REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
December 20, 2023, 8:30 a.m.

This meeting will be held in person. 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#**

AGENDA

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS/PARTICIPATION

At this time, members of the public will be given an opportunity to address the Board concerning items within the subject matter jurisdiction of the Board. Members of the public may also address the Board about a particular Agenda item at the time it is considered by the Board and before action is taken. If the item is on the Consent Calendar, please inform the Board Secretary before action is taken on the Consent Calendar and the item will be removed for separate consideration.

The Board requests, but does not require, that members of the public who want to address the Board complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize items(s) which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.)

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.

NEXT RESOLUTION NO. 2143

CONSENT CALENDAR (Items 1 to 7)
(All matters under the Consent Calendar will be approved by one motion unless a Board member requests separate action on a specific item)

1. MINUTES

a. November 1, 2023 Workshop Board Meeting
b. November 15, 2023 Regular Board Meeting
c. November 17, 2023 Special Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

a. Planning & Operations Committee Meeting: November 6, 2023
b. Administration & Finance Committee Meeting: November 8, 2023
c. Executive Committee Meeting: November 16, 2023

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

a. MWDOC Revenue/Cash Receipt Register as of November 30, 2023
b. Disbursement Registers (November/December)

Recommendation: Ratify and approve as presented.

c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of October 31, 2023
d. PARS Monthly Statement (OPEB Trust)

Recommendation: Receive and file as presented.

4. FINANCIAL REPORT

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

Recommendation: Receive and file as presented.

5. SANTA ANA RIVER CONSERVATION & CONJUNCTIVE USE PROGRAM (SARCCUP) EXTRAORDINARY SUPPLY AGREEMENT

Recommendation: Authorize the General Manager to execute the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) Extraordinary Supply agreement, subject to any non-substantive changes or modifications. This agreement is between the Metropolitan Water District (Metropolitan), Municipal Water District of Orange County (MWDOC), Orange County Water District (OCWD), and the three Metropolitan Cities of Anaheim, Fullerton, and Santa Ana.

6. EXTENSION OF FEDERAL LEGISLATIVE ADVOCACY CONTRACT WITH NATIONAL RESOURCE RESULTS (NRR)

Recommendation: Extend the federal advocacy contract with Natural Resource Results (NRR) for 2024.

7. EXTENSION OF STATE LEGISLATIVE ADVOCACY CONTRACT WITH SYRUS DEVERS ADVOCACY (SDA)

Recommendation: Extend state advocacy services with Syrus Devers, now at Syrus Devers Advocacy, for 2024.

End Consent Calendar

ACTION CALENDAR

8-1 REORGANIZATION OF THE MWDOC BOARD OF DIRECTORS; ELECTION OF PRESIDENT AND VICE PRESIDENT RES. NOS. _____& _____

Recommendation: Nominate, and by Resolution(s), elect the President and Vice President of the Board.

8-2 APPOINTMENT OF SECRETARY, TREASURER(S), AND LEGAL COUNSEL RES. NO. _____

Recommendation: Adopt Resolution(s) appointing the Board Secretary, Treasurer, and Legal Counsel.

INFORMATION CALENDAR (All matters under the Information Calendar will be Received/Filed as presented following any discussion that may occur)

9. GENERAL MANAGER'S REPORT, DECEMBER (ORAL AND WRITTEN)

Recommendation: Receive and file report(s) as presented.

10. MWDOC GENERAL INFORMATION ITEMS

a. Board of Directors - Reports re: Conferences and Meetings
b. Requests for Future Agenda Topics

Recommendation: Receive and file as presented.

ADJOURNMENT

Note: 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 contacting 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.

MINUTES OF THE WORKSHOP BOARD MEETING
OF THE BOARD OF DIRECTORS OF
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)
WITH THE MWDOC MET DIRECTORS
November 1, 2023

At 8:30 a.m., President Yoo Schneider called to order the Workshop Meeting of the Municipal Water District of Orange County in Conference Room 101 at the District facilities located in Fountain Valley, as well as including attendance via the Zoom Webinar application. Director McVicker led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS
Al Nederhood
Larry Dick*
Karl W. Seckel*
Bob McVicker
Randall Crane
Jeffery M. Thomas (absent)
Megan Yoo Schneider

STAFF
Harvey De La Torre, Interim General Mgr.
Joe Byrne, Legal Counsel
Maribeth Goldsby, District Secretary
Melissa Baum-Haley, Dir. of MET Issues/Policy
Alex Heide, Water Resources Analyst (absent)
Heather Baez, Director of Governmental Affairs
Sarina Sriboonlue, Principal Engineer
Hilary Chumpitazi, Director of Finance/IT
Kevin Hostert, Sr. Water Resource Analyst
Damon Micalizzi, Director of Public Affairs
Joe Berg, Director of Water Use Efficiency

*Also MWDOC-MET Directors

OTHER MWDOC-MET DIRECTORS
Linda Ackerman
Dennis Erdman

OTHERS PRESENT

Bill Hasencamp	Metropolitan Water District of So. Calif.
Meena Westford	Metropolitan Water District of So. Calif.
Laura Lamdin	Metropolitan Water District of So. Calif.
Sara Tucker	NRR
Garrett Durst	NRR
Syrus Devers	Syrus Devers Advocacy
Dick Ackerman	Ackerman Consulting
Ed Means (absent)	Means Consulting
Paul Jones (absent)	Dopudja & Wells Consulting
Peter Whittingham	Whittingham Public Affairs Advisors
Doug Davert	East Orange County Water District
Dave Youngblood	East Orange County Water District
Fred Adjarian	El Toro Water District
Kathryn Freshley	El Toro Water District
Mike Gaskins	El Toro Water District
Kay Havens	El Toro Water District
Mark Monin	El Toro Water District
Dennis Cafferty	El Toro Water District
Sherri Seitz	El Toro Water District

Vu Chu	El Toro Water District
Doug Reinhart	Irvine Ranch Water District
Paul Weghorst	Irvine Ranch Water District
Jim Atkinson	Mesa Water
Dick Fiore	Moulton Niguel Water District
Don Froelich	Moulton Niguel Water District
Sherry Wanninger	Moulton Niguel Water District
Laura Rocha	Moulton Niguel Water District
Kaden Young	Moulton Niguel Water District
Mike Markus	Orange County Water District
John Kennedy	Orange County Water District
Alicia Dunkin	Orange County Water District
Saundra Jacobs	Santa Margarita Water District
Frank Ury	Santa Margarita Water District
Jim Leach	Santa Margarita Water District
Greg Mills	Serrano Water District
Brad Reese	Serrano Water District
Tom Lindsey	Yorba Linda Water District
Lisa Ohlund	Ohlund Management & Technical Services
Emily Novak	San Diego County Water Authority
Kristy Khachigian	KK Consulting
Charles Luas	
Joseph Vanderhurst	

PUBLIC PARTICIPATION/PUBLIC COMMENTS

President Yoo Schneider inquired whether any members of the public wished to comment on agenda items.

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine need and take action to agendize item(s), which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present or, if less than two-thirds of the Board members are present, a unanimous vote.)

No items were presented.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

President Yoo Schneider inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting.

No items were distributed to the Board less than 72 hours prior to the meeting.

PRESENTATION / DISCUSSION ITEMS

PRESENTATION BY METROPOLITAN STAFF ON THE 20TH ANNIVERSARY OF THE QUANTIFICATION SETTLEMENT AGREEMENT (QSA)

In celebrating the 20th anniversary of the QSA, Mr. Bill Hasencamp, Ms. Meena Westford, and Ms. Laura Lamdin (all Metropolitan Water District of Southern California-MET staff) presented an update on the 2003 QSA, how MET reduced their reliance on the Colorado River by 800 TAF, storage in Lake Mead, and the continued adaptation of programs to augment Colorado River supplies. The presentations included a historical look on how changing conditions challenged the framework of the Colorado River (including overviews of the 1922 Colorado River Compact, 1928 Boulder Canyon Project Act, 1931 Seven Party Agreement, 1988 IID/MET water transfer, and QSA highlights), as well as information on reductions to system storage, reliance on the Colorado River, and how MET has worked to reduce imported demand. It was noted that even through changing conditions, California continues to abide by the 4.4 million acre-feet per year.

The audience and Board members engaged in a robust discussion, with specific emphasis on whether the cost of investments to compensate for the QSA has been calculated, Lake Mead storage (real v. paper water), total MET storage capacity, the importance of identifying demand targets, the need to continue investing in local resources, and the significant cost increases due to decreased water demands.

The Board received and filed the report as presented.

LEGISLATIVE ACTIVITIES

a. Federal Legislative Report (NRR)

Mr. Garrett Durst and Sara Tucker of NRR reviewed NRR's written report in the packet, highlighting the appointment of a new speaker (Mike Johnson), the appropriations process, and Colorado River activities.

A brief discussion was held regarding Democratic opposition to the WIIN Act, as well as concerns with enlarging Lake Shasta.

The Board received and filed the report.

b. State Legislative Report

Mr. Syrus Devers, of SDA, reviewed his report, providing an end-of-year legislative recap. He referenced the legislative matrix, noting it would not be updated until February 2024 and he encouraged Board members to review the matrix and let him know if they had any concerns, questions or comments.

Following discussion, the Board received and filed the report.

c. Legal and Regulatory Report (Ackerman)

Mr. Dick Ackerman referenced his report, highlighting the fact that Arrowhead Water has filed a lawsuit in Fresno over water rights.

The Board received and filed the report.

d. County Legislative Report (Whittingham)

Mr. Whittingham referenced his report, highlighting the need to replace Supervisor Do on the OC LAFCO Commission.

The Board received and filed his report.

e. MWDOC Legislative Matrix

The Board received and filed the report.

f. Metropolitan Legislative Matrix

The Board received and filed the report.

QUESTIONS OR INPUT ON MET ISSUES FROM MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION

Director Dick highlighted Brock Reservoir and provided an overview of how that water is held and delivered to the MET service area.

Director Seckel commented on the CAMP4W process, noting that Chairman Ortega appointed a Task Force to oversee the process (which should include communication, etc.). He also highlighted on the need for additional storage.

Director Ackerman reported on the Delta Stewardship subcommittee activities, as well as a MET's workshop on Affordability.

INFORMATION ITEMS

MWD ITEMS CRITICAL TO ORANGE COUNTY

a. MET Finance and Rate Issues
b. MET Water Supply Conditions Update
c. Water Quality Update
d. Colorado River Issues
e. Delta Conveyance Activities and State Water Project Issues

The Board received and filed the report as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

a. Summary reports regarding the October MET Board Meeting
b. Review items of significance for the upcoming MET Board and Committee Agendas

The report was received and filed.

ADJOURNMENT

There being no further business, the meeting adjourned at 9:59 a.m.

_____
Maribeth Goldsby
Board Secretary

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
November 15, 2023

At 8:30 a.m., President Yoo Schneider called to order the Regular Meeting of the Municipal Water District of Orange County, in the Board Room at the District facilities located in Fountain Valley, as well as including attendance via the Zoom Webinar application. Following a moment of silence, Director Seckel led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS	**STAFF**
Al Nederhood	Harvey De La Torre, Interim General Manager
Larry Dick	Joe Byrne, Legal Counsel
Bob McVicker	Maribeth Goldsby, District Secretary
Karl Seckel	Melissa Baum-Haley, Director of MET Issues/Policy
Randall Crane	Damon Micalizzi, Director of Public Affairs
Jeffery M. Thomas	Vicki Osborn, Director of Emergency Management
Megan Yoo Schneider	Alex Heide, Sr. Water Resources Analyst
	Cathy Harris, Director of HR/Administration
	Joe Berg, Director of Water Use Efficiency
	Charles Busslinger, Dir. of Engineering/Dist. Eng.
	Heather Baez, Director of Governmental Affairs
	Sarina Sriboonlue, Principal Engineer
	Hilary Chumpitazi, Director of Finance/IT

ALSO PRESENT	
Linda Ackerman	MWDOC/MET Director
Dennis Erdman	MWDOC/MET Director
Kathryn Fresley	El Toro Water District
Mike Gaskins	El Toro Water District
Kay Havens	El Toro Water District
Mark Monin	El Toro Water District
Dennis Cafferty	El Toro Water District
Sherri Seitz	El Toro Water District
Doug Reinhart	Irvine Ranch Water District
Paul Weghorst	Irvine Ranch Water District
Jim Atkinson	Mesa Water
Stacy Taylor	Mesa Water
Diane Rifkin	Moulton Niguel Water District
Sherry Wanninger	Moulton Niguel Water District
Kelly Rowe	Orange County Water District
Mike Markus	Orange County Water District
John Kennedy	Orange County Water District
Saundra Jacobs	Santa Margarita Water District
Dan Ferons	Santa Margarita Water District
Jim Leach	Santa Margarita Water District
Chip Monaco	Santa Margarita Water District
Greg Mills	Serrano Water District
Brad Reese	Serrano Water District
Rick Shintaku	South Coast Water District
Jennifer Lopez	South Coast Water District

Glen Acosta	Trabuco Canyon Water District
Tom Lindsey	Yorba Linda Water District
Mark Toy	Yorba Linda Water District
Lisa Ohlund	Ohlund Management & Technical Services
Dick Ackerman	Ackerman Consulting
Charles Luas	

PUBLIC PARTICIPATION/PUBLIC COMMENT

President Yoo Schneider announced that members of the public wishing to comment on agenda items could do so after the item has been discussed by the Board and requested members of the public identify themselves when called on. President Yoo Schneider asked whether any member of the public had any comments on items that are not on the agenda.

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were received.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

President Yoo Schneider inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting.

Secretary Goldsby advised that the Strategic Goals and Implementation Plan, along with the accompanying presentation materials were distributed to the Board and made available to the public.

EMPLOYEE SERVICE AWARDS

Interim General Manager Harvey De La Torre presented an award to Director of Finance/IT, Hilary Chumpitazi for 10 years of service with the District.

CONSENT CALENDAR

President Yoo Schneider stated all matters under the Consent Calendar would be approved by one MOTION unless a Director wished to consider an item separately.

Upon MOTION by Director Thomas, seconded by Director Crane, and carried (7-0) the Board approved the Consent Calendar items, by the following roll call vote:

AYES:	Directors Nederhood, Dick, Seckel, McVicker, Crane, Thomas, and Yoo Schneider
NOES :	None
ABSENT:	None
ABSTAIN:	None

MINUTES

The following minutes were approved.

October 4, 2023 Workshop Board Meeting
October 18, 2023 Regular Board Meeting

COMMITTEE MEETING REPORTS

The following Committee Meeting reports were received and filed as presented.

Planning & Operations Committee Meeting:	October 2, 2023
Administration & Finance Committee Meeting:	October 11, 2023
Executive Committee Meeting:	October 19, 2023
MWDOC/OCWD Joint Planning Committee:	October 25, 2023

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of October 31, 2023
Disbursement Registers (October/November)

The following items were received and filed as presented.

Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment Report) as of September 30, 2023

PARS Monthly Statement (OPEB Trust)

FINANCIAL REPORT

The following items were received and filed as presented.

- Combined Financial Statements and Budget Comparative for the Period Ending September 30, 2023
- Quarterly Budget Review

2024 HEALTH SAVINGS ACCOUNT CONTRIBUTIONS

The Board of Directors approved an increase to the District's annual Health Savings Account (HSA) contribution amounts to the Kaiser and Anthem Consumer Driven Health Plans (CDHP) for the 2024 plan year, Option 1.

MWDOC LEGISLATIVE POLICY PRINCIPLES ANNUAL UPDATE

The Board of Directors adopted the Legislative and Regulatory Policy Principles as updated and streamlined for 2024.

- END CONSENT CALENDAR –

PRESENTATION ITEM

STRATEGIC PRIORITIES AND IMPLEMENTATION PLAN

Interim General Manager Harvey De La Torre presented staff's Implementation Plan (Plan) for the recently finalized MWDOC Board Strategic Priorities (MWDOC's mission and roles, MET's policy positions, MET Director consultation, reliability planning, member agency collaboration, communications, and staff development). He advised that the intent of the Plan was to provide a structured and actionable roadmap for staff to achieve each priority with a specific set of goals and action.

Mr. De La Torre's presentation included the background for developing the priorities (as well as their purpose), the intent of the Plan, how staff will utilize the Plan, as well as a detailed review of how staff plans to implement each priority.

Discussion ensued with comments that highlighted the facilitated process with the member agencies (which helped improved coordination and communication with the member agencies). Several Board members commended President Yoo Schneider's direction and leadership skills which challenged staff to develop the Implementation Plan.

President Yoo Schneider suggested the current workload of staff be evaluated to ensure that the Implementation Plan is achievable (not adding additional work but fine-tuning or eliminating programs that do not maximize staff's talents). She referenced Conservation as a Way of Life efforts and suggested MWDOC's role shift to that of a support role to the member agencies, as well as Cyber Security and exploring the member agency needs in this regard (emphasizing MWDOC's of support to the agencies).

The Board received and filed the presentation; it was noted that periodic updates on staff's progress would be made to the Board.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, OCTOBER 2023

Interim General Manager Harvey De La Torre advised that the full General Manager's report was included in the Board packet.

Mr. De La Torre advised that he was recently appointed to MET's task force on the CAMP4W process.

Director Nederhood referenced the recent MET Board meeting wherein a MET member agency Board member expressed concerning remarks and accusations against their MET Director representative. He also highlighted MET's reduced water sales ($300 million loss in revenue), and the presentation on MET's the Long Range Finance Plan Needs Assessment.

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS

a. BOARD OF DIRECTORS

The Board members each reported on their attendance at the regular (and special) MWDOC Board and Committee meetings. In addition to these meetings, the following reports were made on conferences and meetings attended on behalf of the District.

Director Nederhood advised that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, MWDOC/OCWD Joint Planning, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the WACO and WACO planning meetings, the OC Water Summit, the OCSD State of the Organization event, and the MET Committee and Board meetings.

Director Dick stated that he attended all of the regularly scheduled MWDOC meetings, (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the regularly scheduled MET Board and Committee meetings, the Pure Water dedication event, the WACO meeting, the ad hoc committee meeting regarding the Grand Jury Report, the ISDOC Executive Committee meeting, the Water Policy dinner, MET preparation meeting for the subcommittee meeting on the Long Term Financial Plan, the MET Caucus, the Corps of Engineers of Southern California, a Chamber of Commerce meeting, and the OC Water Summit.

Director McVicker reported that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, MWDOC/OCWD Joint Planning, Executive Committee meetings, as well as the Workshop meeting and Regular Board meetings), MET's Board and Committee meetings, the ISDOC Executive Committee meeting, and the ad hoc committee meeting regarding the GM Recruitment.

