MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
18700 Ward Street, Conference Room 101, Fountain Valley, CA 92708
October 8, 2025, 8:30 a.m.

Teleconference Sites:
25652 Paseo De La Paz, San Juan Capistrano, CA 92675
17420 Walnut Street, Fountain Valley, CA 92708

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

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

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

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

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

Ex Officio Member: President McVicker

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

ROLL CALL

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED
Determine need and take action to agendize item(s), which arose subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee).

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO THE 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 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 Website, accessible at http://www.mwdoc.com.

PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
   a. Revenue/Cash Receipt Report – September 2025
   b. Disbursement Approval Report for the month of October 2025
   c. Disbursement Ratification Report for the month of September 2025
   d. GM Approved Disbursement Report for the month of September 2025
   e. Consolidated Summary of Cash and Investment – August 2025
   f. OPEB and Pension Trust Fund statement

2. FINANCIAL REPORT
   a. Combined Financial Statements and Budget Comparative for the Period Ending August 31, 2025

PRESENTATION ITEM

3. OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST AND PENSION RATE STABILIZATION PROGRAM (PRESENTATION BY PARS)

DISCUSSION ITEM

4. BIENNIAL BUDGET FRAMEWORK AND APPROACH

ACTION ITEMS

5. AWARD OF CONTRACT FOR ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM ARCHITECTURE AND CONFIGURATION

6. FY 2025-26 CHOICE PROGRAMS BUDGET REVISIONS

7. 2026 HEALTH SAVINGS ACCOUNT CONTRIBUTIONS

INFORMATION ITEMS

8. FY 2024-25 INDIVIDUAL CHARGES DISCLOSURE REPORT

9. IT AGREEMENT WITH GOVCONNECTION, INC. FOR INFRASTRUCTURE MODERNIZATION

10. CALPERS ANNUAL VALUATION REPORT AS OF JUNE 30, 2024

11. OPEB ACTUARIAL REPORT AS OF JUNE 30, 2025

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

13. MONTHLY WATER USAGE DATA AND WATER SUPPLY INFORMATION

OTHER ITEMS

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

ADJOURNMENT

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

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Angela Crespi, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at 18700 Ward Street, Unit B, Fountain Valley, CA 92708. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
September 2025

WATER REVENUES

Date	From	Description		Amount
9/02/2025	City of La Habra	July 2025 Water deliveries	$	45,110.73
9/02/2025	City of Newport Beach	July 2025 Water deliveries		829,044.13
9/02/2025	Santa Margarita Water District (ID9)	July 2025 Water deliveries		985,569.34
9/02/2025	Santa Margarita Water District	July 2025 Water deliveries		3,345,689.10
9/04/2025	City of Westminster	July 2025 Water deliveries		2,939.90
9/05/2025	City of Huntington Beach	July 2025 Water deliveries		705,775.59
9/08/2025	City of Garden Grove	July 2025 Water deliveries		817,305.03
9/09/2025	El Toro Water District	July 2025 Water deliveries		801,977.68
9/09/2025	Laguna Beach County Water District	July 2025 Water deliveries		476,304.84
9/09/2025	City of Seal Beach	July 2025 Water deliveries		14,432.10
9/09/2025	Trabuco Canyon Water District	July 2025 Water deliveries		57,761.47
9/10/2025	South Coast Water District	July 2025 Water deliveries		754,635.06
9/11/2025	City of Orange	July 2025 Water deliveries		1,065,721.39
9/12/2025	East Orange Co Water District	July 2025 Water deliveries		610,155.74
9/12/2025	City of San Clemente	July 2025 Water deliveries		1,072,031.36
9/15/2025	Golden State Water Company	July 2025 Water deliveries		1,146,592.69
9/15/2025	Moulton Niguel Water District	July 2025 Water deliveries		3,317,601.04
9/15/2025	Orange County Water District	July 2025 Water deliveries		109,047.83
9/15/2025	Yorba Linda Water District	July 2025 Water deliveries		645,530.93
9/17/2025	City of La Palma	July 2025 Water deliveries		911.55
9/17/2025	City of La Palma	August 2025 Water deliveries		911.55
9/19/2025	Irvine Ranch Water District	August 2025 Water deliveries		2,427,892.49
9/23/2025	City of Newport Beach	August 2025 Water deliveries		541,116.12
9/23/2025	Serrano Water District	August 2025 Water deliveries		11,914.96
9/23/2025	Mesa Water District	August 2025 Water deliveries		178.59
9/25/2025	Trabuco Canyon Water District	August 2025 Water deliveries		76,467.78
9/25/2025	City of Westminster	August 2025 Water deliveries		2,939.89
9/29/2025	City of Buena Park	August 2025 Water deliveries		347,380.54
9/29/2025	Santa Margarita Water District (ID9)	August 2025 Water deliveries		1,005,017.59
9/29/2025	Santa Margarita Water District	August 2025 Water deliveries		3,391,113.92
		TOTAL WATER REVENUES	$	24,609,070.93

