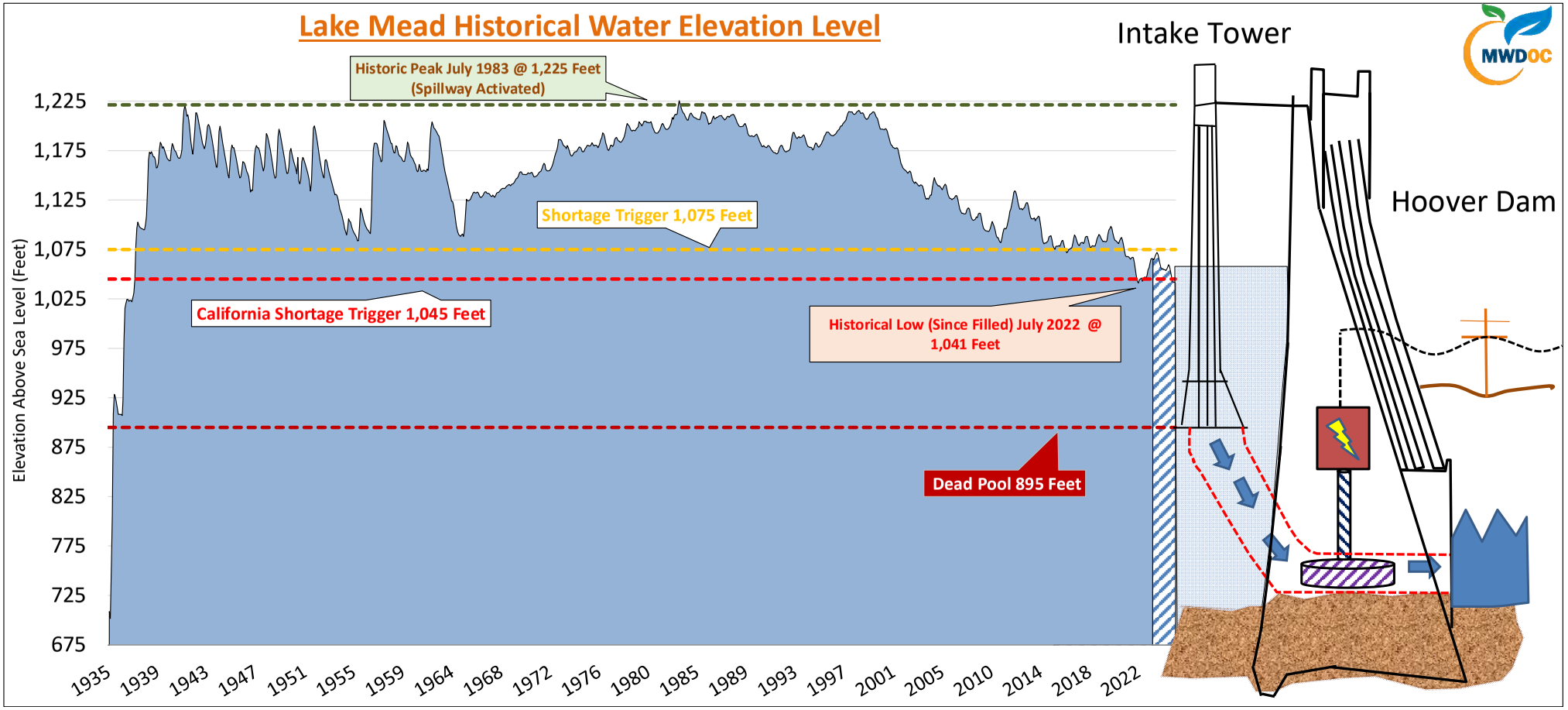

Sacramento River Basin
OREGON
CALIFORNIA
Sacramento
Santa Rosa
San Francisco
Oakland
Stockton
Pacific Ocean