Director Seckel advised that he attended the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and MWDOC/OCWD Joint Planning Committee meetings, as well as the Workshop Board meeting), the regularly scheduled MET Board and Committee meetings, a meeting with SMWD regarding South County Pipeline issues, the WACO Planning meeting, a meeting with Dick Ackerman, the OC Water Summit and speakers' dinner, the Pure Water dedication event with the San Joaquin Blueprint, the ABEC dedication event, a meeting with MET staff, the Coastkeeper Toast to the Coast event, and a meeting with Deven Upadhyay. Director Seckel also provided clarification on MET's draft Long Range Finance Plan document.

Director Crane reported that he attended the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, MWDOC/OCWD Joint Planning, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the WACO meeting, a presentation on water to the Girl Scouts, the South OC Watershed Management Executive Committee meeting, the ad hoc committee meeting regarding the Grand Jury report, a meeting with SMWD Director Chuck Gibson (regarding the revised Legislative Policy Principles), and the IRWD Board meeting.

Director Thomas noted that he attended most of the regularly scheduled MWDOC meetings, (the Planning & Operations, Administration & Finance, MWDOC/OCWD Joint Planning, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the WACO

meeting, the OC Water Summit Planning meeting(s), the OC Water Summit and speakers' dinner, and ad hoc committee meetings regarding the GM recruitment.

Director Yoo Schneider advised that she attended most of the regularly scheduled MWDOC meetings (Planning & Operations and MWDOC/OCWD Joint Planning Committee meetings, as well as the Workshop and Regular Board meetings), several ad hoc committee meetings regarding the GM recruitment, the SMWD ribbon cutting event in San Juan Capistrano, the SMWD Board meeting, a meeting with staff, the SCWD Administration & Finance Committee meeting, and the LBCWD Commission meeting.

a. REQUESTS FOR FUTURE AGENDA TOPICS

No items for future agenda topics were presented.

CLOSED SESSION ITEM

At 9:26 a.m, Legal Counsel Bryne announced that the Board would adjourn to closed session to discuss the following item:

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Section 54956.9)
Name of case: In re: Aqueous Film-Forming Foams Products Liability Litigation, Case No. 2:18-mn-2873-RMG

RECONVENE

At 9:46 a.m. the Board reconvened into open session, and Legal Counsel Bryne announced that by a 6-0 vote, the Board voted to opt out of the proposed settlements on the litigation and authorized Interim General Manager De La Torre to work with legal counsel on the necessary documents.

ADJOURNMENT

There being no further business to come before the Board, President Yoo Schneider adjourned the meeting at 9:47 a.m.

Respectfully submitted,

_____
Maribeth Goldsby, Secretary

MINUTES OF THE SPECIAL BOARD MEETING
OF THE BOARD OF DIRECTORS OF
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)
November 17, 2023

At 10:25 a.m. President Yoo Schneider called to order the Special Meeting of the Municipal Water District of Orange County at the law offices of Best, Best & Krieger, 18101 Von Karman Avenue, Suite 1000, 10th Floor, Irvine, California. Legal Counsel Byrne called the roll.

MWDOC DIRECTORS
Al Nederhood
Larry Dick (arrived at 10:45 am)
Karl W. Seckel
Bob McVicker
Randall Crane
Jeffery M. Thomas
Megan Yoo Schneider

STAFF
Joe Byrne, Legal Counsel

OTHERS PRESENT

Nina Habib	Colleague, LLC

PUBLIC PARTICIPATION/PUBLIC COMMENTS

President Yoo Schneider inquired whether any members of the public wished to comment on agenda items.

No public comments were received.

CLOSED SESSION

At 10:26 a.m., Legal Counsel Byrne announced that the Board would adjourn to closed session on the following item:

PUBLIC EMPLOYMENT
Government Code Section 54957
Title: General Manager

RECONVENE/CLOSED SESSION ANNOUNCEMENTS

The Board reconvened from closed session at 4:04 pm. and Legal Counsel Byrne announced that the Board authorized Legal Counsel to negotiate a contract for the General Manager position with Harvey De La Torre, and bring a contract back to the Board as soon as possible.

ADJOURNMENT

There being no further business, the meeting adjourned at 4:05 p.m.

_____
Maribeth Goldsby
District Secretary

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PLANNING & OPERATIONS COMMITTEE MEETING
November 6, 2023 – 8:30 a.m. to 9:29 a.m.

The meeting was in-person at the Municipal Water District of Orange County's office and included attendance via the Zoom Webinar application.

Committee:
Director Robert McVicker, Chair
Director Al Nederhood
Director Karl Seckel

Staff: Harvey De La Torre, Joe Berg
Melissa Baum-Haley, Damon Micalizzi, Charles Busslinger, Sarina Sriboonlue, Hilary Chumpitazi, Heather Baez, Maribeth Goldsby, Alex Heide, Tina Dubuque, Kevin Hostert

Also, Present:

Director Randall Crane
Director Larry Dick
Director Jeff Thomas
Director Megan Yoo Schneider
MET Director Linda Ackerman
MET Director Dennis Erdman
Dick Ackerman, Ackerman Consulting
David Youngblood, East Orange County Water District
Doug Cafferty, El Toro Water District
Sherri Seitz, El Toro Water District
Kathryn Freshley, El Toro Water District
Kay Havens, El Toro Water District
Mike Gaskins, El Toro Water District
Doug Reinhart, Irvine Ranch Water District
Lou Bronstein, Irvine Ranch Water District
Vu Chu, Irvine Ranch Water District
Keith Van Der Maaten, Laguna Beach County Water District
Jim Atkinson, Mesa Water District
Stacy Taylor, Mesa Water District
Adam Hutchinson, Orange County Water District
Alicia Dunkin, Orange County Water District
Jim Leach, Santa Margarita Water District
Chuck Gibson, Santa Margarita Water District
Chip Monaco, Santa Margarita Water District
Brad Reese, Serrano Water District
Bill Green, South Coast Water District
Matt Kramer, South Coast Water District

Chairperson McVicker called the meeting to order at 8:30 a.m.

Secretary Goldsby conducted a roll call of the Committee members' attendance, with Directors McVicker, Nederhood, and Seckel being present. Directors Crane, Dick, Thomas, and Yoo Schneider were also present.

PUBLIC COMMENTS

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS BEFORE MEETING

No items were presented.

PRESENTATION ITEM

SUMMARY OF ORANGE COUNTY FY 2022-2023 IMPORTED WATER SALES FOLLOW-UP PRESENTATION

Senior Water Resources Analyst Kevin Hostert presented information regarding Metropolitan Water District of Southern California's (MET) water sales and usage.

Interim General Manager Harvey De La Torre explained that this presentation was in response to Mr. Hostert's previous presentation (October 2, 2023) wherein several follow up questions were raised.

The Committee received and filed this presentation.

ACTION ITEM

MWDOC LEGISLATIVE AND REGULATORY POLICY PRINCIPLES ANNUAL UPDATE

Interim General Manager Harvey De La Torre stated that at the introduction of the MWDOC Legislative and Regulatory Policy Principles document, the Planning and Operations (P&O) Committee asked that Director of Governmental Affairs Heather Baez work with Director Crane to streamline and refine the document. The document was returned to the P&O Committee and sent to the member agencies for review and input in October. The document is being returned in its final form for review and approval.

In response to Director Nederhood's inquiry, Ms. Baez explained that the previous Legislative and Regulatory Policy Principles were lengthy and included various specific issues which allowed the District to take positions on legislation without going to the Board for approval. She noted that staff and the consultants were not utilizing the document in this manner and that most legislation was presented to the Board for approval to ensure they were informed on what was being supported or opposed. Ms. Baez explained that the new format provides an overall approach reflective of MWDOC's mission statement and noted that legislation would continue to be brought before the Board allowing for input and approval, while also offering the member agencies an opportunity to share their position.

Ms. Baez suggested that this new format would be used for the upcoming year and re-visited next year to determine its helpfulness.

There was a robust conversation regarding adding specific words or statements that cover "local control" and other language addressing specific topics.

Harvey De La Torre stated that minor wordsmithing could occur to allow consistency with MWDOC's mission statement. However, he wanted to avoid the tendency to continue adding additional topics to the document. He went on to say that the document contains guiding principles, and that key legislation important to MWDOC and its member agencies is consistently brought forth to the MWDOC Board for consideration and approval.

Directors Dick, Thomas, and Yoo Schneider voiced their support for the new format, noting that if the new format does not work, the old format could be brought back.

Director Crane shared that the idea for the new format was to pare it down to MWDOC's core functions and principles closely tied to MWDOC's mission statement. The idea was not to address all the principles but to highlight what MWDOC identifies as foremost objectives.

Ms. Baez clarified her understanding of the Committee's direction, confirming that the Committee would support the staff recommendation, and she would discuss any proposed changes on adding language relating to local control with Director Crane.

Upon MOTION by Director Nederhood, seconded by Director Seckel, and carried (3-0), the Committee recommended the Board of Directors approve the staff recommendation to adopt the Legislative and Regulatory Policy Principles as updated and streamlined for 2024, with the understanding that staff could make minor revisions at their discretion and provide an update at the Board Meeting on November 15, 2023.

A roll call vote was taken, with Directors McVicker, Nederhood, and Seckel voting in favor. This item will be presented to the Board on November 15, 2023.

INFORMATION ITEMS

SOLE SOURCE CONTRACT WITH PLANET BIDS

The Committee received and filed this item.

2023 OC WATER SUMMIT RECAP

Director Dick inquired about the net proceeds received from the 2023 OC Water Summit, and Director Nederhood asked about viewing the results of the survey that solicited feedback regarding the event.

Director of Public Affairs Damon Micalizzi stated that the final accounting and survey results have not yet been shared with the committee. He said that once that information is provided, he would share it with the Board.

The Committee received and filed this item.

PUBLIC AFFAIRS HIGHLIGHTS

The Committee received and filed this report.

DEPARTMENT ACTIVITIES REPORTS

a. **Ongoing MWDOC Reliability and Engineering/Planning Projects**
b. **WEROC**
c. **Water Use Efficiency Projects**
d. **Public and Government Affairs**

The Committee received and filed these reports.

REVIEW OF ISSUES RELATED TO PLANNING OR ENGINEERING PROJECTS, WEROC, WATER USE EFFICIENCY, FACILITY AND EQUIPMENT MAINTENANCE, WATER STORAGE, WATER QUALITY, CONJUNCTIVE USE PROGRAMS, EDUCATION, PUBLIC AFFAIRS PROGRAMS AND EVENTS, PUBLIC INFORMATION PROJECTS, PUBLIC INFORMATION CONSULTANTS, DISTRICT FACILITIES, and MEMBER-AGENCY RELATIONS

Director of Water Use Efficiency Joe Berg introduced the new Water Use Efficiency Intern Bryce Stradling.

ADJOURNMENT

As no further business was brought before the Committee, the meeting was adjourned at 9:29 a.m.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
November 8, 2023 – 8:30 a.m. to 8:51 a.m.

Director Dick called the meeting to order at 8:30 a.m. The meeting was held in-person at the District offices as well as including attendance via the Zoom Webinar application.

A&F Committee

Director Larry Dick, Chair
Director Randy Crane
Director Jeff Thomas

Staff:

Harvey De La Torre, Maribeth Goldsby, Katie Davanaugh, Cathy Harris, Melissa Baum-Haley, Hilary Chumpitazi, Joe Berg, Damon Micalizzi

Also Present:

Director Bob McVicker
Director Al Nederhood
Director Karl Seckel

MWDOC MET Director Linda Ackerman
MWDOC MET Director Dennis Erdman

Mike Gaskins, El Toro Water District
Mark Monin, El Toro Water District
Doug Reinhart, Irvine Ranch Water District

Marwan Khalifa, Mesa Water
Donald Froelich, Moulton Niguel Water District
Sherry Wanninger, Moulton Niguel Water District
John Kennedy, Orange County Water District
Saundra Jacobs, Santa Margarita Water District
Chip Monaco, Santa Margarita Water District
Greg Mills, Serrano Water District
Brad Reese, Serrano Water District
Jennifer Lopez, South Coast Water District
Michael Perea, Trabuco Canyon Water District
Dick Ackerman, MWDOC consultant

ROLL CALL

Secretary Goldsby conducted a roll call attendance of the Committee members with Directors Dick, Crane and Thomas acknowledging attendance for the Administration and Finance Committee; and Directors McVicker, Nederhood, and Seckel also present.

PUBLIC COMMENTS

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

No items were presented.

PROPOSED BOARD CONSENT CALENDAR ITEMS

TREASURER'S REPORT

a. Revenue/Cash Receipt Report – October 2023
b. Disbursement Approval Report for the month of November 2023
c. Disbursement Ratification Report for the month of October 2023
d. GM Approved Disbursement Report for the month of October 2023
e. Consolidated Summary of Cash and Investment – September 2023
f. OPEB and Pension Trust Fund statements

The Committee reviewed the Treasurer's Report and held general discussion on the disbursement report, as well as review of the District's long-term investment portfolio. Upon MOTION by Director Thomas, seconded by Director Crane and carried (3-0), the Committee recommended approval of the Treasurer's Report at the November 15, 2023 Board meeting. The vote was taken via roll call with Directors Crane, Dick and Thomas all voting in favor.

FINANCIAL REPORT – Combined Financial Statements and Budget Comparative for the Period Ending September 30, 2023

The Committee reviewed the Financial Report. Upon MOTION by Director Thomas, seconded by Director Crane and carried (3-0), the Committee recommended approval of the Financial Report at the November 15, 2023 Board meeting. The vote was taken via roll call with Directors Dick, Crane and Thomas all voting in favor.

ACTION ITEM

2024 HEALTH SAVINGS ACCOUNT CONTRIBUTIONS

The Committee reviewed the 2024 Health Savings Account Contributions. Upon MOTION by Director Thomas, seconded by Director Crane and carried (3-0), the Committee recommended approval of Option 1, staff recommended contribution amounts listed in the staff report, at the November 15, 2023 Board meeting. The vote was taken via roll call with Directors Dick, Crane and Thomas all voting in favor.

INFORMATION ITEMS

FY 2024-25 BUDGET SCHEDULE

2024 BENEFIT RATES (Health, Vision and Dental Insurance Rates)

DEPARTMENT ACTIVITIES REPORTS

a. Administration
b. Finance and Information Technology

MONTHLY WATER USAGE DATA AND WATER SUPPLY INFORMATION

The informational reports were received and filed.

OTHER ITEMS

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

No information was presented.

ADJOURNMENT

There being no further business brought before the Administration & Finance Committee, the meeting was adjourned at 8:51 a.m.

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
jointly with the
EXECUTIVE COMMITTEE
November 16, 2023, 8:30 a.m. to 10:17 a.m.
Conference Room 101

Committee:
Director Yoo Schneider, President (absent)
Director McVicker, Vice President
Director Dick, Immediate Past President

Staff:
H. De La Torre, M. Goldsby,
D. Micalizzi, M. Baum-Haley,

Also Present:
Director Nederhood
Director Seckel (absent)
Director Crane
Director Thomas
Linda Ackerman, MWDOC/MET Dir.
Dennis Erdman, MWDOC/MET Dir.

Doug Reinhart, IRWD
Don Froelich, MNWD
Diane Rifkin, MNWD
Sherry Wanninger, MNWD
Mike Markus, OCWD
John Kennedy, OCWD
Alicia Dunkin, OCWD
Brad Reese, Serrano WD
Dick Ackerman, Ackerman Consulting

Vice President McVicker called the meeting to order at 8:30 a.m. The meeting was held in-person at the District offices as well as including attendance via the Zoom Webinar application. Secretary Goldsby called the roll, with Committee members McVicker and Dick present. Directors Nederhood, Crane and Thomas were also present.

PUBLIC PARTICIPATION

No items were presented.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Secretary Goldsby advised that the draft agendas for the upcoming month were distributed to the Board and made available to the public.

EXECUTIVE COMMITTEE REVIEW OF FUTURE AGENDAS

The Committee reviewed and discussed the draft agendas for each of the meetings and made revisions/additions as listed below.

a. Planning & Operations Committee

Discussion ensued regarding MWDOC's legislative advocacy efforts with Syrus Devers and his new capacity apart from Best, Best & Krieger (BBK); staff was asked to reach out to BBK to confirm BBK would support efforts by Mr. Devers (both in California and DC).

The Committee recommended the item regarding the SARCCUP Agreement be moved directly to the Board meeting (Consent Calendar).

Director Nederhood suggested the Center for Demographic Research (CDR) provide a progress report to the Board (CDR trends, etc.).

b. Workshop Board Meeting

No new items were added to the agenda.

c. Administration & Finance Committee

Mr. De La Torre noted that MWDOC will kick off its budget process soon, and that it is anticipated MET will also kick off their two-year budget process in February 2024.

Director of Public Affairs, Damon Micalizzi noted that staff is in the process of commencing a refresh of the District's website and that although a few bids were received, it appears that the current vendor, L.A. Design Studio (who designed the current website), would be best suited to spearhead this endeavor (due to proprietary issues, etc.). Following discussion on whether to consider authorizing a sole source contract with LA. Design Studio, or commit to an RFP process, the Committee recommended staff continue with a sole source contract with L.A. Design Studio due to the proprietary issues, etc. This item was added to the Administration & Finance Committee agenda for consideration. Several Board members present suggested an overhaul of the website to make it more user-friendly and relevant (keeping the cost to the amount budgeted, $50,000).

DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE

Mr. De La Torre advised that OCWD has requested a meeting of the Building Management Committee to review changes to the Board Room A/V system and Lease Agreement; staff would be reaching out to the Building Management Committee members for available dates.

Discussion ensued regarding the upcoming retirement of OCWD General Manager Markus, and staff was tasked with arranging a MWDOC Board acknowledgement of Mr. Markus at an upcoming meeting/event. Mr. Markus thanked the Board and announced that OCWD appointed John Kennedy to fill the OCWD General Manager position (effective January 27, 2024).

Mr. De La Torre then stated that a consultant (Ocean Well) asked whether MWDOC could coordinate a technical group meeting/roundtable discussion regarding ocean desalination at the MWDOC offices; this event/discussion will be held on December 14, 2023.

MEMBER AGENCY RELATIONS

No new information was presented.

GENERAL MANAGER'S REPORTS

Mr. De La Torre noted that he was appointed to participate in MET's task force on CAMP4W activities.

REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

Mr. Micalizzi reported on the Water Policy dinners, noting that (1) staff secured January 31, 2024 (at the Westin) for the next dinner which could feature MWDOC's new General Manager as main speaker; and (2) the next one would highlight the Conservation as a Way of Life state standards and would most likely be held during the second quarter in 2024.

Mr. De La Torre provided an update on the OC LAFCO MSR Focused Study, noting that the consultant met with staff on November 6th to kick off the study. He advised that MWDOC's member agencies have requested MWDOC's thought or idea to conduct a separate study be put on hold until the LAFCO study is completed.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:31 a.m.