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
September 2025

MISCELLANEOUS REVENUES

Date	From	Description	Amount
9/02/2025	Karl Seckel	September 2025 Retiree Health insurance	$ 227.65
9/02/2025	Judy Pfister	September 2025 Retiree Health insurance	36.88
9/08/2025	Steve Hedges	September 2025 Retiree Health insurance	54.20
9/15/2025	Joseph Berg	September 2025 Retiree Health insurance	384.55
9/15/2025	Maribeth Goldsby	September 2025 Retiree Health insurance	306.10
9/26/2025	Stan Sprague	October 2025 Retiree Health insurance	227.65
9/29/2025	Keith Lyon	October 2025 Retiree Health insurance	227.65
9/30/2025	Karl Seckel	October 2025 Retiree Health insurance	227.65
9/02/2025	US Bank Custodial Account	Leaders Credit Union Interest payment	849.32
9/22/2025	US Bank Custodial Account	Toyota Financial and Citigroup Interest payment	5,907.87
9/30/2025	US Bank Custodial Account	Leaders Credit Union Interest payment	849.32
9/17/2025	US Bank	CAL Card rebate check	847.69
9/30/2025	US Bank	Monthly Interest	148.94
9/22/2025	Santa Margarita Water District	July 2025 Smartimer rebate program	59.99
9/02/2025	City of Orange	May 2025 Spray to Drip rebate program	575.80
9/09/2025	City of Fountain Valley	July 2025 Spray to Drip rebate program	668.00
9/12/2025	City of Tustin	July 2025 Spray to Drip rebate program	561.80
9/19/2025	City of Brea	July 2025 Spray to Drip rebate program	2,118.40
9/09/2025	Mesa Water District	June 2025 Turf Removal rebate program	104.00
9/22/2025	El Toro Water District	July 2025 Clothes Washers rebate program	115.00
9/02/2025	City of Orange	June 2025 Turf Removal and Spray to Drip rebate program	416.00
9/16/2025	Golden State Water Company	July 2025 Turf Removal and Spray to Drip rebate program	208.00
9/16/2025	City of Orange	July 2025 Turf Removal and Spray to Drip rebate program	1,382.20
9/16/2025	Mesa Water District	July 2025 Turf Removal and Spray to Drip rebate program	876.00
9/19/2025	City of Huntington Beach	July 2025 Turf Removal and Spray to Drip rebate program	312.00
9/29/2025	City of Orange	August 2025 Turf Removal and Spray to Drip rebate program	624.00
9/12/2025	City of San Clemente	July 2025 Turf Removal and Clothes Washers rebate program	604.00
9/16/2025	Moulton Niguel Water District	July 2025 Smartimer, Turf Removal and Clothes Washers rebate program	13,086.80
9/19/2025	Irvine Ranch Water District	July 2025 Smartimer, Turf Removal, Spray to Drip and Rotating Nozzles rebate program	15,150.76