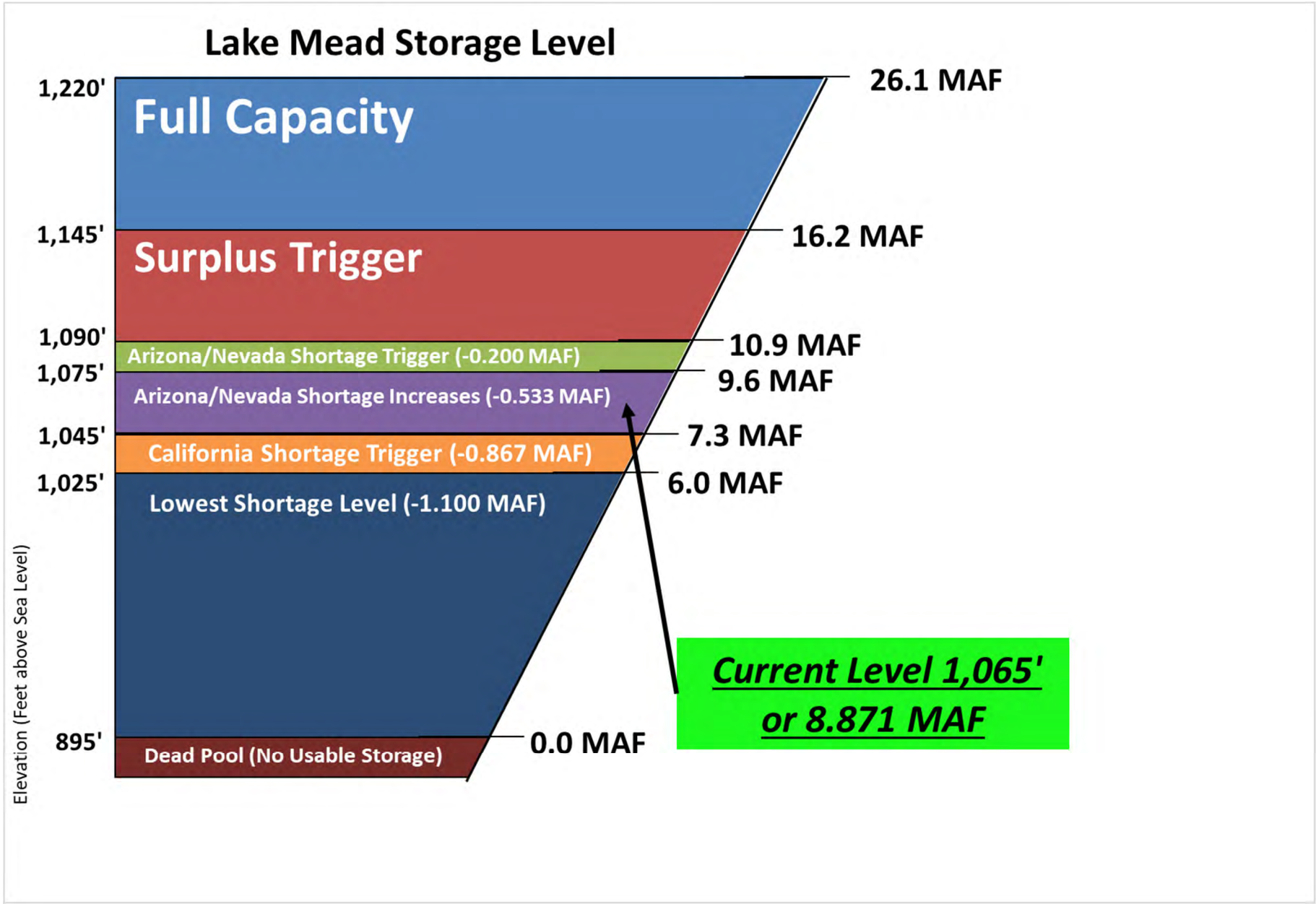

Colorado Historical Snow Water Equivalent (Inches) Vs Runoff (Million AF)
SWE April 15th Peak (Inches)
Actual Lake Powell Inflow (MAF)
Avg SWE (20 Inches)
Avg Lake Powell Inflow (10.7 MAF)
Snow Water Equivalent (Inches)
Runoff (MAF)
WY 2023 Forecasted December 2023
0 5 10 15 20 25 30
0 2 4 6 8 10 12 14 16 18
2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024


Colorado River Basin
WYOMING
UTAH
CALIFORNIA
MEXICO


Lake Mead Levels: Historical and Projected
projection per USBR 24-Month Study
Historical
Projected
MWDOC
Spillway Elevation = 1,221 ft
Surplus Trigger = 1,145 ft
Shortage Trigger = 1,075 ft
California Shortage Trigger = 1,045 ft
Elevation (Ft)
1,230
1,205
1,180
1,155
1,130
1,105
1,080
1,055
1,030
1,005
Jan 02
Jan 03
Jan 04
Jan 05
Jan 06
Jan 07
Jan 08
Jan 09
Jan 10
Jan 11
Jan 12
Jan 13
Jan 14
Jan 15
Jan 16
Jan 17
Jan 18
Jan 19
Jan 20
Jan 21
Jan 22
Jan 23
Jan 24


Lake Powell Levels: Historical and Projected
projection per USBR 24-Month Study
Historical
Projected
MWDOC
Spillway Elevation = 3,715 ft
Elevation (Ft)
3,700
3,675
3,650
3,625
3,600
3,575
3,550
3,525
3,500
Jan 02
Jan 03
Jan 04
Jan 05
Jan 06
Jan 07
Jan 08
Jan 09
Jan 10
Jan 11
Jan 12
Jan 13
Jan 14
Jan 15
Jan 16
Jan 17
Jan 18
Jan 19
Jan 20
Jan 21
Jan 22
Jan 23
Jan 24


Lake Mead Historical Water Elevation Level
Historic Peak July 1983 @ 1,225 Feet
(Spillway Activated)
Shortage Trigger 1,075 Feet
California Shortage Trigger 1,045 Feet
Historical Low (Since Filled) July 2022 @
1,041 Feet
Dead Pool 895 Feet
Elevation Above Sea Level (Feet)
1,225
1,175
1,125
1,075
1,025
975
925
875
825
775
725
675
1935
1939
1943
1947
1951
1955
1959
1964
1968
1972
1976
1980
1985
1989
1993
1997
2001
2005
2010
2014
2018
2022
Intake Tower
Hoover Dam
MWDOC


Lake Mead Storage Level
1,220'
Full Capacity
26.1 MAF
1,145'
Surplus Trigger
16.2 MAF
1,090'
Arizona/Nevada Shortage Trigger (-0.200 MAF)
10.9 MAF
1,075'
Arizona/Nevada Shortage Increases (-0.533 MAF)
9.6 MAF
1,045'
California Shortage Trigger (-0.867 MAF)
7.3 MAF
1,025'
Lowest Shortage Level (-1.100 MAF)
6.0 MAF
895'
Dead Pool (No Usable Storage)
0.0 MAF
Current Level 1,065'
or 8.871 MAF
Elevation (Feet above Sea Level)