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

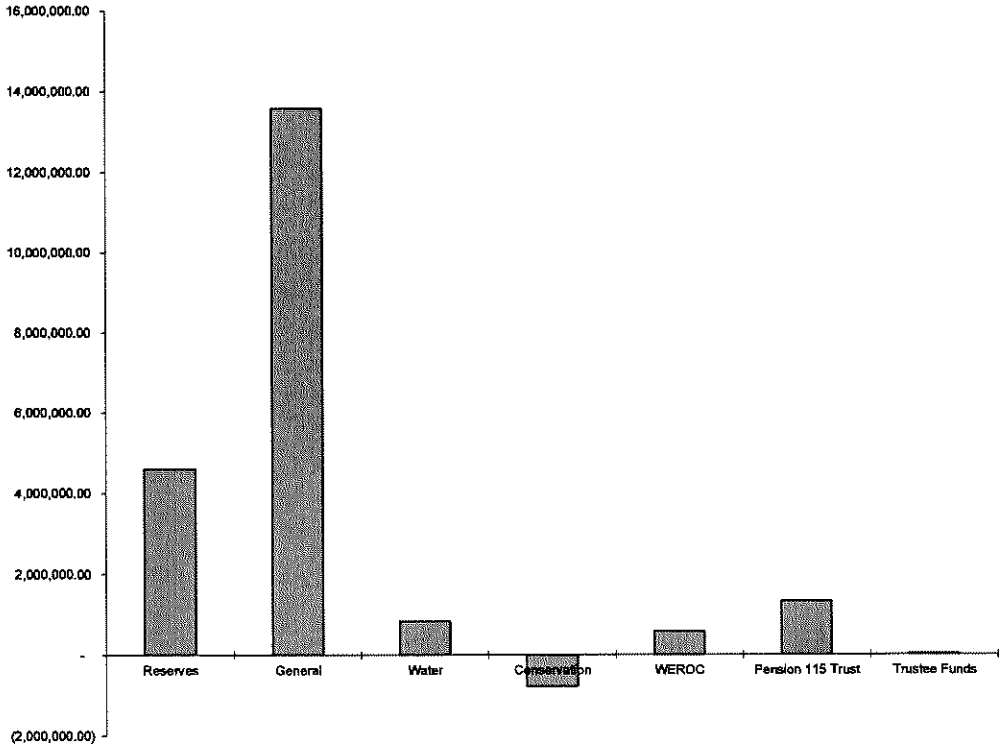
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
October 31, 2023

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

Item No. 3d

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

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INDEPENDENT AUDITORS' REPORT

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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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:

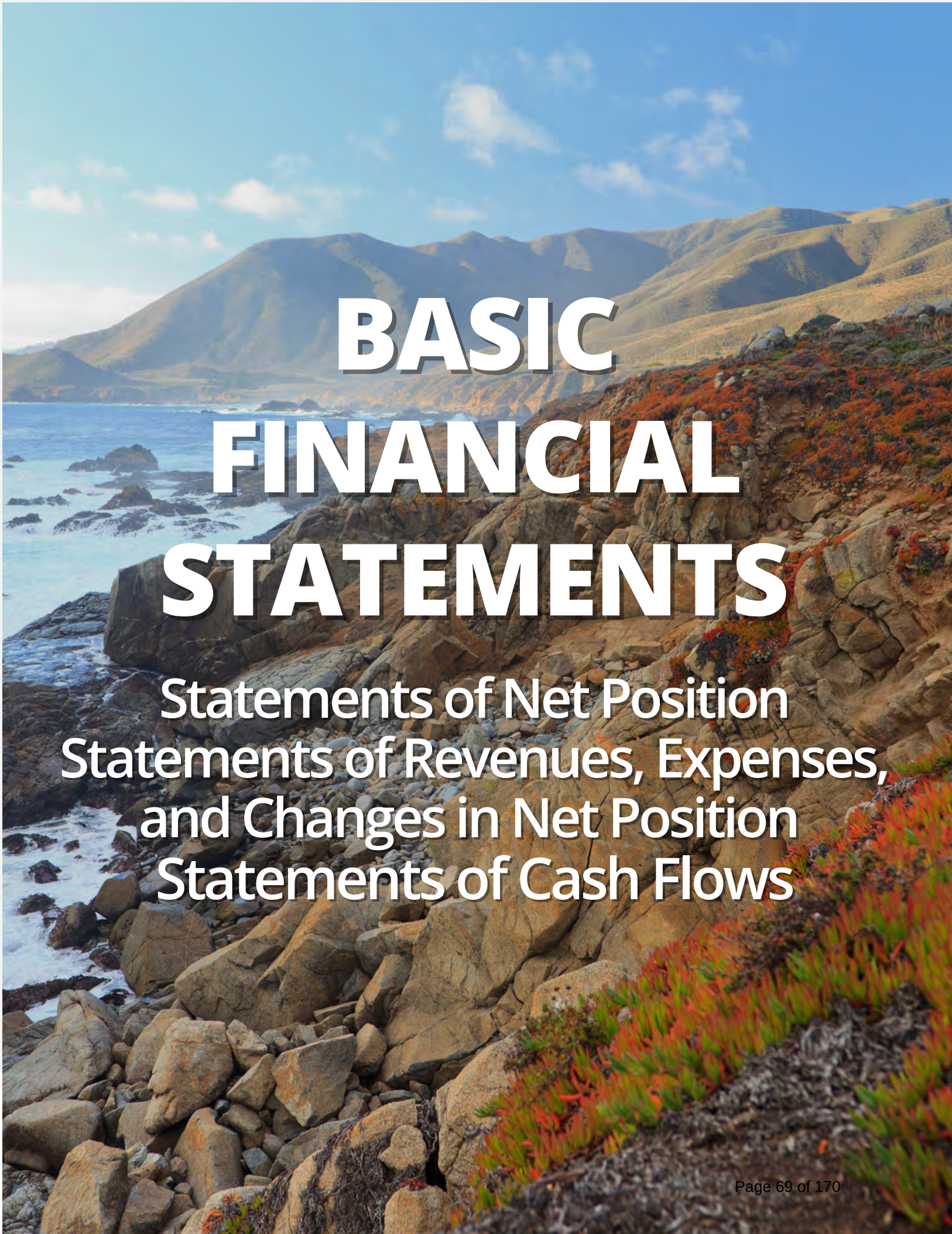
- Revenues from Operations were $20.1 million less than budget due to actual water sales being lower than expected.
- Non-Operating Revenues are higher due to an increase in interest income.
- Expenses from Cost of Water purchased were $20.1 million lower than budget due to actual water sales being lower 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. 5

CONSENT CALENDER ITEM
December 20, 2023

TO: Board of Directors

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

Staff Contact: Melissa Baum-Haley
Alex Heide

SUBJECT: **Santa Ana River Conservation & Conjunctive Use Program (SARCCUP) Extraordinary Supply Agreement**

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to execute the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) Extraordinary Supply agreement, subject to any non-substantive changes or modifications. This agreement is between the Metropolitan Water District (Metropolitan), Municipal Water District of Orange County (MWDOC), Orange County Water District (OCWD), and the three Metropolitan Cities of Anaheim, Fullerton, and Santa Ana.

COMMITTEE RECOMMENDATION

The Executive Committee discussed this item at the November 16, 2023 meeting and recommended it go straight to the Board (on the Consent Calendar).

SUMMARY

The Santa Ana River Conservation and Conjunctive use program (SARCCUP) has three major agreements:

1) A program agreement between the four SARCCUP MET member agencies, OCWD, and Metropolitan, which allows the member agencies to purchase San Bernardino Valley MWD surplus supplies for water banking purposes. (Executed Nov. 9, 2021)
2) An excess SARCCUP water agreement, which allows for MWDOC to purchase and acquire excess SARCCUP water. (Executed Dec. 9, 2021)

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

3) ***An Extraordinary Supply agreement to provide a mechanism for extraordinary supply credits to be assigned to MWDOC and the cities of Anaheim, Fullerton, and Santa Ana from the SARCCUP program.***

The purpose of this Board action is to approve this third agreement, allowing for a mechanism for Metropolitan to assign extraordinary supply credits to MWDOC's retail agencies that pump from the Orange County Groundwater Basin, as well as the Metropolitan member agencies of Anaheim, Fullerton, and Santa Ana.

Report

In 2016, San Bernardino Valley MWD (Valley), Metropolitan, OCWD, and the four SARCCUP-Metropolitan Member Agencies (MWDOC, Western MWD, Eastern MWD, and IEUA) began discussing terms and conditions for the ability to purchase surplus water from Valley to be stored in the Santa Ana River watershed. At the time, the Valley and Metropolitan surplus water purchase agreement was due for renewal, and it was the desire of Valley to establish a new agreement with Metropolitan that allows a portion of its surplus water to be stored within the Santa Ana River watershed, creating the water banking portion of SARCCUP.

The goal of this SARCCUP program is to store available water during wet years in local groundwater basins throughout the watershed and extract the stored water during dry years to reduce the impacts from single and multi-year droughts. OCWD undertakes all responsibilities associated with actively managing the SARCCUP banking program in the Orange County Groundwater Basin.

In July of 2021, the MWDOC Board approved the first two major components of the SARCCUP program. The first being the program agreement between the four SARCCUP MET member agencies, OCWD, and Metropolitan, which allows the SARCCUP Metropolitan member agencies to purchase Valley's surplus supplies, with MWDOC purchasing on behalf of OCWD. The second component was an excess SARCCUP water agreement, which allows for MWDOC to purchase and acquire excess SARCCUP water for its other member agencies.

Water that is stored under the SARCCUP program could qualify as an "Extraordinary Supply" provided it meets the provisions of Appendix G of Metropolitan's Water Supply Allocation Plan (WSAP). This agreement provides the mechanism for Metropolitan, to assign Extraordinary Supply credits to MWDOC and the cities of Anaheim, Fullerton, and Santa Ana under Metropolitan's adopted WSAP. Without this agreement, the three Cities could not receive extraordinary supply credits for the banked SARCCUP water they produce during a MET allocation, thus limiting the SARCCUP banking program's benefits to all of the producers in the O.C. groundwater basin.

BOARD OPTIONS

Option #1: Authorize the General Manager to execute the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) Extraordinary Supply agreement, subject to any non-substantive changes or modifications.

Fiscal Impact: No fiscal impact to MWDOC
Business Analysis: Signing the agreement allows for the accurate allocation of Extraordinary Supply credits, allowing for MWDOC's member agencies and the three Cities that overlaying the O.C. Basin to accrue the benefits of their investments in the SARCCUP program.

Option #2: Not authorize the General Manager to execute these agreements
Fiscal Impact: No fiscal impact to MWDOC
Business Analysis: Would not allow for the allocation of Extraordinary Supply credits to the Cities of Anaheim, Fullerton, and Santa Ana, and would likely create barriers to storing water in the SARCCUP program as extraordinary supply.

Attachments:

Attachment A - Agreement Among The Metropolitan Water District of Southern California, Municipal Water District of Orange County, Orange County Water District, City of Anaheim, City of Fullerton, and the City of Santa Ana Regarding the Assignment of Extraordinary Supply from the Santa Ana River Conservation and Conjunctive Use Program.

Attachment B – SARCCUP Program Information Sheet

Agreement Among The Metropolitan Water District of Southern California, Municipal Water District of Orange County, Orange County Water District, City of Anaheim, City of Fullerton, and the City of Santa Ana
Regarding the Assignment of Extraordinary Supply from the Santa Ana River Conservation and Conjunctive Use Program

This Agreement among The Metropolitan Water District of Southern California (Metropolitan), Municipal Water District of Orange County (MWDOC), the Orange County Water District (OCWD), the City of Anaheim (Anaheim), the City of Fullerton (Fullerton), and the City of Santa Ana (Santa Ana) regarding the assignment of Extraordinary Supply from the Santa Ana River Conservation and Conjunctive Use Program (hereinafter “Agreement") is hereby entered into this _____day of _____2023. Metropolitan, MWDOC, OCWD, Anaheim, Fullerton, and Santa Ana are collectively referred to as "Parties" and individually as a "Party” herein.

RECITALS

A. Metropolitan is a metropolitan water district organized under the Metropolitan Water District Act, codified at section 109-1, et seq. of West’s Appendix to the California Water Code, and is engaged in developing, storing, and distributing water in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura. Metropolitan has a long-term contract with the California Department of Water Resources (DWR) which sets forth the terms and conditions of Metropolitan’s participation in the State Water Project (SWP).

B. MWDOC is a municipal water district formed and existing under the California Municipal Water District Act of 1911, Sections 71000 et seq. of the California Water Code, for purposes that include providing its 28 member agencies in Orange County, with reliable, high quality supplies from Metropolitan and other sources to meet present and future needs, at an

equitable and economic cost, and to promote water use efficiency for all of Orange County. MWDOC is a member agency of Metropolitan.

C. OCWD undertakes responsibilities associated with actively managing the Coastal Plain of Orange County Groundwater Basin (hereinafter "Orange County Groundwater Basin"). OCWD was formed by an act of the California State Legislature in 1933 for the purpose of protecting and managing the Orange County Groundwater Basin. OCWD is a member agency of MWDOC, and purchases imported water for replenishment purposes from MWDOC.

D. Anaheim is a California municipal corporation and a member public agency of Metropolitan. The city is located in northern and northeastern Orange County with its jurisdictional area overlying the Orange County Groundwater Basin. Anaheim is a member agency of OCWD.

E. Fullerton is a California municipal corporation and a member public agency of Metropolitan. The city is located in northern and northeastern Orange County with its jurisdictional area overlying the Orange County Groundwater Basin. Fullerton is a member agency of OCWD.

F. Santa Ana is a California municipal corporation and a member public agency of Metropolitan. The city is located in northern Orange County with its jurisdictional area overlying the Orange County Groundwater Basin. Santa Ana is a member agency of OCWD.

G. The Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) is a multi-agency, watershed-wide groundwater storage and recovery project involving multiple basins in the Santa Ana River Watershed. The goal is to store available water during wet years in local groundwater basins throughout the watershed and extract the stored water during dry years to reduce the impacts from single and multi-year droughts.

H. The SARCCUP includes four water banking sites. Three of the sites are located within Metropolitan's service area. More specifically, the three aforementioned sites are in the Metropolitan member agency service areas of Eastern Municipal Water District (EMWD), Western Municipal Water District (WMWD), and MWDOC. The water banking facilities within MWDOC's service area are located within, owned, and operated, exclusively by OCWD. The fourth water banking site is within San Bernardino Valley Municipal Water District (Valley District)'s service area in the San Bernardino Basin Area (SBBA), which is located outside of Metropolitan's service area. The SARCCUP includes water delivery interconnections between SBBA and SARCCUP facilities in the Metropolitan service area.

I. OCWD undertakes all responsibilities associated with actively managing the SARCCUP banking program in the Orange County Groundwater Basin. A portion of MWDOC's service area overlies the Orange County Groundwater Basin and MWDOC's member agencies in this portion of its service area along with Anaheim, Fullerton, and Santa Ana pump groundwater from the Orange County Groundwater Basin in accordance with the Orange County Water District Act.

J. On June 15, 2021, Valley District and Metropolitan entered into a Coordinated Operating and Surplus Water Agreement whereby Valley District may offer to sell to Metropolitan, and Metropolitan may purchase from Valley District, surplus SWP water.

K. On November 9, 2021, Metropolitan, EMWD, WMWD, MWDOC, Inland Empire Utilities Agency (IEUA), and OCWD entered into an agreement (hereinafter "November 2021 SARCCUP Agreement") regarding SARCCUP. Under the November 2021 SARCCUP Agreement, Metropolitan agreed to "equally offer to WMWD, EMWD, and MWDOC for purchase an amount of water equivalent to 50% of the amount that Metropolitan purchases from

Valley District during a calendar year for delivery to the SARCCUP water banking facilities" (hereinafter, "SARCCUP Water").

L. On December 9, 2021, EMWD, WMWD, MWDOC, OCWD and IEUA entered into an additional SARCCUP agreement (hereinafter "December 2021 SARCCUP Agreement") governing MWDOC's access to SARCCUP Water (which is referred to in the December 2021 SARCCUP Agreement as "Allocated Water") for its own water supply purposes and prescribing the priority and process for the parties to the agreement to access SARCCUP Water and placing conditions on how, when, and where MWDOC may use SARCCUP Water.

M. Under Section 1.B of the November 2021 SARCCUP Agreement, MWDOC will purchase SARCCUP Water offered by Metropolitan on behalf of, and whenever requested by, OCWD for the SARCCUP water banking program. Also under Section 1.B of the November 2021 SARCCUP Agreement, as the owners and operators of the SARCCUP water banking facilities, WMWD, EMWD, and OCWD will determine the delivery amounts to the SARCCUP water banking sites and may designate deliveries to IEUA or MWDOC on their behalf. Under Section 4 of the November 2021 SARCCUP Agreement, if SARCCUP Water purchased and stored within the Santa Ana River Watershed during the same calendar year otherwise complies with Metropolitan's Water Supply Allocation Plan last revised in December 2014 (or as any successor to such plan), then it will qualify as extraordinary local supply production (hereinafter: "Extraordinary Supply").

N. As a wholesale member agency of Metropolitan, MWDOC has developed and adopted its own Water Supply Allocation Plan (hereinafter "MWDOC WSAP") for its retail member agencies, including OCWD. The plan largely reflects the implementation terms and conditions of Metropolitan's Water Supply Allocation Plan but is tailored to the MWDOC

service area. Notably, MWDOC's WSAP tracks individual retail agency supplies and demands but utilizes an aggregate approach whereby credits and adjustments are prorated to best match MWDOC's allocation from Metropolitan. MWDOC's current policy under the MWDOC WSAP is not to subject its member agencies to allocation surcharges if its member agencies' combined imported water usage by the end of the Allocation Period is below the allocation established by Metropolitan for MWDOC's service area.

O. MWDOC acknowledges that under the MWDOC WSAP, the SARCCUP Water MWDOC purchases on behalf of OCWD, that is stored and pumped from the Orange County Groundwater Basin, and approved by Metropolitan as certified Extraordinary Supply, shall be exclusively allocated to MWDOC's member retail water agencies that produced the SARCCUP Water from the Orange County Groundwater Basin.

P. Under Section 5 of the November 2021 SARCCUP Agreement, Metropolitan agreed to assign any Extraordinary Supply benefit that would accrue to MWDOC as a result of actions taken by OCWD in accordance with a separate written agreement among Metropolitan, MWDOC, OCWD, Anaheim, Fullerton, and Santa Ana. Accordingly, the purpose of this Agreement is to provide the mechanism for MWDOC, on behalf of its member retail water agencies that pump water from the Orange County Groundwater Basin, and for Anaheim, Fullerton, and Santa Ana (which also overlie and pump water from the Orange County Groundwater Basin), to receive Extraordinary Supply credits from Metropolitan under Metropolitan's adopted Water Supply Allocation Plan where SARCCUP Water is pumped and used as extraordinary local supply during a Metropolitan declared allocation.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the representations, warranties, covenants, and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties hereby agree to the following terms and conditions.