9/22/2025	South Coast Water District	FY 2024-26 Conservation Framework Technical Assistance program	81,820.00
9/08/2025	City of La Habra	Water Loss Control Shared Services FY 2025-26	6,392.00
9/09/2025	City of Fountain Valley	Water Loss Control Shared Services FY 2025-26	22,355.00
9/12/2025	City of Brea	Water Loss Control Shared Services FY 2025-26	11,797.00
9/12/2025	City of Tustin	Water Loss Control Shared Services FY 2025-26	7,250.00
9/16/2025	City of Seal Beach	Water Loss Control Shared Services FY 2025-26	2,416.00
9/16/2025	Yorba Linda Water District	Water Loss Control Shared Services FY 2025-26	9,280.00
9/16/2025	Mesa Water District	Water Loss Control Shared Services FY 2025-26	48,200.00
9/17/2025	City of La Palma	Water Loss Control Shared Services FY 2025-26	3,255.00
9/26/2025	City of Fullerton	Water Loss Control Shared Services FY 2025-26	19,890.00
9/29/2025	City of Santa Ana	Water Loss Control Shared Services FY 2025-26	50,760.00
9/09/2025	City of Garden Grove	Water Loss Control Technical Assistance - E Source	38,200.00
9/02/2025	City of Newport Beach	Water Loss Control Technical Assistance - E Source	10,120.00
9/08/2025	City of Orange	Water Loss Control Technical Assistance - E Source	10,120.00
9/12/2025	City of Brea	Water Loss Control Technical Assistance - E Source	5,660.00
9/16/2025	City of Seal Beach	Water Loss Control Technical Assistance - E Source	27,920.00
9/17/2025	City of La Palma	Water Loss Control Technical Assistance - E Source	12,150.00
9/29/2025	Yorba Linda Water District	Water Loss Control Technical Assistance - E Source	10,120.00
9/08/2025	City of Santa Ana	Jan-Jun 2025 School Billing	56,291.72
9/02/2025	City of Newport Beach	FY 2025-26 Choice Programs Billing	11,355.44
9/03/2025	City of Fountain Valley	FY 2025-26 Choice Programs Billing	23,862.00
9/03/2025	City of Orange	FY 2025-26 Choice Programs Billing	56,069.72
9/08/2025	East Orange Co Water District	FY 2025-26 Choice Programs Billing	914.92
9/09/2025	El Toro Water District	FY 2025-26 Choice Programs Billing	98,534.81
9/09/2025	City of Seal Beach	FY 2025-26 Choice Programs Billing	5,702.86
9/09/2025	Santa Margarita Water District	FY 2025-26 Choice Programs Billing	122,350.72
9/09/2025	Trabuco Canyon Water District	FY 2025-26 Choice Programs Billing	22,950.02
9/12/2025	Irvine Ranch Water District	FY 2025-26 Choice Programs Billing	211,396.40