1. Declaration of a Metropolitan Allocation

Should Metropolitan's Board of Directors take action to declare an allocation and set an allocation amount to be in effect ("Allocation Period") under its Water Supply Allocation Plan, OCWD and MWDOC will confer with MWDOC's member retail water agencies that pump water from the Orange County Groundwater Basin, and Anaheim, Fullerton, and Santa Ana (hereinafter the "Groundwater Producers"). The purpose of this consultation will be, among other things, for OCWD to discuss the amount of SARCCUP Water it has in storage and to obtain information regarding the Groundwater Producers' need for Extraordinary Supply from the SARCCUP program to comply with Metropolitan's imported water allocation.

2. Pumping of Stored SARCCUP Water

A. Based upon the consultation with the Groundwater Producers and MWDOC, and prior to the commencement of Metropolitan's Allocation Period, OCWD may act to incrementally increase its groundwater Basin Production Percentage (hereinafter "BPP") to incentivize the pumping of SARCCUP Water in storage by the Groundwater Producers. OCWD may also incentivize additional pumping of SARCCUP Water by the Groundwater Producers through other basin management tools authorized under the OCWD Act, including, but not limited to, the use of the Basin Equity Assessment, production limitations, and surcharges.

Additional pumping of SARCCUP Water in storage undertaken by the Groundwater Producers would be above the planned local supply production baseline amount for the Metropolitan Allocation Period.

B. During Metropolitan's Allocation Period, OCWD may consult with MWDOC and the Groundwater Producers regarding those agencies' consumption of imported water relative to their Metropolitan allocation amount, and further adjust the BPP or take other actions as it deems necessary to modify the pumping of SARCCUP water in storage by those agencies.

3. <u>Documentation of SARCCUP Water Produced</u>

On a monthly basis, and upon completion of Metropolitan's Allocation Period, OCWD will work with MWDOC, Anaheim, Fullerton, and Santa Ana, to provide any relevant documentation required. OCWD will provide to MWDOC the amount of SARCCUP Water that the Groundwater Producers each pump from storage from the Orange County Groundwater Basin, including :

A. The quantity of SARCCUP Water produced by the Groundwater Producers in excess of each Groundwater Producer's originally planned local supply production amount.

B. An accounting of the change in storage and storage balance of SARCCUP Water in the Orange County Groundwater Basin during the Allocation Period.

C. Other documentation as needed by MWDOC, Anaheim, Fullerton, and Santa Ana to comply with the applicable requirements of Metropolitan's Water Supply Allocation Plan and to certify the eligible Extraordinary Supply amounts.

4. Extraordinary Supply Certification and Crediting

A. MWDOC, Anaheim, Fullerton, and Santa Ana shall review and incorporate the documentation provided by OCWD as specified in Section 3 into any submitted certifications of Extraordinary Supply and other submissions to Metropolitan for compliance with Metropolitan's Water Supply Allocation Plan. If Metropolitan determines that certifications and other supporting documentation submitted by MWDOC, Anaheim, Fullerton, and Santa Ana are in accordance with the applicable requirements of Metropolitan's Water Supply Allocation Plan for such certifications, Metropolitan will qualify the water as Extraordinary Supply and will assign the benefit accordingly to MWDOC, Anaheim, Fullerton, and Santa Ana.

B. Under MWDOC's WSAP, SARCCUP Water that is pumped by MWDOC's retail member agencies in the Orange County Groundwater Basin, and is certified by Metropolitan as Extraordinary Supply, shall be proportionally credited exclusively to those MWDOC retail member agencies that pumped the SARCCUP Water. MWDOC shall base such crediting upon documentation submitted by OCWD and MWDOC's retail member agencies in the Orange County Groundwater Basin.

5. Records and Inspection

Metropolitan, MWDOC, OCWD, Anaheim, Fullerton, and Santa Ana will keep records of SARCCUP Water storage and production pursuant to this Agreement. The SARCCUP Water storage and production records of each agency will be open to inspection by the other agencies upon reasonable notice. The agencies will cooperate to develop coordinated administrative procedures for the tracking required under this Agreement.

6. Changes to Metropolitan's Water Supply Allocation Plan

Metropolitan, MWDOC, OCWD, Anaheim, Fullerton, and Santa Ana acknowledge that Metropolitan's Water Supply Allocation Plan is established by Metropolitan's Board of Directors and is subject to change. Should Metropolitan's Board of Directors take actions to change the Water Supply Allocation Plan in a manner that materially affects the terms of the Agreement, the Parties will work together in good faith to develop procedures to fulfill the intent of this Agreement in a manner that is consistent with any changes to Metropolitan's Water Supply Allocation Plan.

7. Severability

In the event that a court of competent jurisdiction determines that a provision included in this Agreement is legally invalid or unenforceable and such decision becomes final, the Parties to this Agreement shall use their best efforts to (i) within thirty (30) days of the date of such final decision, identify by mutual agreement the provisions of this Agreement which must be revised, and (ii) within three (3) months thereafter promptly agree on the appropriate revision(s). The time periods specified above may be extended by mutual agreement of the Parties. Pending the completion of the actions designated above, to the extent it is reasonably practical and can be done without violating any applicable provisions of law, the provisions of this Agreement, which were not found to be legally invalid or unenforceable in the final decision, shall continue in effect. If the Parties cannot agree on appropriate revisions, this Agreement shall be terminated.

8. Further Assurances

Each Party hereto, upon the request of the other, agrees to perform such further acts and to execute and deliver such other documents as are reasonably necessary to carry out the

provisions of this Agreement. The Parties agree to perform such further acts timely when performing all obligations under this Agreement.

9. Counterparts

This Agreement may be executed in two or more counterparts, each of which, when executed and delivered, shall be an original and all of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

10. Dispute Resolution

In the event of a dispute between the Parties regarding this Agreement, the Parties may attempt to resolve the dispute by using the services of a mutually acceptable mediator before a third-party neutral prior to initiating litigation in court. If the Parties decide to use a mediator, they will equally share the mediator's fees and expenses.

11. Successors and Assigns

This Agreement shall bind and inure to the benefit of the successors and assigns of the Parties; provided, however, no Party shall assign any of its rights or obligations under this Agreement without the prior written consent of the other Parties. Nothing in this Agreement is intended to confer any right or remedy under this Agreement on any person other than the Parties to this Agreement and their respective successors and permitted assigns, or to relieve or discharge any obligation or liability of any person to any Party to this Agreement, or to give any person any right of subrogation or action over or against any Party to this Agreement.

12. Waiver/Cure of Defaults

The failure of any Party to enforce against another Party a provision of this Agreement shall not constitute a waiver of that Party's right to enforce such a provision at a later time. No Party shall be deemed to be in default of any provision of this Agreement unless the other Party

has given written notice specifically stating the alleged default and the Party in default fails to cure the default within sixty (60) days of receipt of such written notice.

13. No Obligation to Third Parties

The approval, execution and performance of this Agreement does not confer any rights upon any person or entity other than the Parties to this Agreement.

14. Termination

This Agreement will terminate on December 31, 2085.

15. Late Arising Claims

If a claim arising under or with respect to one or more terms of this Agreement has not been resolved when such term terminates, or if such a claim is brought after this Agreement has terminated, but within the period of time for bringing such a claim under California law (Late Arising Claim), the provisions of this Agreement shall continue in full force and effect for such additional period of time as is necessary to resolve such claims and to satisfy the rights and obligations of the Parties hereto with respect thereto.

16. Entire Agreement

This Agreement constitutes the final, complete and exclusive statement of the terms of the agreement among the Parties pertaining to the matters provided herein during the term and supersedes all prior and contemporaneous understandings or agreements of the Parties related thereto. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty outside those expressly set forth in this Agreement.

17. Notices

All notices, requests, and demands hereunder (Notices) shall be in writing, including electronic communications, and shall be deemed to have been duly given when delivered (or, if

mailed, postage prepaid, on the third business day after mailing, if that date is earlier than actual delivery). Notices shall be sent to a Party at the address of that Party set forth below or, if such Party has furnished notice of a change of that address as herein provided, to the address of that Party most recently so furnished.

Metropolitan Water District of Southern California
Attention: General Manager
P.O. Box 54153
Los Angeles, CA 90054-0153

Municipal Water District of Orange County
Attention: General Manager
P.O. Box 20895
Fountain Valley, CA 92708

Orange County Water District
Attention: General Manager
18700 Ward St
Fountain Valley, CA 92708

City of Anaheim
Public Utilities Department
201 S. Anaheim Blvd., ite 1101
Anaheim, CA 92805

City of Fullerton
Attention: Public Works Director
303 W. Commonwealth Avenue
Fullerton, CA 92832

City of Santa Ana
Attention: City Manager
220 S, Daisy Avenue, M-85
Santa Ana, CA 92703

18. Governing Law

The validity, construction, and enforceability of this Agreement shall be governed in all respects by the laws of the State of California.

19. Electronic Signatures

Any Party may execute this Agreement using an "electronic signature," as that term is defined in California Civil Code Section 1633.2, or a "digital signature," as defined by California Government Code Section 16.5. An electronic or digital signature will have full legal effect and enforceability.

[Signatures on Following Page]

In WITNESS WHEREOF, the Parties have caused this Agreement to be executed by the following duly authorized representatives.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By:_____ _____
Adel Hagekhalil Dated
General Manager

APPROVED AS TO FORM:

By:_____
Marcia L. Scully
General Counsel

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

By: _____ _____
Harvey De La Torre Dated
Interim General Manager

APPROVED AS TO FORM:

Best, Best & Krieger

By: _____
Joseph Byrne

ORANGE COUNTY WATER DISTRICT

By: _____ _____
Mike Markus Dated
General Manager

APPROVED AS TO FORM:

Rutan &Tucker LLP

By: _____
Jeremy Jungreis

CITY OF ANAHEIM

By: _____ _____
Dukku Lee Dated
Public Utilities General Manager

APPROVED AS TO FORM:

Office of City Attorney

By: _____
Alison M. Kott
Assistant City Attorney

CITY OF FULLERTON

By: _____ _____
XXXXX Dated
City Manager

APPROVED AS TO FORM:

XXXXX

By: _____
XXXXX

CITY OF SANTA ANA

By: _____ _____
XXXXX Dated
City Manager

APPROVED AS TO FORM:

XXXXX

By: _____
XXXXX

Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)

Background

In 2013, five regional water agencies within the Santa Ana River Watershed came together in a collaborative effort to identify a watershed-scale program and developed SARCCUP. The initial group included representatives from the following five regional water agencies:

- Eastern Municipal Water District
- Inland Empire Utilities Agency
- Western Municipal Water District
- Orange County Water District (OCWD)
- San Bernardino Valley Municipal Water District (Valley)

In 2016, SARCCUP was successful in receiving $55 million in grant funds from Proposition 84 through the California Department of Water Resources (DWR). The overall SARCCUP program awarded by Proposition 84, consists of three main program elements:

- Watershed-Scale Cooperative Water Banking Program
- Water Use Efficiency: Landscape Design and Irrigation Improvements and Water Budget Assistance for Agencies
- Habitat Creation and *Arundo Donax* Removal from the Santa Ana River

The Watershed-Scale Cooperative Water Banking Program is the largest component of SARCCUP.

Since 2016, Valley, Metropolitan, and the four SARCCUP-MET Member Agencies, with MWDOC representing OCWD, have been discussing terms and conditions for the ability to purchase surplus water from Valley to be stored in the Santa Ana River watershed. With the Valley and Metropolitan surplus water purchase agreement due for renewal, it was the desire of Valley to establish a new agreement with Metropolitan that allows a portion of its surplus water to be stored within the Santa Ana River watershed.

Therefore, in the terms of the proposed new Metropolitan and Valley agreement, which was approval by the Metropolitan Board on November 10, 2020, gives Metropolitan the right to purchase surplus Valley water under the condition that SARCCUP-MET Member Agencies may purchase from Metropolitan up to 50% of an equivalent amount of Valley water for storage in local banking facilities in the Santa Ana Watershed. Moreover, this water purchased by the SARCCUP-MET Member Agencies could qualify as an “Extraordinary Supply” provided it meets the provisions of Appendix G of Metropolitan’s Water Supply Allocation Plan.

Terms of the Metropolitan & SARCCUP-MET Member Agencies Agreement

Length of the Agreement

This agreement is for 15 years (December 31, 2035), with an extension clause that is tied to the State Water Contract agreement between Metropolitan and the State of California. In addition, this agreement aligns with the terms of the new Metropolitan/Valley agreement.

Purchasing Water

In a year where Valley has surplus water available, Metropolitan will inform the SARCCUP-MET Member Agencies of the amount of water Metropolitan will purchase and offer no more than 50% of the equivalent amount purchased to the SARCCUP-MET Member Agencies.

Then, each SARCCUP member agency will inform Metropolitan of the amount they seek to purchase. Because this water is purchased directly from Metropolitan, this water is considered "Metropolitan Water" and all of the Metropolitan full-service volumetric rates and charges will apply at the *time of delivery*, like any other Metropolitan water purchased. This will include: System Power Rate; Supply Rate; System Access Rate; Readiness-to-Serve (RTS) Charge; and the Alternative to the Water Stewardship Rate (Once adopted by the Board).

The MET Capacity Charge will *not apply* because the water will be delivered at Metropolitan's discretion. This is consistent with previous Metropolitan programs such as Conjunctive Use Program (CUP) and Cyclic water deliveries.

In addition, if such purchased water is stored and accounted for in accordance with Appendix G of the Metropolitan Water Supply Allocation Plan it can qualify as Extraordinary Supply.

To aid in the coordination of this program there will be a SARCCUP Operations & Finance Committee to convey the purchase amounts, delivery and recovery method, and accounting of the water to Metropolitan.

Delivery Methods

Metropolitan will coordinate the delivery of such water with each SARCCUP-MET Member Agencies during the calendar year. There are three methods of delivering this water in a SARCCUP storage facilities:

- **Direct Metropolitan Delivery –** Water purchased by a SARCCUP-MET Member Agency for direct delivery to its SARCCUP banking facilities.
- **Indirect Metropolitan Delivery –** Water purchased for one SARCCUP-MET Member Agency for delivery to another SARCCUP-MET member agency's storage facilities.
- **Delivery to Valley –** Delivery of a SARCCUP-MET Member Agency's water to Valley's SARCCUP recharge facilities (Metropolitan "virtual Meter") for storage in the San Bernardino Basin Area (SBBA) bank (outside the Metropolitan service area).

All deliveries are through Metropolitan facilities or an agreed upon Metropolitan virtual meter, as would be the case for deliveries into the SBBA bank.

Ways to the Recover the Water

When a SARCCUP-MET Member Agency seeks to recover this banked water, there are two methods of recovery:

- **Direct Local Delivery –** Pumping and direct conveyance of stored water between SARCCUP-MET Member Agencies using local interagency conveyance facilities.
- **In-lieu Metropolitan Delivery –** Pumping and local use of water by a SARCCUP-MET Member Agency (pumping agency) that was stored on behalf of another SARCCUP-MET Member Agency (benefitting agency), with an equivalent reduction in the pumping agency's Metropolitan deliveries and an equivalent increase in the benefitting agency's Metropolitan deliveries.

None of the recovered water is conveyed through the Metropolitan system. Recovery of stored water is either In-lieu or direct deliveries using local conveyance facilities between SARCCUP-MET Member Agencies.

MWDOC's Involvement in the SARCCUP-MET Agreement

Although MWDOC was not originally involved in the formation of SARCCUP, and not a financial contributor to the program, MWDOC staff has been involved in the Watershed-Scale Cooperative Water Banking Program as it relates to the purchasing of Valley surplus water from Metropolitan. As OCWD's Metropolitan member agency representative, all purchases from Metropolitan will be coordinated through MWDOC.

More importantly, because this agreement primarily involves the billing of Metropolitan water and receiving of Extraordinary Supply during a Water Supply Allocation, MWDOC must be party to the SARCCUP-MET Agreement. Thus, OCWD and MWDOC staff have been working together, and in coordination with the other SARCCUP-MET Member Agencies, on the development of this agreement with Metropolitan.

Due to the unique arrangement in Orange County, to the coordinate purchasing, billing, and transfer of extraordinary supply credits, an additional SARCCUP agreement will also be developed between Metropolitan, OCWD, MWDOC, and the cities of Anaheim, Fullerton, and Santa Ana, which is reference in section 5 of the agreement. This additional agreement is necessary for the potential future distribution of any extraordinary supplies to the cities of Anaheim, Fullerton, and Santa Ana; as MWDOC can only distribute extraordinary supplies to its member agencies.

However, as part of the revised SARCCUP-MET Agreement MWDOC has an opportunity to purchase excess SARCCUP water on its behalf, if available. If the SARCCUP agencies Western MWD, Eastern MWD, OCWD and IEUA do not purchase all of the water MET offers, then MWDOC has the ability to purchase such excess water. This process is outline in the newly developed "SARCCUP Excess Water Sales and Purchase Agreement". The purpose of this agreement to provide the opportunity to

purchase and storage water for MWDOC member agencies not participating in SARCCUP such as South Orange County member agencies.

Item No. 6

CONSENT CALENDAR ITEM
December 20, 2023

TO: Board of Directors

FROM: **Planning and Operations Committee**
(Directors McVicker, Nederhood, and Seckel)

Harvey De La Torre
General Manager

Staff Contact: Heather Baez

SUBJECT: **EXTENSION OF FEDERAL LEGISLATIVE ADVOCACY CONTRACT WITH NATURAL RESOURCE RESULTS (NRR)**

STAFF RECOMMENDATION

Staff recommends the Board of Directors extend the federal advocacy contract with Natural Resource Results (NRR) for 2024.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

REPORT

NRR is completing their third year providing federal legislative advocacy services to the Municipal Water District of Orange County. This contract was sent out for a competitive bid in 2020 for a one-year contract beginning in 2021, with the option to renew annually for four additional years. This is the fourth year of the contract. Highlights from 2023, along with a proposed scope of services, provided by NRR, on a separate memo, is included for your review, input and approval.

Budgeted (Y/N): Y	Budgeted amount: $96,000 Calendar year expenditure, plus expenses	Core X	Choice __
Action item amount: $96,000; $48,000 for FY 2023/2024 + expenses and $48,000 for FY 2024/2025 + expenses	Line item: 31-7040		
Fiscal Impact (explain if unbudgeted):			

Please note, Legislative Advocacy contracts are on a calendar year basis, not fiscal year, so as not to interrupt services during a legislative session.

BOARD OPTIONS

Option #1

- Renew NRR's contract for one additional year.

Fiscal Impact: $96,000 + expenses (upon request and approval)
Business Analysis: NRR provides advocacy services for MWDOC in Washington D.C. They maintain relationships on our behalf with members of our congressional delegation, key committees, and regulatory agencies. They also ensure that we are kept up-to-date and informed on federal issues of importance to MWDOC and our member agencies.

Option #2

- Do not renew the contract with NRR

Fiscal Impact: $96,000 would be added to the general fund
Business Analysis: MWDOC would not have representation in Washington D.C. to advocate on federal issues of importance to MWDOC and its member agencies.

STAFF RECOMMENDATION

Option #1

Attached:

NRR Renewal Memo

To: Board of Directors, *Municipal Water District of Orange County*
From: Natural Resource Results
Date: 11/27/23
RE: Contract Extension and 2024 Strategic Planning

Natural Resource Results (NRR) has had the pleasure of representing the Municipal Water District of Orange County (MWDOC) over the last three years. NRR has helped advance MWDOC's policy priorities with the Biden Administration as well as with Congress. It is our sincere hope that MWDOC will approve a contract renewal with NRR under the same terms. As you will see below, 2023 was a successful year for much of MWDOC's federal agenda.

Review of 2023 Goals

STATUS of 2023 GOAL: Western Water Legislation: As expected, Senator Feinstein to introduced legislation in June to address the ongoing impacts of western drought. NRR worked with Feinstein's office to ensure that the legislation helps advance MWDOC priorities including:

- Authorization of $250 million that can be used to meet the habitat commitments under a future Voluntary Agreement.
- Authorization of $750 million for storage projects like Sites Reservoir.
- Authorization of $300 million for competitive grants for water recycling projects.
- Authorization of $150 million for desalination projects.
- Authority for the Department of the Interior to utilize alternative contracting mechanisms to improve project delivery, which could improve Voluntary Agreement outcomes.

The bill received a hearing in the Senate Energy and Natural Resources Committee on July 19th, and we worked with MWDOC staff to draft and deliver a letter of support for the legislation. NRR continues to monitor the legislation.

Throughout the year, there were other relevant western water bills that we tracked and brought to the board's attention, including:

- H.R. 215, The WATER for California Act by Rep. Valadao (R-CA)
- H.R. 872, The FISH Act by Rep. Calvert (R-CA)
- S. 2693, the Salton Sea Projects Improvement Act by Sen. Padilla (D-CA)

- H.R. 2419/S. 2161, the Canal Conveyance Capacity Restoration Act by Rep. Costa (D-CA) and Sen. Feinstein (D-CA)

STATUS of 2023 GOAL: Salinity Control: NRR sought to raise the visibility of the salinity control program both at the state level and across the Basin. We have worked with partners at the Bureau of Reclamation to make sure they are looking at alternatives to operation of the Paradox Valley Unit while it was offline. In addition, we have worked with partners at the Metropolitan Water District of Southern California (Met) and the Colorado River Board of California to:

- Support the introduction of the Colorado River Salinity Control Fix Act, S. 2514 to modify the cost-share for the salinity program to make it more effective. Working with Met and others, we shepherded support from all seven basin states and their partners. The legislation has 8 bipartisan cosponsors.
- NRR facilitated a presentation to the MWDOC board by Don Barnett, the Executive Director of the Salinity Control Forum, to walk the board through the intricacies of the salinity control program and the need for the legislative changes.
- Throughout the year, NRR fielded inquiries from Board Members and MWDOC staff regarding the salinity control program, and we were able to find answers and make connections where necessary in order to get the right information.

STATUS of 2023 GOAL: WEROC Funding: While we did build new a new champion for the project in the House with Rep. Kim, WEROC was not included in the FY24 appropriations bill. Rep. Kim submitted an earmark request on MWDOC's behalf after redistricting moved the project into her congressional district (recall that Rep. Porter does not participate in earmarks leaving us without a House champion until this year). We did not receive support from Senator Feinstein or Senator Padilla as we have in the past. This was largely due to the project being very uncertain at the time when appropriations requests were made. Because of the increase in costs associated with a new EOC, there was a last-minute pivot to focus on a mobile-EOC which created challenges in getting both Senate offices to fully understand MWDOC's goals.

STATUS of 2023 GOAL: Monitor and Inform: NRR has kept MWDOC apprised of ongoing congressional and administrative actions that could impact MWDOC including:

- The development of biological opinions for Long-Term Operations of the Central Valley Project (and State Water Project).
- Litigation redefining the jurisdiction and scope of the Waters of the United States.
- Legislation that could impact the operation of California's state and federal water projects i.e. Rep. Valadao's WATER for California Act.
- Negotiations on the Colorado River post-2026 operating guidelines, as well as the Supplemental Environmental Impact Statement.
- Providing updates on legislation seeking to block the Delta Conveyance Project and an explanation around the politics of such efforts.

- Senate Colorado River Caucus and House Colorado River Caucus activities
- Monitoring leadership changes at the Department of the Interior, especially as they relate to the management of water issues.

Looking Ahead – Goals for 2024

While there are a number of 2023 goals that will continue to be in play during the remaining days of the 118th Congress, we offer the following items as an initial set of goals for 2024:

Drought Legislation: During the final days of a Congressional term, in this case the end of 2024, there is typically an opportunity for Congress to pass a package of western water bills. Should the stars align again, NRR will work to ensure MWDOC's priorities, such as some of the provisions from the STREAM Act, are included.

Voluntary Agreements (VAs): Implementation of the VAs will require an act of Congress to give Reclamation authority to place a surcharge on CVP water to generate funding to implement the habitat and flow requirements in the VAs. We will be monitoring this effort and will be communicating with MWDOC about any opportunity to see this through.

***Salinity Control*:** NRR will continue to work with Met and the Colorado River Board to include the Colorado River Salinity Control Fix Act in 1) the upcoming Farm Bill reauthorization or 2) any western water legislative package that comes together at the end of the 118th Congress.

Administrative Action: Monitor and report on agency actions related to the Colorado River drought and the 2026 guidelines. We will also continue to push Reclamation to use the recent funding from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for critical programs and projects in the Colorado River Basin and California.

Coordination: Continue to coordinate with key partners at Met and the Colorado Water Board of CA, ACWA, etc…

Item No. 7

CONSENT CALENDAR ITEM
December 20, 2023

TO: Board of Directors

FROM: **Planning and Operations Committee**
(Directors McVicker, Nederhood, and Seckel)

Harvey De La Torre
General Manager

Staff Contact: Heather Baez

SUBJECT: **EXTENSION OF STATE LEGISLATIVE ADVOCACY SERVICES WITH SYRUS DEVERS ADVOCACY (SDA)**

STAFF RECOMMENDATION

Staff recommends the Board of Directors extend state advocacy services with Syrus Devers, now at Syrus Devers Advocacy, for 2024.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

REPORT

BB&K has provided state legislative advocacy services to the Municipal Water District of Orange County since 2016. This contract was sent out for competitive bid most recently in 2020 for a one-year contract beginning in 2021, with the option to renew annually for four additional years.

Budgeted (Y/N): Y	Budgeted amount: $96,000 Calendar year expenditure, plus expenses	Core X	Choice __
Action item amount: $96,000; $48,000 for FY 2021/2022 + expenses and $48,000 for FY 2020/2021 + expenses	Line item: 31-7040		
Fiscal Impact (explain if unbudgeted):			

The initial business plan when BB&K opened the State Government Affairs practice in 2015 was to reach out to its city clients that were not represented by a lobbyist in Sacramento. Water Districts were also part of the plan, but BB&K assumed it would be primarily a municipal lobbying practice. What developed was the exact opposite; over 90% of the revenues came from public water agencies, with MWDOC being the first major client. While this was an excellent foundation for a one-person practice, it offered limited growth potential to BB&K.

In April 2023, BB&K met with Syrus and expressed the desire to reduce its overhead or, if that was not feasible, exit the lobbying business at the state level. Syrus presented BB&K with a business plan where he would be an independent contractor for BB&K, and assume the overhead of the practice, in exchange for BB&K continuing to be the lobbying firm for any clients that wanted to remain a BB&K client. MWDOC was the only large client that elected to remain with BB&K; Coachella Valley Water District, Las Virgenes Municipal Water District, and the De Luz Community Services District, have already transitioned to Syrus Devers Advocacy LLC (SDA).

With only one major client remaining (MWDOC), BB&K does not wish to carry the cost and administrative burden that goes along with being a registered lobbying firm. BB&K will, however, continue to partner with SDA. It was determined that once the MWDOC contract comes up for renewal, BB&K will begin the process of deregistering and the remaining clients, MWDOC, Borrego Water District, and Hi-Desert Water District, will transition to the new firm. Borrego and Hi-Desert are planning to transition to SDA at the start of 2024.

BB&K has made the transition seamless by agreeing to assign the existing contract to Syrus Devers Advocacy if MWDOC consents. Assignment means a continuation of the same contract, not a new one, which in the case of MWDOC includes the contract extensions approved in 2020. Since it will be the same contract, all the same terms remain in effect. The only change requested by SDA will be to ask MWDOC to waive any insurance requirements not applicable to a one-person firm; workers' compensation insurance being the main one. This is standard procedure for MWDOC's other sole practitioner contracts as well.

This action item, therefore, seeks MWDOC's consent to assign BB&K's contract to SDA, and does not seek approval of a new contract.

Highlights from 2023 for BB&K/SDA, along with a proposed scope of services, provided by SDA, on a separate memo, is included for your review, input and approval.

Please note, Legislative Advocacy contracts are on a calendar year basis, not fiscal year, so as not to interrupt services during a legislative session.

BOARD OPTIONS

Option #1

- Renew contract for one additional year with Syrus Devers of Syrus Devers Advocacy.

Fiscal Impact: $96,000 + expenses (upon request and approval)

Business Analysis: Syrus Devers provides advocacy services for MWDOC in Sacramento. They maintain relationships on our behalf with members of our state delegation, key committees, the administration, and regulatory agencies. They also ensure that we are kept up-to-date and informed on state issues of importance to MWDOC and our member agencies.

Option #2

- Do not renew the contract

Fiscal Impact: $96,000 would be added to the general fund
Business Analysis: MWDOC would not have representation in Sacramento to advocate on state issues of importance to MWDOC and its member agencies.

STAFF RECOMMENDATION

Option #1

To:	Municipal Water District of Orange County
From:	Syrus Devers Advocacy LLC
Date:	November 28th, 2023
Re:	Request for contract extension and strategic planning for 2024

Introduction

I have been honored to represent MWDOC since 2015, and respectfully request a one-year contract extension and the opportunity to continue advocating for MWDOC in 2024. I have represented MWDOC before the Legislature, the administration, and worked to improve MWDOC's profile within the water industry.

Highlights of 2023

Advocated for increased funding for recycling and water infrastructure: Along with WateReuse, we advocated for increased funds for water recycling projects in SB 867 (Allen). Since the bond bills stalled once the decision was made to put them on the November ballot, the work is not finished and will continue in early 2024.

No bad bills got through: It is easy to forget that 2023 was a tumultuous year since all the major legislative battles were over six months ago. Here is a reminder of how the year started:

- The water rights bills. (AB 460, AB 1337, and SB 389)
- "Solve the Water Crisis" (SB 366)
- Nonfunctional Turf (AB 1572)
- SB 687 (Eggman): another attack on the Delta Conveyance.

Despite having multiple fires to fight at the same time, and some near misses that almost got past, no bill with opposition from the water community made it to the Governor's desk.

Planning for 2024

Member outreach: In 2024, Heather and I will continue our member outreach efforts on two fronts. We will continue to educate new and senior OC delegation members about the ongoing LAFCO process, and we will work to educate new policy committee chairs and committee members about the many services MWDOC provides. New chairs have already been named in the Assembly, and the Senate will follow soon once Sen. Mike McGuire is sworn in to succeed Toni Atkins as the Senate Pro Tem early next year.

Advocate for the Delta Conveyance Project: No matter what, this will be on the list of priorities until a tunnel is built. In 2023, the only actual work was stopping collateral attacks from the Legislature. Beyond these defensive efforts, water industry advocates have not yet been called on to advocate for the project as it moves through the regulatory process, but that can change on short notice. I will continue to monitor activity on the Delta Conveyance in the Capitol and within the relevant state agencies, and engage whenever advocacy is needed to support the project.

Conclusion

On behalf of Syrus Devers Advocacy, I have enjoyed representing MWDOC's interests in Sacramento for these many years, and I respectfully ask for the privilege of continuing to advocate for MWDOC in 2024.

Thank you,

Syrus Devers
Owner/Manager, SDA Government Relations

Item No. 8-1

ACTION ITEM
December 20, 2023

TO: Board of Directors

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

SUBJECT: **REORGANIZATION OF THE MWDOC BOARD OF DIRECTORS; ELECTION OF PRESIDENT AND VICE PRESIDENT**

RECOMMENDATION

It is recommended the Board of Directors nominate and by resolution(s) elect the President and Vice President of the Board. **Res. Nos. _____** & _____

SUMMARY

In accordance with MWDOC's Administrative Code, the President and Vice President of the Board of Directors shall serve a one-year term and shall be elected to such term by the members of the Board at its first regular meeting in December of each year. Nominations will be taken from the floor and a roll call vote shall be taken.

Included below are the proposed resolutions for the election of the President and Vice President of the Board.

Administrative Code Sections 1303-1304 outline the duties of the President and Vice President (as follows):

§1303 DUTIES AND POWERS OF PRESIDENT

The President of the Board of Directors shall be the presiding officer and shall preserve order and decorum at all MWDOC meetings. The President shall appoint (with ratification by the Board) all standing, special, and ad hoc committees (including the Committee Chair persons). In the absence of the President, Vice President shall act as President. In the absence of the President and Vice President, the immediate past President(s) shall act as President, and in the absence of any immediate Past President(s), the Secretary acts as President until the Board selects one of its members President Pro Tempore, who shall have all of the Board powers of the President during the continuance of the meeting as well as during the absence of the President.

§1304 DUTIES AND POWERS OF VICE PRESIDENT

In the absence or disability of the President, the Vice President shall perform all of the duties of the President.

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

RESOLUTION NO._____

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

RE: ELECTION OF THE PRESIDENT
OF THE BOARD
December 2023-December 2024

BE IT RESOLVED by the Board of Directors of the Municipal Water District of Orange County, in accordance with Administrative Code Section 1301, that at its first regular meeting in the month of December of each year, the Board shall elect one of its members President; and

BE IT FURTHER RESOLVED that the Board of Directors has prescribed the use of nominations from the floor and a roll call vote as its method of electing the President of the Board, as set forth in Roberts Rules of Order (newly revised).

THEREFORE BE IT RESOLVED by the Board of Directors of Municipal Water District of Orange County that in accordance with the procedures set forth above, _____ **be and is hereby elected President** of the Board of Directors of Municipal Water District of Orange County, effective December 20, 2023, for a one-year term of office.

Adopted and approved this 20th of December 2023, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Maribeth Goldsby, District Secretary
Municipal Water District of Orange County

RESOLUTION NO._____

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

RE: ELECTION OF THE VICE PRESIDENT
OF THE BOARD

December 2023-December 2024

BE IT RESOLVED by the Board of Directors of the Municipal Water District of Orange County, in accordance with Administrative Code Section 1301, that at its first regular meeting in the month of December of each year, the Board shall elect a member of the Board to the office of Vice President, to serve a one year term, until a successor is elected; and

BE IT FURTHER RESOLVED that the Board of Directors has prescribed the use of nominations from the floor and a roll call vote as its method of electing the President and Vice President of the Board, as set forth in Roberts Rules of Order (newly revised).

THEREFORE BE IT FURTHER RESOLVED by the Board of Directors of Municipal Water District of Orange County that in accordance with the procedures set forth above, _____ **be and is hereby elected Vice President** of the Board of Directors of Municipal Water District of Orange County, effective December 20, 2023, for a one-year term of office.

Adopted and approved this 20th day of December 2023, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Maribeth Goldsby, District Secretary
Municipal Water District of Orange County

Item No. 8-2

ACTION ITEM
December 20, 2023

TO: Board of Directors

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

SUBJECT: **APPOINTMENT OF SECRETARY, TREASURER(S), AND LEGAL COUNSEL**

STAFF RECOMMENDATION

It is recommended the Board of Directors: Adopt Resolution(s) appointing the Board Secretary, Treasurer(s), and Legal Counsel.

SUMMARY

In February 2017, the MWDOC Board of Directors adopted a policy which states that at its first regular meeting in December, the Board shall appoint the Secretary, Treasurer and Legal Counsel. An excerpt from Administrative Code Section 1301 is as follows:

> The Board shall appoint, by majority vote, at its pleasure, a Secretary, Treasurer, Legal Counsel, General Manager and Auditor and shall define their duties and fix their compensation. At its first regular meeting in December of each year, the Board shall appoint the Secretary, Treasurer, and Legal Counsel. The Board may also appoint a Deputy Secretary and Deputy Treasurer. Each of these officers shall serve at the pleasure of the Board. The Auditor shall serve a term no longer than five (5) years.

The current incumbents are:

Maribeth Goldsby	District Secretary
Hilary Chumpitazi	Treasurer
Harvey De La Torre	Deputy Treasurer
Lina Gunawan	Alternate Deputy Treasurer
Best, Best & Krieger & Joseph Byrne	Legal Counsel

Attached is a copy of the proposed Resolution. Note that separate resolutions may also be adopted.

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

Following are the Administrative Code Sections outlining the duties of the Secretary, Treasurer, and Legal Counsel.

§1305 DUTIES OF SECRETARY

The Secretary shall post all notices and agendas required by law, shall keep a record of all proceedings had at meetings of the Board, and shall be custodian of the MWDOC Seal and all documents pertaining to MWDOC affairs. In accordance with California Code of Regulations, Title 2, Section 18227, the Secretary shall serve as filing officer or filing official, responsible for receiving, forwarding or retaining statements of economic interest or campaign statements. The Secretary, in addition to the duties imposed by law, shall perform such duties as may be assigned by the Board. The Board may appoint one or more Deputy Secretaries. Under the direction of the Board and the Secretary, each such Deputy Secretary shall assist the Secretary in performance of the Secretary's duties, and shall perform such other duties as provided by the Board.

§1306 DUTIES OF TREASURER

The Treasurer and/or such other persons as may be authorized by the Board, shall invest and monitor MWDOC funds and draw checks or warrants to pay demands when such demands have been audited and approved in the manner prescribed by the Board. The Board may appoint one or more Deputy Treasurers or Alternate Deputy Treasurers who shall perform the duties of the Treasurer in the absence of the Treasurer.

§1308 DUTIES OF LEGAL COUNSEL

The Legal Counsel shall be the legal adviser of MWDOC and shall perform such duties as may be prescribed by the Board. The Legal Counsel shall serve at the pleasure of the Board, and shall be compensated for services as determined by the Board.

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY APPOINTING DISTRICT SECRETARY, TREASURER, DEPUTY TREASURERS, ALTERNATE DEPUTY TREASURER, AND LEGAL COUNSEL

WHEREAS, pursuant to Administrative Code Section 1301, the Board shall appoint the Secretary, Treasurer, Deputy Treasurer, and Legal Counsel on an annual basis (at the first regular meeting in December); and

NOW, THEREFORE, BE IT RESOLVED as follows:

_____is hereby appointed as Secretary of the Board of the Municipal Water District of Orange County effective immediately; the term of office to be at the pleasure of the Board;

_____is hereby appointed as Treasurer of the Municipal Water District of Orange County effective immediately; the term of office to be at the pleasure of the Board;

_____is hereby appointed as Deputy Treasurer of the Municipal Water District of Orange County effective immediately; the term of office to be at the pleasure of the Board;

_____is hereby appointed as Alternate Deputy Treasurer of the Municipal Water District of Orange County effective immediately; the term of office to be at the pleasure of the Board;

_____ of _____, is hereby appointed as Legal Counsel of the Municipal Water District of Orange County effective immediately, the term of office to be at the pleasure of the Board.