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
September 2025

MISCELLANEOUS REVENUES

Date	From	Description		Amount
9/12/2025	City of San Clemente	FY 2025-26 Choice Programs Billing	$	26,344.66
9/12/2025	City of Tustin	FY 2025-26 Choice Programs Billing		35,939.28
9/16/2025	Mesa Water District	FY 2025-26 Choice Programs Billing		39,100.59
9/17/2025	City of La Palma	FY 2025-26 Choice Programs Billing		218.80
9/19/2025	City of Huntington Beach	FY 2025-26 Choice Programs Billing		103,243.23
9/22/2025	City of Garden Grove	FY 2025-26 Choice Programs Billing		67,334.36
9/22/2025	South Coast Water District	FY 2025-26 Choice Programs Billing		54,010.58
9/29/2025	Yorba Linda Water District	FY 2025-26 Choice Programs Billing		60,107.15
9/30/2025	City of Newport Beach	AWIA Risk and Resilience Assessment		49,450.00

TOTAL MISCELLANEOUS REVENUES	**$**	**1,470,040.48**
TOTAL REVENUES	**$**	**26,079,111.41**

Melissa Baum-Haley for
Harvey De La Torre, General Manager

Hilary Chumpitazi
Hilary Chumpitazi, Treasurer

Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2025

Vendor/ Invoice	Description	Amount to Pay
Core Expenditures:		
ACCO Engineered Systems Inc		
20731902	08/27/25 HVAC repair service due to noise caused by loose hanger strap	374.50
20733190	08/20/25 HVAC services to replace and install condensate pump and standard thermostat in the server room	2,420.43
Total		**2,794.93**
Ackerman Consulting-Richard C Ackerman		
1453	September 2025 Legal and regulatory specialized consulting services	3,500.00
Total		**3,500.00**
Alta FoodCraft		
12543691	September 2025 Coffee and tea supplies	49.17
Total		**49.17**
Assa Abloy Entrance Systems US Inc		
SEI 1904741	09/17/25 Work performed on MWDOC entry door to raise it above tiles	678.75
Total		**678.75**
Best Best and Krieger LLP		
55401-AUG25	August 2025 Legal services	14,432.10
Total		**14,432.10**
Carollo Engineers, Inc		
FB72025	August 2025 Urban Water Management Plan Development services	11,306.17
Total		**11,306.17**
California Council for Environmental and Economic Balance-CCEEB		
2025-207	Participation in CEEB Projects from 07/01/25-06/30/26	29,000.00
Total		**29,000.00**
CDW Government		
1CHWXPM	Annual Grammarly software subscription	5,358.08
Total		**5,358.08**
Department of Justice		
092025	FY 2024-25 RFP-1 Filing for Water Facilities Corporation	25.00
Total		**25.00**
ComputerWorks NFP Solutions		
6792	Accufund service support - Pay as you go rate	262.50
Total		**262.50**
CSU Fullerton ASC		
AR175720	Lunch and Learn workshop: Competition and Organizational Goals on 10/28/25	3,000.00
Total		**3,000.00**

Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2025

Vendor/ Invoice	Description	Amount to Pay
Green Thumb (Indoor Plant Care) LLC-Dedo Verde Interior		
20250795	October 2025 Indoor plant service	305.50
Total		**305.50**
Dopudja & Wells Consulting Inc		
2297	August 2025 Consulting services on MET Strategic Issues and Priorities	6,823.12
2298	August 2025 Senior Advisory Consulting Services for State and Federal Legislative and Policy Matters	2,732.66
Total		**9,555.78**
E Source Companies LLC		
14033	August 2025 Retail Agency Technical Assistance services	3,850.00
Total		**3,850.00**
FLO Analytics-Maul Foster & Alongi Inc		
69087	August 2025 GIS Needs Assessment	2,080.00
Total		**2,080.00**
Maribeth Goldsby		
82525	July-September 2025 Retiree medical premium	777.00
Total		**777.00**
GovConnection Inc		
76878348	Annual subscription renewal for Acrobat Pro and Creative Cloud Apps	7,611.63
Total		**7,611.63**
Hashtag Pinpoint Corporation		
2000	September 2025 Social Media consultation and services	7,913.00
Total		**7,913.00**
Hazen and Sawyer, DPC		
7	August 2025 Development of OC Demand Forecasts for Urban Water Management Plans	38,002.75
Total		**38,002.75**
Jill Promotions		
12715	Promotional item - Branded clipboards	959.57
12716	Name badges for staff	153.53
Total		**1,113.10**
Lawnscape Systems Inc		
455019	September 2025 Landscape maintenance for Atrium	495.00
Total		**495.00**
Phil Letrong		
92325	July-September 2025 Retiree medical premium	555.00
Total		**555.00**

Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2025

Vendor/ Invoice	Description	Amount to Pay
Keith Lyon		
90925	July-September 2025 Retiree medical premium	1,110.00
Total		1,110.00
Natural Resource Results LLC		
5595	September 2025 Federal Advocacy Agreement services	8,000.00
Total		8,000.00
NDS		
856256	09/05/25 Board packet delivery service	171.39
856368	09/12/25 Board packet delivery service	171.39
856706	09/25/25 Board packet delivery service	171.39
Total		514.17
ODP Business Solutions LLC		
439189576001	09/03/25 Office supplies	134.77
441286608001	09/22/25 Office supplies	331.47
Total		466.24
Office Solutions		
I-02338331	09/05/25 Tabs for board packets	450.28
I-02338531	09/05/25 Office supplies	198.19
I-02338625	09/08/25 Name plate holders for Board and staff	551.91
I-02338746	09/08/25 Office supplies	24.27
I-02338811	09/08/25 Office supplies	34.26
I-02339108	09/09/25 Office supplies	36.56
I-02339920	09/11/25 Office supplies	25.21
I-02341240	09/18/25 Business cards for staff	51.93
I-02343695	09/29/25 Office supplies	203.95
I-02343956	09/30/25 Name plate holders for Board and staff	551.91
I-02344553	10/01/25 Office supplies	80.89
Total		2,209.36
Orange County Water District		
27783	August 2025 Postage, shared office & maintenance expense	12,121.80
Total		12,121.80
Packet Fusion Inc		
PB17351	Annual Zoom cloud-based phone service	15,850.72
Total		15,850.72
PeopleSpace		
105358	09/22/25 Office supplies	1,758.81
Total		1,758.81
Judy Pfister		
91925	January-September 2025 Retiree medical premium	1,665.00
Total		1,665.00

Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2025

Vendor/ Invoice	Description	Amount to Pay
Karl Seckel		
90325	July-September 2025 Retiree medical premium	1,554.00
Total		1,554.00
Syrus Devers Advocacy LLC		
1127	September 2025 State Legislative Advocacy services	8,000.00
Total		8,000.00
Pauline D Wennerstrom		
90625	July-September 2025 Retiree medical premium	552.00
Total		552.00
Whittingham Public Affairs Advisors-WPAA		
003151	October 2025 Strategic guidance on local & regional issues	5,000.00
Total		5,000.00
Total Core Expenditures		201,467.56

Choice Expenditures:

Building Block Entertainment Inc		
3936-3	September 2025 Choice Elementary School Program K-2	28,549.00
Total		28,549.00
Mission RCD		
3526	September 2025 Field inspection and verification for Water Use Efficiency rebate programs	1,814.00
Total		1,814.00
Office Solutions		
I-02342180	09/22/25 Supplies for Water Loss Control Shared Services	56.93
Total		56.93
Orange County Water District		
27783	August 2025 Postage for Water Use Efficiency rebate programs	53.15
Total		53.15
Red Wing Business Advantage Account		
20250910112477	Boots for Water Loss Control Technician	300.00
Total		300.00
Westerly Meter Service Co.-Lane M Matsuno		
17956	September 2025 Meter Accuracy Testing for Trabucco Canyon Water District	1,800.00
17957	September 2025 Meter Accuracy Testing for Mesa Water District	2,600.00
Total		4,400.00
Total Choice Expenditures		35,173.08

Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2025

Vendor/ Invoice	Description	Amount to Pay
Other Funds Expenditures:		
E Source Companies LLC		
14033	August 2025 Retail Agency Technical Assistance services	15,380.00
Total		**15,380.00**
Environmental Incentives Inc		
MWDOC TAP-06	August 2025 Frameworks Technical Assistance Program services	15,122.00
Total		**15,122.00**
Mission RCD		
3526	September 2025 Field inspection and verification for Water Use Efficiency rebate programs	8,893.20
Total		**8,893.20**
Herndon Solutions Group LLC		
INV-0000011203	August 2025 services to assist with AWIA compliance (RRA) - Buena Park	19,780.00
INV-0000011204	August 2025 services to assist with AWIA compliance (ERP) - Fullerton	8,625.00
INV-0000011205	August 2025 services to assist with AWIA compliance (ERP) - Garden Grove	8,625.00
INV-0000011206	August 2025 services to assist with AWIA compliance (ERP) - Huntington Beach	8,625.00
INV-0000011207	August 2025 services to assist with AWIA compliance (ERP) - MNWD	8,625.00
INV-0000011208	August 2025 services to assist with AWIA compliance (RRA) - Newport Beach	19,780.00
INV-0000011209	August 2025 services to assist with AWIA compliance (ERP) - Orange	8,625.00
INV-0000011210	August 2025 services to assist with AWIA compliance (ERP) - Santa Ana	8,625.00
INV-0000011211	August 2025 services to assist with AWIA compliance (ERP) - SCWD	8,625.00
INV-0000011212	August 2025 services to assist with AWIA compliance (ERP) - SMWD	8,625.00
INV-0000011213	August 2025 services to assist with AWIA compliance (RRA) - Westminister	19,780.00
Total		**128,340.00**
Jill Promotions		
12711	09/14/25 WEROC logo apparel for trainings and exercises	273.21
Total		**273.21**
NV5 Geospatial		
473266	September 2025 Dedicated Irrigation Meter Measurement services - Buena Park	10,849.86
473269	September 2025 Meter Area Measurement services - SCWD, La Habra, YLWD	13,577.00
Total		**24,426.86**
Total Other Funds Expenditures		**192,435.27**
Total Expenditures		**429,075.91**