Said Resolution was adopted, on roll call, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. _____, adopted by the Board of Directors of Municipal Water District of Orange County at its meeting of December 20, 2023.

_____
Secretary
Municipal Water District of Orange County

GENERAL MANAGER REPORT OF STAFF ACTIVITIES

December 2023

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

MEMBER AGENCY MANAGERS MEETING

MWDOC held its Member Agency Managers' meeting at its office in Fountain Valley on Thursday, November 16, 2023.

In attendance: Rudy Correa – Brea, Mike McGee - Buena Park, David Youngblood – East Orange County WD, Dennis Cafferty - El Toro WD, Cel Pasillas - Garden Grove, Keith Van Der Maaten – Long Beach County WD, Paul Weghorst - Irvine Ranch WD, Andy Ramirez – La Palma, Tracy Manning - Mesa WD, Matt Collings, Kaden Young & Johnathan Cruz, Drew Atwater - Moulton Niguel WD, Mark Vukojevic – Newport Beach, Jose Diaz– Orange, Mike Marcus, Lisa Haney & John Kennedy – Orange County WD, Dustin Burnside - San Clemente, Iris Lee – Seal Beach, Jerry Vilander – Serrano WD, Mike Chandler– Tustin, Michael Perea – Trabuco Canyon Water District, Scott Miller - Westminster, Mark Toy & Rosanne Weston – Yorba Linda WD

Staff in attendance: Harvey De La Torre, Melissa Baum-Haley, Charles Busslinger, Alex Heide, Damon Micalizzi

General Meeting Information/Discussion Items:

- Draft Board Agendas
- MWDOC FY 24-25 Budget Kickoff
- MWDOC Legislative Policy Principles
- MET Update
  a. CAM4W Update
  b. Long-Range Finance Plan Needs Assessment Update
- Engineering Update

Announcements:

LRP Reconciliations Due Before December 31st, 2023

ENGINEERING & PLANNING

LEAD AND COPPER RULE REVISIONS – LEAD SERVICE LINE INVENTORY CHOICE PROGRAM

In mid-March 2023, multiple agencies requested MWDOC's assistance in complying with US EPA Lead and Copper Rule Revisions (LCRR) - Service Line Inventories, which all water systems are required to complete and submit to the primacy agency (for California, it is the State Water Boards) by October 16, 2024.

On May 24, 2023, MWDOC hosted an initial meeting with (18) OC agencies and the State Division of Drinking Water staff regarding the LCRR – Lead Service Line Inventory compliance requirements.

On June 19, 2023, MWDOC posted an RFP for technical assistance with multiple agencies' service line inventories and received five (5) proposals with the expectation that consultants provide volume discount rates for agencies under the Choice Program.

The MWDOC Board approved a contract award to Hazen and Sawyer (Hazen) on September 20, 2023. Following Board approval, MWDOC staff hosted one-on-one meetings with interested agencies to answer agency-specific questions related to the LCRR compliance approach, costs, and data needs to help agencies navigate the process.

The shared services program has 13 participating agencies. MWDOC is issuing Notices to Proceed to consultant Hazen as agencies sign the MWDOC shared services agreement for agencies' customized scopes of work.

The project remains on schedule. Hazen is completing the setup of the initial GIS databases for each agency, reviewing available agency information, and collecting necessary data as part of the desktop analysis portion of the project.

MNWD PUMP-IN TO EOCF #2 TECHNICAL STUDY

MWDOC continues to support MNWD's technical study of a potential pump-in project to East OC Feeder #2 from the City of Santa Ana's East Station. MWDOC has hosted multiple meetings with staff from MET's Water Quality, Operations, and Engineering Groups, Moulton Niguel Water District (MNWD), City of Santa Ana, OCWD, and MNWD's consultant Brown & Caldwell.

MWDOC hosted a 5th technical meeting on November 16, 2023, between MET staff, MWDOC, MNWD, the City of Santa Ana, and consultant Brown & Caldwell.

DOHENY OCEAN DESALINATION PROJECT

South Coast Water District (SCWD) continues to develop the Doheny Ocean Desalination Project. SCWD estimates an online date of 2028 if approved by the SCWD Board.

At the SCWD Board Meeting on June 22, 2023, Clean Energy Capital (CEC) provided an update on the financial implications of the project. CEC presented updated cost projections for a 5 MGD project where SCWD would take 2 MGD.

The updated estimated 1st-year water cost is $2,597/AF (in 2028$) or $2,058/AF (discounted to 2023$), which is a $469/AF increase vs CEC's 2021 estimate. The increase is largely driven by increases in energy costs (with energy costs making up 60% of the overall cost increase).

SCWD Unit Cost of Water ($/AF)	
MWDOC Average of High and Low	$ 2,100
5 MGD Plant	$ 2,701
Difference	$ 601
SCWD Residential Average Monthly Cost	
No Desal	$141.63
With 5 MGD Plant	$145.64
Difference	$ 4.01
CEC estimates of Construction Costs:	
Escalated to a Feb 1,2025 construction start date	$137,642,914
Total Grants	($ 30,423,241)[1]
Total Development & Financing Costs	$ 30,685,350
Total Capitalized Costs	$137,905,023

SCWD Staff Report is located here:

https://scwd.granicus.com/MetaViewer.php?view_id=3&clip_id=2790&meta_id=180312

CEC Presentation slides are located here:

https://scwd.granicus.com/MetaViewer.php?view_id=3&clip_id=2790&meta_id=180313

On July 27, 2023, SCWD released the Request for Qualifications for the Progressive Design Build Operate and Maintain (DBOM) Project. SCWD received Statements of Qualifications from 7 teams and, after a qualifications review, has shortlisted three teams for the contract development phase (PCL/CDM/Veolia; Kiewit/IDE/Arcadis; Filanc/Acciona/Hazen).

[1]As of September 2023, SCWD has secured $32.4M in grant funding for the Project, including $10M from the California Department of Water Resources Desalination Construction Grant, $20M from the U.S. Bureau of Reclamation Water Infrastructure

Improvement for the Nation (WIN) Act Grant, and $2.4M from the U.S. Environmental Protection Agency Grant.

SHUTDOWNS

AMP Prestressed Concrete Cylinder Pipe (PCCP) Inspection

MET inspected the PCCP sections of the AMP down-gradient of OC-70 between October 29 and November 4, 2023, to assess the condition of the high tensile strength prestressed structural steel wire in the pipe. The results of the inspection should be available in early January 2024.

A rehabilitation project for the AMP to add a structural steel liner to the PCCP sections of the pipeline is currently being designed with an estimated start date of late 2027. This rehabilitation project will require a series of shutdowns of the AMP over a 2–3-year period.

Diemer Water Treatment Plant

MET has modified the scheduled shutdown of Diemer WTP from a 7-day shutdown to a 3-day shutdown. The shutdown is now scheduled for January 14-16, 2024.

MET originally scheduled a 7-day shutdown to address a damaged chlorine diffuser at Diemer and to address maintenance issues in some pipelines that will be offline during the Diemer shutdown. However, due to issues associated with PFAS regulations and bringing new PFAS treatment systems online for groundwater wells in OC, MET has reduced the shutdown to 3 days. This shutdown will now only focus on the repair of the chlorine solution line. Another shutdown will be needed in 2025 to address the deferred pipeline maintenance items.

During the Diemer shutdown, the following pipelines will be affected:

- Allen-McColloch Pipeline
- East Orange County Feeder No.2
- Lower Feeder – Treated and Untreated
- Second Lower Feeder (portions)

Lake Mathews

MET has scheduled a 2-day shutdown of Lake Mathews for March 12-13, 2024, to complete repairs to a forebay slide gate and to conduct a geologic survey of the forebay. This shutdown will impact the following pipelines:

- East OC Feeder #1 and
- Santiago Lateral

EMERGENCY PREPAREDNESS

NOVEMBER INCIDENTS/EVENTS

- 11.7.23 Public Safety Power Shutoff
- 11.8.23 Hanger Fire (Tustin)

The above events required coordination or efforts from the WEROC Office in support of member agencies. Vicki can provide additional information on events as warranted or requested.

COORDINATION/PARTICIPATION WITH MEMBER AGENCIES AND OUTSIDE AGENCIES MEETINGS OUTSIDE OF PROGRAM AREAS AND EMERGENCY RESPONSE

- On 11/2, Janine attended the monthly Orange County Emergency Management Organization (OCEMO) meeting.
- On 11/2, Vicki attended the OCEMO Exercise Design and Training subcommittee meeting. The focus was on developing the 2024 exercise/seminar and discussing training efforts needed in Orange County.
- On 11/21, Vicki attended the CalWARN Executive Committee meeting in which the governance document was discussed. Additional meetings will be required to make changes as required for adoption. In addition, the current VP had to resign, so Vicki has been appointed to the board to serve as the VP.
- On 11/30, Vicki presented CalWARN at the MET Workshop.
- On 11/30, Vicki conducted a Workshop/TTX exercise for OCWD. Target Capability is Response and Communications for the onset of an earthquake.

PLANNING AND PROGRAM EFFORTS

EOC Readiness & EOC Project

- WEROC EOC Project – Vicki has begun the design phase with the mobile company.
- Mission Viejo EOC Decommissioning update – Janine coordinated with a moving company to relocate key, large, heavy items to the Peters Canyon Location (11/28).

Cyber Security and OCIAC Partnership

WEROC continues to send out important information to the Cyber Security Distribution Group as received from DHS or the OCIAC.

WEROC has been providing information to the member agencies about highlighted threats to the water industry and other current world events as required.

Member Agency and County/Operational Area Plan Review

Vicki reviewed or revised the following plans this month:

- SCWD Palisades Dam Emergency Response Plan (CalOES has returned the plan requesting additional information.) A meeting occurred on 11/21 so Vicki could capture the changes wanted by CalOES. Vicki re-summitted the plan to the state on the evening of 11/21.

Member Agency Inventory Lists (Ongoing)

- Vicki has begun to take the list Janine finished obtaining and type resources for expedient use during events so the required resources can be obtained from member agencies or obtained from outside vendor sources. Vicki will be putting together emergency contracts with vendor agencies to identify scarce resources to support member agencies.

Regional Fuel Project

- Vicki continues to work on the project now that the member agencies provided their preliminary needs.

Regional Mapping Project

- Janine continues to work on the revision of the 2017 WEROC Map Atlas and Public Safety Power Shut (PSPS) Off map updates. MWDOC Engineering has been assisting with the collaboration with CDR and providing input to the project.

Training and Exercises

- On 10/4, Vicki conducted a virtual Agency Representative (AREP) training for member agencies. This training targets staff responding to Incident Command Posts representing their agency while working with law and fire for different incidents. Vick created this training curriculum at the request of the member agencies.
- On 11/1, Vicki conducted (2) ICS100/700/SEMS
- On 11/2, Vicki conducted the second part of the SCWD TTX.
- On 11/27, Vicki conducted 800Mhz training for the member agencies.

WEROC Regional Water Distribution Plan

- Vicki is finalizing the regional plan and will meet with the city's emergency managers during quarter 1 of 2024 to socialize the tiered approach and capabilities of the plan. This will be done in 5 regions of OC based on the County Board of Supervisor Districts. Tabletop Exercises will be conducted in Q2 of 2024.

OTHER WEROC INFORMATION

WEROC Personnel Update

- The second round of interviews for the vacant WEROC Specialist Position will be on November 29th.

MET ITEMS CRITICAL TO ORANGE COUNTY

MET FINANCE AND RATE ISSUES

Water Transactions for September 2023 (for water delivered in July 2023) totaled 113.4 thousand acre-feet (TAF), which was 34.8 TAF lower than the budget of 148.2 TAF and translates to $114.7 million in receipts for September 2023, which was $35.8 million lower than the budget of $150.5 million.

Year-to-date water transactions through September 2023 (for water delivered in May 2023 through July 2023) were 296.6 TAF, which is 109.0 TAF lower than the budget of 405.6 TAF. Year-to-date water receipts through September 2023 were $308.8 million, which was $111.3 million lower than the budget of $420.1 million.

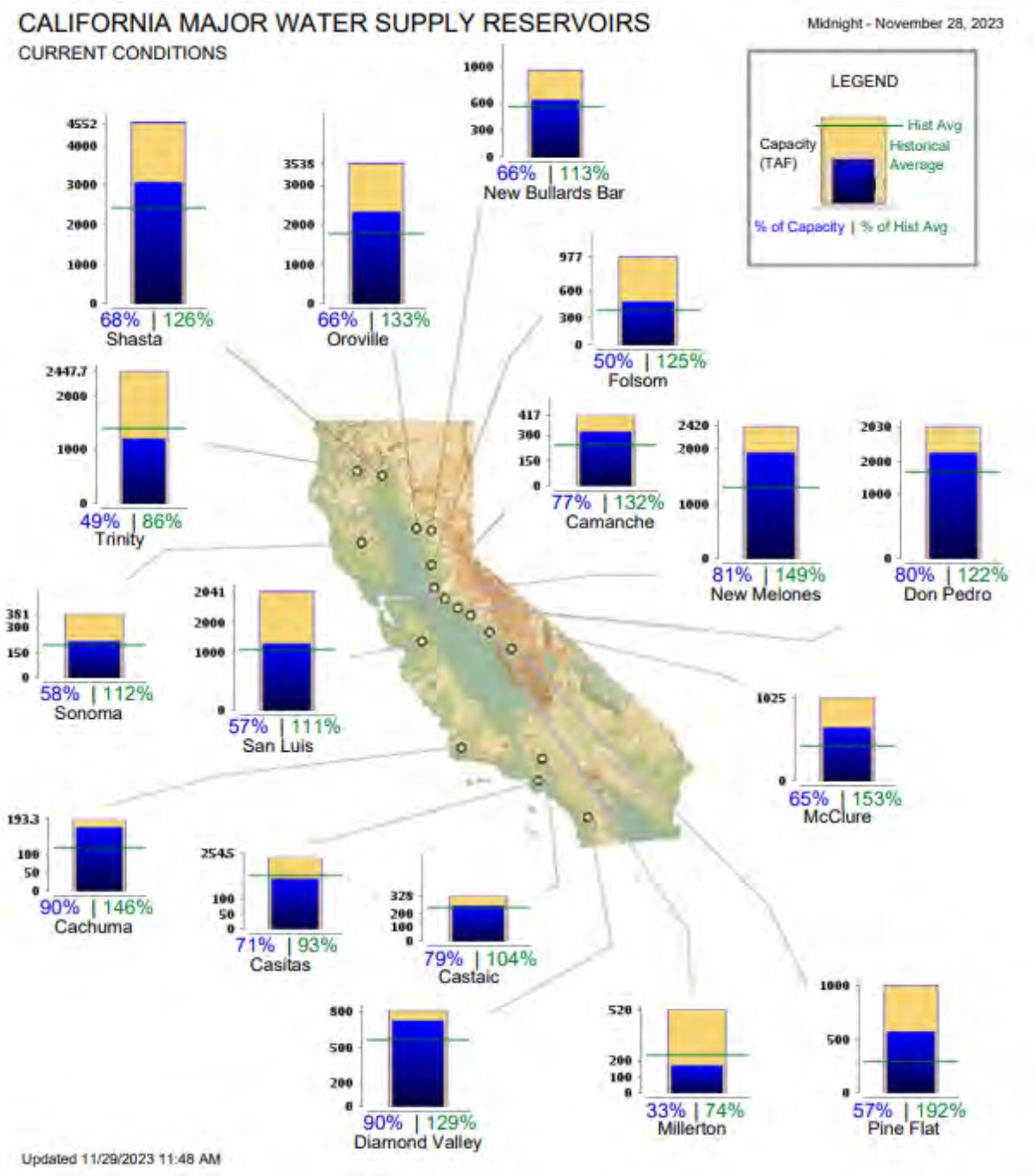
Metropolitan finance staff presented board information reports on the 2023 Long-Range Finance Plan Needs Assessment at the September 12th Finance, Audit, Insurance, and Real Property (FAIRP) Committee and September 26th Long-Term Regional Planning Processes and Business Modeling Subcommittee. The presentations explained the methodology and insights gleaned from Finance's analysis of the rate impacts of scenarios used in the 2020 IRP Needs Assessment. Moreover, the Metropolitan finance staff clarified the range of funding and financing tools available to Metropolitan when addressing the capital investments required to meet the projected resource supply gaps under four primary scenarios.

MET'S SUPPLY CONDITION UPDATE

The 2023-24 Water Year (2023-24 WY) officially started on October 1, 2023. Thus far, Northern California accumulated precipitation (8-Station Index) reported ***3.9 inches or 44% of normal*** as of November 27th. The Northern Sierra Snow Water Equivalent was ***0.0 inches on November 27th***, which is ***0% of normal*** for that day. The Department of Water Resources (DWR) has not set the State Water Project (SWP) initial ***"Table A" allocation for WY 2023-24.***

The Upper Colorado River Basin accumulated precipitation is reporting ***3.0 inches or 75% of normal as of November 27th***. On the Colorado River system, snowpack is measured across four states in the Upper Colorado River Basin. The Upper Colorado River Basin Snow Water Equivalent was ***1.1 inches as of November 27th***, which is ***52% of normal*** for that day. Due to the below-average inflows into Lake Powell over the past several years, the United States Bureau of Reclamation **declared a shortage at Lake Mead that has been ongoing since January 1st, 2022**. As of November 2023, **there is a 100% chance of shortage continuing in Calendar Year (CY) 2024, a 93% chance in CY 2025, and a 77% chance in CY 2026.**

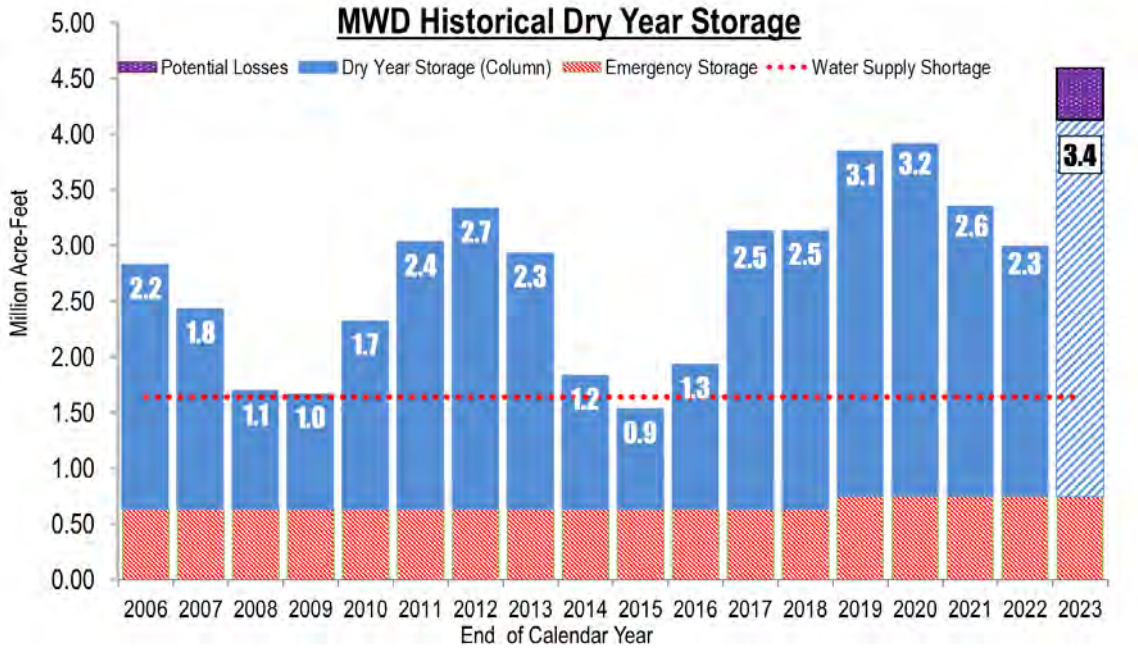
As of November 27th, Lake Oroville storage is 66% of total capacity and 132% of normal capacity. As of November 27th, San Luis Reservoir has a current volume of ***57% of the reservoir's total capacity and is 112% of normal.***

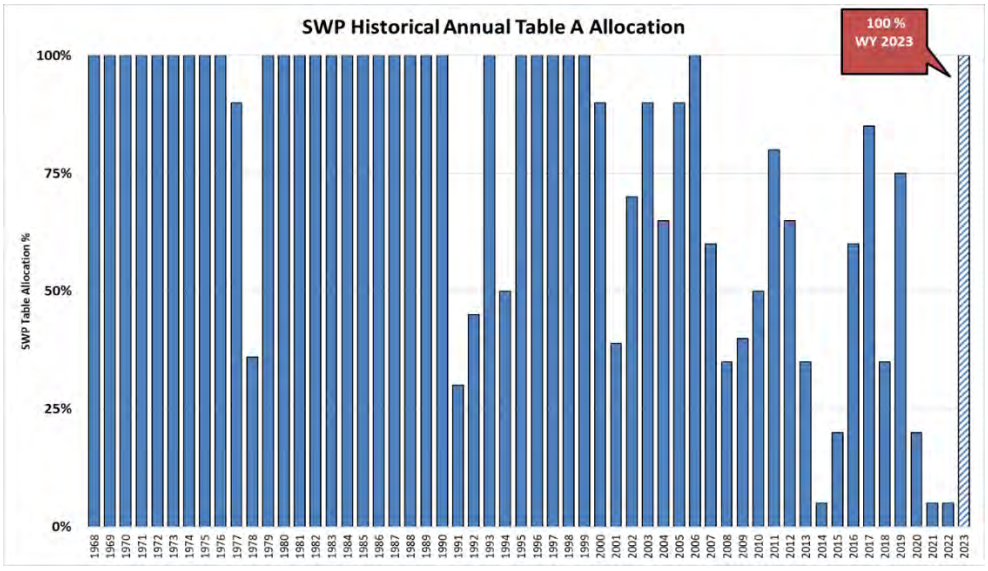


With CY 2023 estimated total demands and losses of 1.54 million acre-feet (MAF) and with a 100% SWP Table A Allocation, MWD is projecting that supplies will exceed demand levels in CY 2023. Based on this, the estimated total dry-year storage for Metropolitan at the end of ***CY 2023 will increase to approximately 3.4 MAF.***

A projected dry-year storage supply of ***3.4 MAF would be the highest level in MWD History. Unfortunately, due to the 100% SWP Table A Allocation, there is potential***

that MWD will not be able to store approximately 570 TAF. In addition to a high-water supply, a large factor in maintaining high water storage levels relies on lower-than-expected water demands**.** We are seeing regional water demands reaching a 40-year low. **However, *with most of MWD's water supplies stored in Lake Mead and still a 5-year shortage projection at Lake Mead, there remains much uncertainty about where supply balances will be in the future.***





MET'S WATER QUALITY UPDATE

Water System Operations

Metropolitan member agency water deliveries were 135,700 acre-feet (AF) for October, with an average of 4,400 AF per day, which was about 100 AF per day higher than in September. In addition, Metropolitan delivered 23,500 AF to Cyclic and Conjunctive Use Programs. Treated water deliveries were 4,400 AF higher than in September, for a total of 65,300 AF or 48 percent of total deliveries for the month. The Colorado River Aqueduct (CRA) pumped a total of 45,200 AF in October. Repairs have been made to the Desert Water Agency and Coachella Valley Water District recharge facilities and the Whitewater River conveyance system. Metropolitan maintained a three-pump flow along the CRA for most of the month. State Water Project (SWP) imports averaged 3,800 AF per day, totaling about 118,800 AF per month. The target SWP blend is about 80 percent for the Weymouth Plant, 35 percent for the Diemer Plant, and 50 percent for the Skinner Plant.

Water Treatment and Distribution

In October, the SWP target blends entering the Weymouth and Diemer plants were 80 and 35 percent, respectively. The Mills plant switched from a blend of Silverwood Lake and Lake Perris water to solely Silverwood Lake water on October 5 because alkalinity in the East Branch SWP increased above a target level of 60 milligrams per liter (mg/L). The SWP blend target entering Lake Skinner fluctuated to accommodate multiple operational needs and to maximize water delivery from the SWP. It was approximately 60 percent in early October and was lowered to 50 percent mid-month. The SWP blend leaving Lake Skinner was relatively stable at 55 and 65 percent.

Flow-weighted running annual averages for total dissolved solids from August 2022 through July 2023 for Metropolitan's treatment plants capable of receiving a blend of supplies from the SWP and the CRA were 503, 511, and 583 mg/L for the Weymouth, Diemer, and Skinner plants, respectively.

Metropolitan staff continued to adjust treatment and distribution operations to control nitrification in the distribution system and flushing at key locations to maintain water quality. Nitrification was generally under control in the Orange County area by the end of October. However, some parts of the Central Pool distribution system still had elevated nitrite levels, and flushing continued at a few sites to maintain water quality. The treatment plants maintained increased plant effluent pH and total chlorine targets of 2.70 to 2.75 mg/L to help manage nitrification. Extensive monitoring continued throughout the distribution system. Overall, conditions have significantly improved, highlighting the dedication and collaboration of Metropolitan staff in ensuring the delivery of reliable, high-quality water supplies.

Future Legislation and Regulation

On October 5, Cal/OSHA published a second 15-day Notice of Modifications to the Lead Standards for general industry and construction. The proposal lowers the Permissible Exposure Level (PEL) for lead from 50 to 10 µg/m^3, lowers the Action Level (AL) from 30 to 2 µg/m^3, and increases the need for blood lead level (BLL) testing when an employee's BLL is at or above 10 ug/dL. The key updates in the latest revision include new exceptions to medical surveillance/blood lead testing requirements and updated specifications on the types of personal protective equipment (PPE) required. Comments were due October 25. Metropolitan staff will work with Phylmar Regulatory Roundtable to address concerns about the recently proposed amendments.

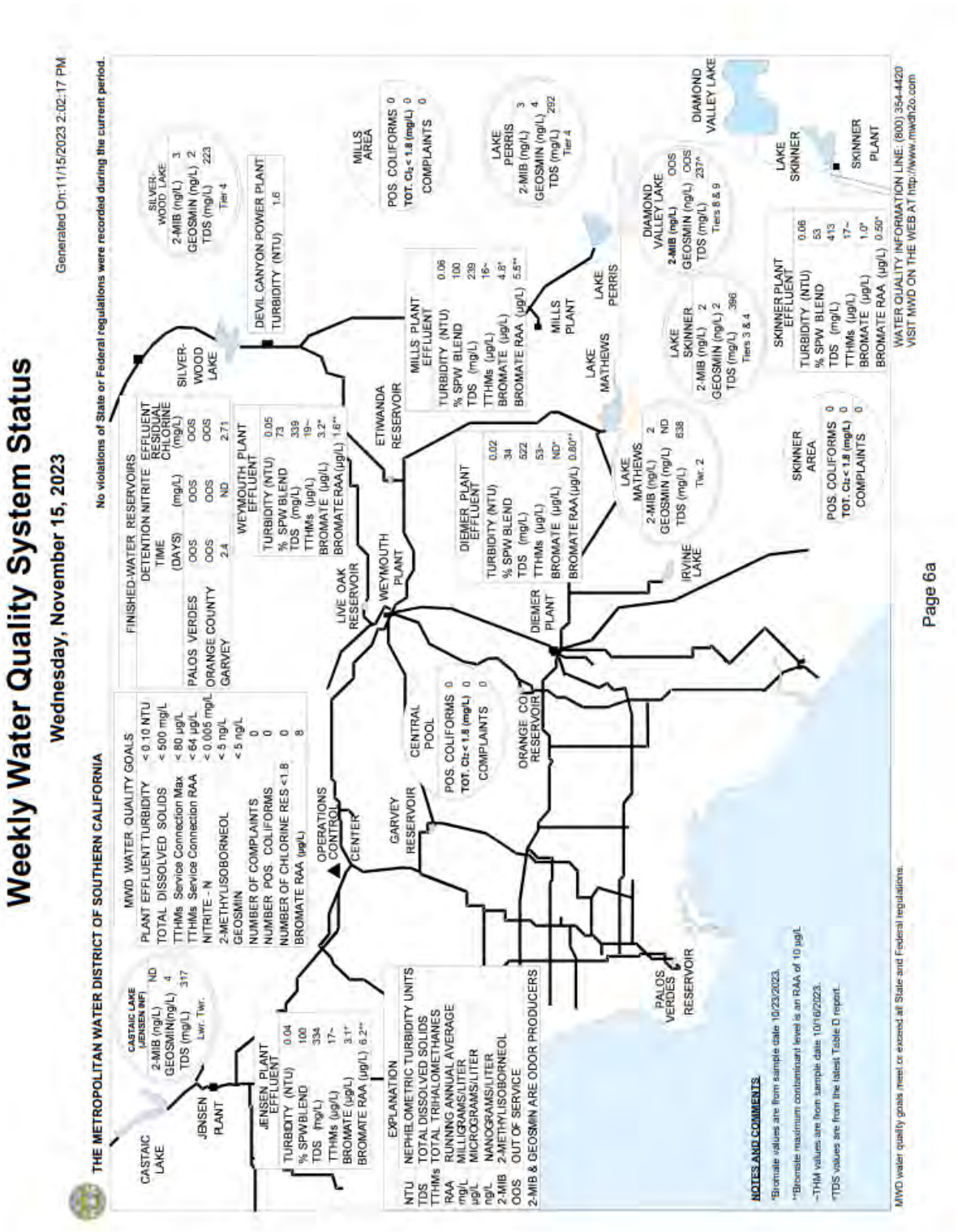
On October 9, Governor Newsom signed AB 1594 (Garcia)—Medium- and heavy-duty zero-emission vehicles: public agency utilities. The bill, co-sponsored by the California Municipal Utilities Association (CMUA), modifies the California Resources Board's (CARB) recently adopted Advanced Clean Fleets (ACF) rule, which generally requires all fleet owners to purchase zero-emission vehicles (ZEV) starting in 2024. AB 1594 allows water districts, among others, to access four key existing accommodations in the rule: 1) the Daily Usage Exemption, 2) the ZEV Purchase Exemption, 3) the Site Electrification Delay, and 4) the Infrastructure Construction Delay. Metropolitan staff is determining how best to implement the ACF's requirements for Metropolitan's medium- and heavy-duty vehicles.

On October 12, the Environmental Protection Agency (EPA) withdrew its cybersecurity memorandum that directed Safe Drinking Water Act state primacy agencies to assess the cybersecurity resilience of public water systems as part of either the sanitary survey process or other state programs. EPA now asks states to "voluntarily" review public water system cybersecurity programs. Metropolitan staff worked with the American Water Works Association (AWWA) to express concerns that the Sanitary Survey Program was not the right tool to address cybersecurity issues and that many state primacy agencies have neither the resources nor technical expertise to evaluate and address cybersecurity issues and safeguard sensitive information.

On October 19, Metropolitan staff presented an update to the Safe Drinking Water Act Committee of the AWWA's California-Nevada Section on the Division of Drinking Water's proposed update of the notification level (NL) and response level (RL) for manganese in treated drinking water. The update will reduce the manganese NL from 500 to 20 micrograms per liter (µg/L) and the RL from 5,000 to 200 µg/L. It could potentially trigger increased monitoring, reporting, and public notification requirements that would affect public water systems throughout the state, including Metropolitan. The update is expected in Spring 2024.

Metropolitan staff worked with the Section's Water Utility Council to provide written comments from a coalition of associations (California Water Association, California Municipal Utilities Association, and the Association of California Water Agencies) on the State Water Board's draft Cross-Connection Control Policy Handbook. The revision considered over 1,200 stakeholder comments and represents a collaborative approach

to developing a technically sound guidance document. The Water Board intends to adopt the updated handbook by the end of 2023.



Water Quality Section Weekly TDS Report

For the week of 11/12/2023

Percent SPW Needed to Achieve TDS Goal of 500 mg/L			
Source Water TDS			**SPW Required**
Plant	**CRW**	**SPW**	**Percent**
Weymouth	638	223	33%
Diemer	638	223	33%
Skinner-Silverwood	647	223	35%
Skinner-Perris	647	NS*	NA

CRW for Diemer and Weymouth is Lake Mathews and San Jacinto - West Portal for Skinner

Estimated TDS for Reservoirs		
Reservoir (Effluent)	**Date**	**mg/L**
Lake Havasu (Table D)	8/2/23	634
Lake Mathews (DFPI-LWRFDR)	11/13/23	638
Lake Skinner (Outlet Structure)	11/13/23	396
Castaic Lake (JFPI)	11/12/23	317
Silverwood (Mills inf)	11/12/23	223
Lake Perris	11/12/23	NS*
DVL Outlet (Table D)	8/14/23	237

SUNDAY COMPOSITE ESTIMATED TDS FOR 07/09/23 - 11/12/23

TDS For Week of 11/12	
Plant Eff.	**mg/L**
Diemer	505
Weymouth	381
Skinner	414
Jensen	334
Mills	239



Sunday composite estimated TDS measured from plant effluent composite samples collected on Sunday and analyzed for hardness and electrical conductivity.

WEEKLY COMPOSITE ESTIMATED TDS FOR 07/09/23 - 11/12/23

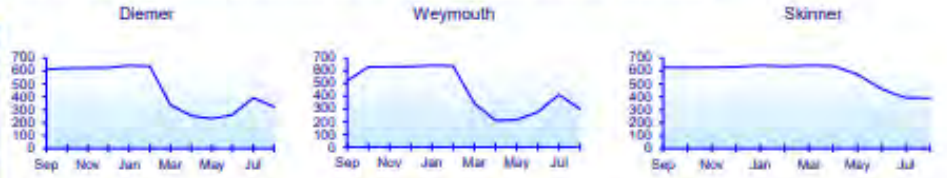
TDS For 11/6 - 11/12	
Plant Eff.	**mg/L**
Diemer	511
Weymouth	339
Skinner	443



Weekly composite estimated TDS measured from plant effluent composite samples collected Monday through Sunday and analyzed for hardness and electrical conductivity.

MONTHLY COMPOSITE CALCULATED TDS FOR September 2022 - August 2023

TDS For Aug 2023	
Plant Eff.	**mg/L**
Diemer	321
Weymouth	299
Skinner	389
Jensen	354
Mills	194



Monthly calculated TDS calculated from plant effluent monthly composite sample for total anions and cations. These results are also used for Table D.

FLOW WEIGHTED RAA TDS FOR September 2022 - August 2023

Flow-Weighted RAA TDS Sep 2022 - Aug 2023	
Plant	**mg/L**
Diemer	479
Weymouth	474
Skinner	557
Jensen	347
Mills	236



Seasonal flow weighted RAA TDS calculated from plant effluent monthly composite sample for total anions and cations. Results are based on average monthly flows.

COLORADO RIVER ISSUES

Reclamation supports Lower Basin Water Conservation Proposal

In response to record low storage levels in Lake Powell and Lake Mead in the summer of 2022, Reclamation began a process to amend the Colorado River Interim Guidelines through 2026 in the event conditions continued to be dry and additional shortages were needed to protect critical infrastructure at Lakes Powell and Mead. The draft Supplemental Environmental Impact Statement (DSEIS) that analyzed the options was completed in the spring of 2023. The document included two action items: one that implemented additional shortages by the priority system and another that shared shortages equally among contractors. None of the Lower Basin States supported either alternative; therefore, in May of 2023, the Lower Basin States came up with their proposal. That proposal was based on two important factors: first, the much-improved conditions due to the wet winter of 2022-23, and second, the availability of $4 billion for western drought relief provided by the Inflation Reduction Act (IRA). The Lower Basin States proposed using IRA funds and existing Intentionally Created Surplus programs to conserve an additional 3 million acre-feet of water through 2026, on top of the existing shortage requirements under the 2007 Guidelines. The Lower Basin submitted that plan to Reclamation in May 2023, with support from the Upper Basin, requesting Reclamation to consider their alternative in the development of the SEIS. Reclamation agreed to suspend the process while it evaluated the Lower Basin Proposal.

On October 27, Reclamation issued a Revised DSEIS that included the two original alternatives and the Lower Basin Plan. The document concluded that the Lower Basin Plan was the most effective option, dropping the original two alternatives for further consideration. Reclamation is soliciting comments on the Revised DSEIS, with comments due on December 11. Reclamation plans to issue a Final SEIS in early 2024, followed by a Record of Decision approving the new plan. The Lower Basin States are ahead of the proposed water conservation schedule, with record low water use in 2023. The Lower Basin states are projected to use 5.8 million acre-feet of water this year, which is 1.7 million acre-feet less than its allocation under the 1922 Colorado River Compact. Metropolitan plans to submit comments to Reclamation supporting the Lower Basin Plan, along with highlighting specific interests our region may have in this process. Metropolitan staff will provide an overview of the Revised SEIS at the November 13 One Water and Stewardship Committee meeting.

DELTA CONVEYANCE ACTIVITIES AND STATE WATER PROJECT ISSUES

Delta Conveyance

The California Department of Water Resources released a draft Environmental Impact Report (EIR) to comply with the California Environmental Quality Act (CEQA) for a public review that ended on December 16, 2022. The Final EIR is expected at the end of 2023. It will include responses to all substantive comments on the Draft EIR and edits to the Draft EIR, as appropriate, to respond to the comments.