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of September 2025

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
Melissa Buendia				
9/30/2025	144241	82125	August 2025 Business expense	3.36
Total				**3.36**
Corodata Records Management Inc				
9/30/2025	EFT	RS7110893	August 2025 Records Storage Fees	74.15
Total				**74.15**
Larry Dick				
9/30/2025	EFT	81525	August 2025 Business expense	93.80
Total				**93.80**
Tina Jocelyn Fann				
9/30/2025	EFT	72525	July 2025 Business expense	147.00
9/30/2025	EFT	80825	August 2025 Business expense	98.00
Total				**245.00**
Sam Fetter				
9/30/2025	EFT	81525	06/02/25-08/15/25 Education reimbursement	2,554.00
Total				**2,554.00**
Cathleen Harris				
9/30/2025	EFT	73125	July 2025 Business expense	209.45
Total				**209.45**
Home Depot Credit Services				
9/09/2025	144227	WN28575336	08/05/25 Curtain rod for Privacy Room	65.24
Total				**65.24**
Al Nederhood				
9/30/2025	EFT	82825	August 2025 Business expense	340.22
Total				**340.22**
Ricoh USA Inc				
9/15/2025	EFT	5071897657	05/28/25-08/27/25 Ricoh copier maintenance	163.35
Total				**163.35**
Megan Schneider				
9/30/2025	EFT	82025	August 2025 Business expense	111.70
Total				**111.70**
Karl Seckel				
9/30/2025	EFT	82025	August 2025 Business expense	27.30
Total				**27.30**
Spectrum Business				
9/04/2025	144225	188955001082125	September 2025 Internet expense	1,034.00
Total				**1,034.00**
Jeffery Thomas				
9/30/2025	EFT	50725	April-May 2025 Business expense	98.00
9/30/2025	EFT	82225	August 2025 Business expense	180.60
Total				**278.60**

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of September 2025

Name/ Date	Check/ EFT	Invoice	Description	Amount
US Bank				
9/30/2025	144247	2978/4192/8910/1189-AUG25	07/23/25-08/22/25 Cal Card Charges	39,970.39
Total				39,970.39
Verizon Wireless				
9/04/2025	144226	6121805603	August 2025 4G Mobile broadband unlimited service	80.02
Total				80.02
Jennifer Wicks				
9/30/2025	144249	71425	July 2025 Business expense	41.91
9/30/2025	144249	82725	August 2025 Business expense	107.29
Total				149.20
Total Core Disbursements				45,399.78

Choice Disbursements:

Laguna Beach County Water District				
9/15/2025	144233	17852	FY 2025-2026 Choice Program Billing Refund	4,262.35
Total				4,262.35
City of Santa Ana				
9/15/2025	144240	17860	FY 2025-2026 Choice Program Billing Refund	35.93
Total				35.93
US Bank				
9/30/2025	144247	8910-AUG25	07/23/25-08/22/25 Cal Card Charges	949.86
Total				949.86
US Bank Voyager Fleet Systems				
9/15/2025	EFT	8694349932535	7/25/25-8/24/25 Fuel for Water Loss Control Shared Services Vehicles	473.78
Total				473.78
Total Choice Disbursements				5,721.92