The U.S. Army Corps of Engineers (USACE), as part of its permitting review under the Clean Water Act and Rivers and Harbors Act, released a draft Environmental Impact Statement to comply with the National Environmental Policy Act for a public review that ended on March 16, 2023. USACE is in the process of developing responses to the comments received.

Delta Conveyance-related Joint Powers Authorities

Comprehensive updates regarding ongoing and required Tribal consultation, public communication, and outreach efforts to advance the Delta Conveyance Project were presented to the Delta Conveyance Design and Construction Authority (DCA) Board of Directors at their regularly scheduled October 19 meeting. Localized fact sheets surrounding the relevance of the State Water Project are being created, and the geotargeted social media campaign has reached over 50,000 Californians in the State Water Project area.

The October 19 regularly scheduled Delta Conveyance Finance Authority meeting was canceled.

Sites Reservoir

At the joint Sites Project Authority Board and Sites Reservoir Committee Meeting on October 20, the Reservoir Committee and Authority Board approved actions related to the Amendment 3 Work Plan Update, including an extension of the work plan to December 31, 2025, an overall program baseline schedule that would support a projected seven-year substantial construction completion, which is currently projected in 2032, and an update to the priorities. The annual budget for fiscal year 2024 and the cash call amount for fiscal year 2024 were also approved as part of the Amendment 3 Work Plan Update.

At the upcoming Joint Reservoir Committee and Sites Authority Board meeting, the Final EIR and corresponding CEQA actions are anticipated to be certified. Check the Sites Reservoir website here for details regarding this upcoming historic meeting. In anticipation of the certification, the Reservoir Committee and Authority Board authorized the Executive Director to post the required public notices in accordance with SB149 if the Governor certifies that the Sites Reservoir Project is an SB149-eligible infrastructure project.

Science Activities

Metropolitan science staff submitted a proposal to the Bureau of Reclamation's WaterSMART Applied Science Grants for fiscal year (FY) 2023 to fund a two-year project to develop publicly accessible datasets. These datasets would support improved water management planning, assessment of flow operations, and evaluation of effects on fish and wildlife.

To progress the Floating Wetlands Pond Study, Metropolitan staff is evaluating options for relocating tules from a nursery location on Bouldin Island to an existing impoundment there. The Floating Wetlands Pond Study will be a practical evaluation of the benefits of using native Delta plants as a habitat restoration tool. The results of this study will allow Metropolitan to determine the relative benefits of investing in this novel restoration tool.

Metropolitan staff is participating in a Department of Fish and Wildlife Zooplankton Monitoring Review effort to evaluate the effects of management actions on zooplankton. Zooplankton are a vital prey for listed species. Determining how best to improve zooplankton densities is important for managing listed species.

Delta Island Activities

Metropolitan staff responded to a magnitude 4.2 earthquake near Brannan Island on October 18. In coordination with Reclamation District staff, all 56 miles of levees on Metropolitan's four islands were inspected within one hour. No seismic damage was reported on Metropolitan's Islands. Additionally, real-time data from the Bouldin Island Seismic Instrumentation & Monitoring Pilot Project was evaluated in the minutes following the seismic event.

Metropolitan's Board of Directors approved amending the Capital Investment Plan for FY 2022/23 and 2023/24 to include the development of a multi-benefit landscape project on Webb Tract. The Metropolitan Board also authorized professional service agreements for design, preparation of environmental documentation, permit applications, and scientific monitoring.

Metropolitan staff hosted the Sacramento-San Joaquin Delta Conservancy Board tour on Webb Tract. The tour highlighted Metropolitan's project planning in the Delta, including the Delta Conservancy grant-funded Webb Tract Landscape Mosaic Project.

Metropolitan Bay-Delta Staff participated in a panel on subsidence during the Delta Independent Science Board's October meeting. The panel provided an overview of current land inundation practices and experiments in the Delta. Metropolitan staff provided information on the current practices and ongoing studies on Metropolitan's Delta Islands.

PUBLIC/GOVERNMENT AFFAIRS

MEMBER AGENCY SUPPORT

Public Affairs Staff:

- Speakers Bureau – Coordinated, attended, and provided support for President Schneider's certificate of recognition presentation to Santa Margarita Water District's Board for their partnership in hosting the August Scouts Soil and Water Conservation Merit Badge clinic
- Provided the 2024 Water Awareness Poster Contest Media/Tool Kit to MWDOC Member Agencies and education partners
- Coordinated with Member Agencies to choose a date for an upcoming Public Affairs Workgroup Meeting
- Created and distributed Winter 2023 bill inserts for 11 Member Agencies
- Met with El Toro Water District and Moulton Niguel Water District to discuss communication needs, education programs, and workforce efforts

Government Affairs Staff:

- Provided an update at the Member Agency Managers meeting on MWDOC's updated Legislative Policy Principles and a quick overview of association-sponsored legislation for 2024
- Distributed the Grants Tracking and Acquisition monthly report
- Circulated a WaterSMART NOFO to member agencies

COMMUNITY AND SPECIAL EVENTS

Public Affairs Staff:

- Attended Senator Min's 2023 Water Policy Forum
- Hosted a Girl Scouts Clinic at El Toro Water District, where 41 OC Girl Scouts received their MWDOC Water Resources & Conservation Patch
    - Clinic recap video
- Secured January 31, 2024, at the Westin South Coast Plaza for the next MWDOC Water Policy Forum & Dinner

Government Affairs Staff:

- Attended the OCBC Governmental Affairs Committee meeting
- Participated in the CalCities Water Working Group meeting

K-12 WATER EDUCATION

Public Affairs Staff:

- Speakers Bureau – Presented current MWDOC education initiatives at the Metropolitan Water District of Southern California Education Coordinators meeting
- Provided information regarding the MWDOC K-12 Choice School Programs to the City of Anaheim, City of Fountain Valley, City of Tustin, City of Santa Ana, City of Brea, City of La Habra, City of Orange, Santa Margarita Water District, Moulton Niguel Water District, and Trabuco Canyon Water District
- Met with MWDOC 3-12 Choice School Program contractor, Orange County Department of Education's Inside the Outdoors, to discuss program direction, goals, and student engagement opportunities
- Met with Orange County Coastkeepers to compare education program initiatives and discuss opportunities for collaboration
- Met with Orange County Department of Education's Inside the Outdoors to discuss teacher and student learning opportunities for the Coronet WaterSmart Conservation Garden

WORKFORCE INITIATIVE

Public Affairs Staff:

- Coordinated the order of new Water Energy Education Alliance (WEEA or Alliance) workforce brochures for the Metropolitan Water District of Southern California and Tomorrow's Talent in multiple languages
- Met with Valley Water and Los Angeles County Waterworks to discuss WEEA workforce opportunities and provide resources
- Met with and secured Women In Non-Traditional Roles as a keynote for the January WEEA Leadership Roundtable meeting
- Participated in the (Re)Imagining Apprenticeships Workshop hosted by EXP, Orange County Regional Consortium Workforce Development Alliance, DiagUSA, Vital Link, and California Community Colleges
- Met with Santiago Canyon College to discuss Orange County workforce development opportunities, relationships, and available water courses
- Met with Generation: NOW! to discuss funding opportunities for a strategic workforce development outline specific to Orange County

DIGITAL COMMUNICATIONS, PUBLICATIONS, AND MEDIA ENGAGEMENT

Public Affairs Staff:

- Feature article with staff interview written and published by California Special Districts Association (CSDA) on the Coronet Watersmart Conservation Garden – CSDA Magazine, November-December 2023
- Prepared and distributed content for social media
- Submitted content to the ACWA newsroom
  - MWDOC Sponsors OC Children's Book Festival to Promote Environmental Literacy
- Updated the MWDOC website as requested by several departments
- Met with She TV Media to discuss video production opportunities

SPECIAL PROJECTS

Public Affairs Staff:

- Participated in the OC Environmental Solutions Taskforce
- Met with strategic digital communications contractor Hashtag Pinpoint to discuss direction, goals, and engagement opportunities
- Promoted The Coronet WaterSmart Conservation Garden's nomination in the Sustainable and Green Development category for Orange County Business Council 13th Annual Turning Red Tape into Red Carpet Award
- Prepared 200 participant bags for the annual Wyland Foundation Gala filled with MWDOC-branded information and giveaways
- Coordinated and hosted a Zoom meeting with Director Seckel and representatives from the City of Santa Ana and the Metropolitan Water District of Southern California to discuss the March 1, 2024, Southern California Water inspection trip
- Met with the Wyland Foundation and the City of San Clemente to discuss next steps for the community pocket park project

Governmental Affairs Staff:

- Staffed the WACO meeting with guest speaker OCSD
- Staffed the ISDOC Executive Committee meeting
- Staffed the WACO Planning Committee meeting
- Invited and coordinated speakers for the December and January WACO meetings
- Met with CSDA staff to discuss county chapter best practices and possible ideas for panels at an upcoming CSDA Conference

OUTREACH METRICS

Public Affairs Staff:

- Google Performance Analytics (November 2023)
  - 161 business profile interactions
  - 1,634 people viewed the business profile
- Website Analytics (GM report timeframe)
  - 8k pageviews + 25 OC Water-Smart Parks Microsite site sessions
  - Top pages for this date range
    - ☐ MWDOC Homepage 1.3k
    - ☐ Water Use Efficiency 1.1k
    - ☐ Residential Rebates 485
    - ☐ Turf Removal Program 461
    - ☐ Agendas, Packets, Minutes 342
- ocwatersmartgardens.com Analytics (October 2023)
  - 444 sessions
  - Top pages for this date range
    - ☐ Landing Page
    - ☐ Helpful Plant List
    - ☐ OC Turf Replacement Section
- Social Media (October 31st -November 27th)
  According to Hootsuite – the global leader in social media management –a good engagement rate is between 1% to 5%.

  For this period, MWDOC's engagement rate is at 3.11%

  - 56,961 Post reach (number of people)
  - 1,773 Post engagements (actions taken – likes, shares, etc.)
  - User-Generated Content- OC Feed:
    - Views: 33k
    - Likes and Comments: 369
    - Shares: 110

LEGISLATIVE AFFAIRS

Governmental Affairs Staff:

- Participated in Metropolitan's Annual Legislative Planning Meeting
- Met with Metropolitan's Sacramento advocates to discuss 2024 priorities
- Attended the CMUA Regulatory and Legislative Committee Annual Planning meeting
- Met with CCEEB staff to discuss both MWDOC and CCEEB legislative priorities for 2024 and identify ways to work together best

WATER USE EFFICIENCY

ALLIANCE FOR WATER EFFICIENCY (AWE) LARGE-SCALE LANDSCAPES PAC MEETING

On November 9, Rachel Waite and Tina Fann attended the AWE Large-Scale Landscapes PAC meeting. AWE is conducting a multi-agency research project focused on evaluating program design and water savings from large-scale landscape efforts, including turf transformation and irrigation optimization strategies. Topics on the agenda included:

- Research and Project updates
    - Data Sharing and Collection
    - Market Readiness Assessment Draft RFP
    - Relevant Stakeholders and Research
- Next steps
    - Ongoing Data Collection
    - Market Readiness Assessment RFP Issuance
    - Water Savings Analysis

A follow-up meeting was held on November 29 with AWE, MWDOC, and San Diego County Water Authority staff to discuss the project.

The next meeting will be held in February 2024.

SOUTH OC WATERSHED MANAGEMENT AREA EXECUTIVE COMMITTEE MEETING

On November 9, Joe Berg attended the SOCWMA Executive Committee meeting hosted by OC Public Works. Joe gave a presentation on the Making Conservation a California Way of Life Framework Standards and described the many ways that MWDOC is assisting retail water agencies with compliance.

ORANGE COUNTY DATA ACQUISITION PARTNERSHIP (OCDAP) STEERING AND TECHNICAL ADVISORY COMMITTEE (STAC)

On November 14, Rachel W. attended the OCDAP STAC. The working group collaborates on and organizes a regional effort to cost-share the acquisition of high-resolution aerial imagery and related products. Topics on the agenda included:

- Consent Calendar
- Discussion on Cycle 3 RFP and Cost Structure
- OCDAP Data Sharing/Efforts/Projects Underway and Cycle Derived Products

- OC GIS User Group Update

The next meeting is scheduled for December 13.

MWDOC WATER LOSS CONTROL WORKGROUP

On November 14, Joe and Rachel Davis hosted the Orange County Water Loss Control Workgroup meeting via Zoom. Approximately 34 agency staff attended this meeting. Items on the agenda included:

- Water Loss Updates
    - Validations Calls
- DWR Audit v6 Submission Recap
    - E Source Economic Model App
- Regulatory Compliance Timeline
- Custom Input Calculation Case Study – Garden Grove
- Discussion and Questions

The next meeting is scheduled for January 9, 2024.

CALWEP RESEARCH AND EVALUATION COMMITTEE MEETING

On November 15, Rachel W. co-hosted the CalWEP R&E Committee meeting, where she serves as Vice Chair. Topics on the agenda include:

- Research Project Updates
    - Water Savings Measurement and Verification Project
    - Best Management Practices (BMP) Project
- AWE Research Committee Updates
- Working Session: Making Conservation a California Way of Life Framework
- Effective Social Media Solutions

The next meeting is not yet scheduled but will be held sometime next quarter.

SAWPA ORANGE COUNTY RESIDENTIAL LANDSCAPE ANALYSIS

On November 15, Joe and Rachel W. met with SAWPA staff to discuss the OC Residential Landscape Analysis being performed by the Bureau of Reclamation with Proposition 1 funding. This analysis will provide Orange County retailers with landscape classification and measurements that consider additional variables beyond what DWR could consider for the state-provided measurements, such as parkway area and slope. When this work is complete, it will help urban water suppliers comply with the Conservation Framework reporting.

DEPARTMENT OF WATER RESOURCES (DWR) INTERIM ANNUAL WATER USE REPORTING TEMPLATE WORKSHOP

On November 17 and December 6, MWDOC staff attended the Interim Annual Water Use Reporting Template workshop hosted by DWR. This workshop reviewed the DWR-released interim reporting template, intended to assist urban water suppliers with the first annual water use report due to DWR by the end of this calendar year. MWDOC is not subject to this reporting but will support Orange County urban water suppliers through the process.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) FALL CONFERENCE

November 29 through 30, Joe attended the ACWA Fall Conference in Indian Wells. Joe participated in a panel discussion entitled *Tug of War: Affordability, Conservation, and Prop—218*, presented by Region 10. The panel focused on challenges faced by water agencies in balancing between providing an affordable water supply, encouraging water use efficiency, dealing with lower water demands, and ensuring Proposition 218 cost-of-service principles are met in setting water rates. Joe discussed the cost implications for compliance with Conservation Framework Standards.

CALIFORNIA WATER EFFICIENCY PARTNERSHIP (CALWEP) PROGRAM COMMITTEE MEETING

On December 5, Rachel W., Beth, Sam, and Tina participated in the CalWEP Program Committee meeting. Items discussed included:

- CalWEP Updates
- AWE Updates
- Program Committee – Planning for 2025
- Facilitated Workshop – Alternative Compliance Pathway
- AB 1572 Passed – Now What?
- Roundtable – (How) Are You Reporting on BMP Performance Measure Compliance?

The next meeting is not yet scheduled but will be held sometime next quarter.

AWWA NORTH AMERICAN WATER LOSS (NAWL) CONFERENCE

On December 6 and 7, Joe, Rachel D., Hugo Escamilla, and Guillermo Zavala attended the NAWL Conference. Staff attended technical sessions on leak detection, pressure management, customer and source meter accuracy testing, water loss regulations, and best practices. There was also an extensive exhibit hall showcasing the latest leak

detection equipment. Rachel gave two presentations on MWDOC's Leak Detection program. The first was a study of leak measurements and calculating water savings based on leakage rates. The second presentation compared two different leak detection survey approaches, identifying the additional water savings that can be achieved by taking a more thorough approach and listening for leaks at every angle meter stop.

ORANGE COUNTY WATER USE EFFICIENCY WORKGROUP MEETING

On December 7, Beth, Rachel W., Sam, and Tina hosted the Orange County Water Use Efficiency Workgroup meeting. The meeting focused on helping agencies prepare for the upcoming Annual Water Use Reporting as required by AB 1668 and SB 606, Making Conservation a California Way of Life. Items on the agenda included:

- Discussion Items
    - MWDOC Updates
    - Agency Roundtable
- Water Use Efficiency Standards/Framework Update
    - Reporting due before January 1, 2024
    - DWR Released the Interim Reporting Packet
    - DWR-Provided Eto, Effective Precipitation, and LAM Data
- MET Conservation Program Updates
    - Tree Incentive Program Update
    - Grant Updates
- Water Use Efficiency Updates
    - Turf Removal/Spray to Drip Rebate Program Update
        - Program Resources and Sustainability Feature Size Estimation Calculator
        - MET Tree Incentive and MWDOC Trees as a Sustainability Feature Pilot
        - Grant Funding/Turf Activity Update
    - Updated Addenda
        - Mission RCD Inspection Costs
    - AWE Large Landscape Research Initiative – Turf Participant Consumption Data Request
- Future Agenda Items

The next meeting is scheduled for February 1, 2024.

ORANGE COUNTY LANDSCAPE PROGRAM ADVISORY COMMITTEE (PAC)

On December 7, Beth, Rachel W., Sam, and Tina hosted the Orange County Landscape PAC, collaborating with member agencies to continuously refine and improve water efficiency programs. Discussion topics included:

- Tree Incentives

    - OC Favorites Tree List
- Potential Program Updates
- Focus for Future PACs

CALIFORNIA WATER EFFICIENCY PARTNERSHIP (CALWEP) WINTER PLENARY MEETING

On December 11, Joe attended the CalWEP Winter Plenary meeting, with Beth, Rachel W., and Tina participating via Zoom. Agenda items included:

- CalWEP Updates
- What's New at the Alliance
- Member Spotlight: Yoppify
- Performance-Based Incentives: Recirculating Firefighting Training Units
- Building a Leak Detection Program
- CIMIS: Getting Comfortable with the Data
- What are Climate Ready Landscapes?
- Climate Ready Landscapes in Action

The Spring 2024 Plenary has not yet been scheduled.

WATER LOSS AUDIT VALIDATIONS

Since August 2023, Rachel Davis has been working with MWDOC Member Agencies and the Three Cities to validate their Water Audits as required by SB 555 and the conservation framework. Rachel is an AWWA-certified Water Audit Validator and will be responsible for validating 25 audits this year. Each validation includes a two-hour meeting with the retail agency to review their audit inputs and create the validation certificate and report.

ITEM NO. 10

INFORMATION CALENDAR

MWDOC GENERAL INFORMATION ITEMS

MWDOC BOARD OF DIRECTORS

- Al Nederhood
- Larry D. Dick
- Bob McVicker
- Karl W. Seckel
- Randall Crane
- Jeffery M. Thomas
- Megan Yoo Schneider

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