Other Funds Disbursements:

AT&T				
9/15/2025	144228	23979645	August 2025 Telephone expense for WEROC N. EOC	40.14
Total				40.14
City of La Habra				
9/15/2025	144232	81925	Refund for overpayment of CY 2025 Water Loss Control Techinical Assistance	22,340.00
Total				22,340.00
Gabriela Landeros				
9/30/2025	EFT	82725	August 2025 Business expense	195.91
Total				195.91
Mesa Water District				
9/15/2025	EFT	11866	July 2025 Credit for Local Resource Program	57,619.41
Total				57,619.41

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of September 2025

Name/ Date	Check/ EFT	Invoice	Description	Amount
Metropolitan Water District				
9/30/2025	EFT09302025	11925	July 2025 Water deliveries	19,798,006.76
Total				19,798,006.76
Santiago Aqueduct Commission				
9/30/2025	144245	72025	July 2025 SAC Pipeline Operation Surcharge	2,499.96
Total				2,499.96
Santa Margarita Water District				
9/30/2025	EFT	72025	July 2025 SCP Operation Surcharge	32,444.40
Total				32,444.40
Spray to Drip Rebate				
9/30/2025	144263	S2D7-R-HB-54825-23759	B. Milnor	674.00
9/30/2025	144252	S2D7-R-IRWD-54833-23721	E. Bauhofer	617.00
9/30/2025	144259	S2D7-R-IRWD-54901-23773	H. Huang	1,408.00
9/30/2025	144254	S2D7-R-IRWD-54939-23801	C. Chok	972.00
9/30/2025	144250	S2D7-R-SM-55027-23848	B. Amini	628.00
9/30/2025	144267	S2D7-R-TC-54628-23557	A. Savdharia	3,075.00
9/30/2025	144257	S2D7-R-TUST-38732-23617	B. Ferreira	1,786.00
9/30/2025	144269	S2D7-R-YLWD-54854-23736	E. Tan	1,115.10
Total				10,275.10
Turf Rebate				
9/30/2025	144264	TR17-R-HB-54825-53497	B. Milnor	1,914.00
9/30/2025	144253	TR17-R-IRWD-54833-53509	E. Bauhofer	1,686.00
9/30/2025	144260	TR17-R-IRWD-54901-53602	H. Huang	4,170.00
9/30/2025	144255	TR17-R-IRWD-54939-53651	C. Chok	2,358.00
9/30/2025	144262	TR17-R-MNT-54545-53133-NS	W. Lee	12,025.00
9/30/2025	144265	TR17-R-MNT-54792-53459	M. Newman	1,632.00
9/30/2025	144256	TR17-R-MNT-54933-53644-NS	T. Fate	3,305.00
9/30/2025	144261	TR17-R-O-54830-53505	J. Klima	2,154.00
9/30/2025	144266	TR17-R-SM-54903-53608	V. Safranek	1,278.00
9/30/2025	144251	TR17-R-SM-55027-53709	B. Amini	1,461.00
9/30/2025	144268	TR17-R-TC-54628-53248	A. Savdharia	5,792.00
9/30/2025	144258	TR17-R-TUST-38732-53057	B. Ferreira	5,071.00
Total				42,846.00
TIC Investment Company LLC - Irvine Company				
9/30/2025	144246	RTF5566	ORP Recycled Water Incentive for the Villa Siena HOA Project	2,479.75
Total				2,479.75
US Bank				
9/30/2025	144247	3115-AUG25	07/23/25-08/22/25 Cal Card Charges - WEROC	920.31
Total				920.31
US Bank Voyager Fleet Systems				
9/15/2025	EFT	8694349932535	7/25/25-8/24/25 Fuel for WEROC Mobile EOC	71.85
Total				71.85
Verizon Wireless				
9/04/2025	144226	6121805603	August 2025 4G Mobile broadband unlimited service	220.08
Total				220.08
Total Other Funds Disbursements				19,969,959.67

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of September 2025

Name/ Date	Check/ EFT	Invoice	Description	Amount
Total Disbursements				20,021,081.37

Melissa Baum-Haley for
Harvey De La Torre, General Manager

Hilary Chumpitazi
Hilary Chumpitazi, Treasurer

Cal Card Charges
Statement Date: August 22, 2025
Payment Date: September 30, 2025

Date	Description	Amount
Assistant General Manager Card:		
7/31/2025	July 2025 Meals for M. Baum-Haley's meetings	182.00
8/11/2025	August 2025 Meals for M. Baum-Haley's meeting	144.20
Total:		**326.20**
General Manager Card:		
7/21/2025	CSDA 2025 Board Secretary/Clerk Conference in Santa Rosa, CA from 10/27/25-10/29/25 - Registration for A. Crespi	760.00
7/22/2025	CSDA 2025 Annual Conference in Monterey, CA from 08/25/25-08/28/25 - Registration refund for H. De La Torre	(1,215.00)
7/22/2025	CSDA 2025 Annual Conference in Monterey, CA from 08/25/25-08/28/25 - Registration for M. Baum-Haley	840.00
7/23/2025	July 2025 Meals for H. De La Torre's meetings	121.93
7/23/2025	GFOA 2025 Annual Governmental GAAP Update Encore (Virtual) on 12/17/25 - Registration for H. Chumpitazi	150.00
7/23/2025	Annual CA Water Data Summit from 08/19/25-08/21/25 in Davis, CA - Airfare for C. Harding	146.96
7/29/2025	Lunch for the Emergency Water Supplies to South Orange County - Stakeholders meeting held in the Joint Board Room in Fountain Valley, CA on 07/30/25	872.35
7/29/2025	Sustain Southern California Water Solutions 10 in Irvine, CA on 08/26/25 - Registration for R. Crane	50.00
8/01/2025	CSDA 2025 Annual Conference in Monterey, CA from 08/25/25-08/28/25 - Registration for A. Nederhood	990.00
8/02/2025	Colorado River Water Users Association 2025 Conference in Las Vegas, NV from 12/16/25-12/18/25 - Accommodations for H. De La Torre, M. Baum-Haley, and H. Baez	612.24
8/02/2025	Colorado River Water Users Association 2025 Conference in Las Vegas, NV from 12/16/25-12/18/25 - Accommodations for J. Thomas and A. Nederhood	408.16
8/02/2025	CSDA 2025 Annual Conference in Monterey, CA from 08/25/25-08/28/25 - Airfare for A. Nederhood	668.00
8/07/2025	AWWA Watersmart Innovations 2025 in Reno, NV from 10/07/25-10/09/25 - Accommodations for S. Fetter, R. Waite-Harvey, C. Harding, and T. Fann	591.08
8/07/2025	CSDA Annual Conference & Exhibitor Showcase in 2025 in Monterey, CA from 08/25/25-08/28/25 - Accommodations for H. Baez	294.80
8/08/2025	CSDA HR Boot Camp for Special Districts Virtual Workshop from 10/15/25-10/16/25 - Registration for C. Harris	190.00
8/08/2025	CSDA 2025 Annual Conference in Monterey, CA from 08/25/25-08/28/25 - Accommodations for A. Nederhood and D. Micalizzi	590.12
8/09/2025	Yorba Linda Mayor's Breakfast on 09/18/25 - Registration for A. Nederhood	38.19
8/12/2025	CCEEB's SIS Conference in Reno, NV from 07/13/25-07/16/25 - Accommodations for H. Baez & R. Crane	132.60
8/13/2025	OCWA Three Buckets of AI: An OCWA Industry Insight Meeting in Irvine, CA on 08/20/25 - Registration for S. Sriboonlue	30.00
8/14/2025	CSDA 2025 Annual Conference in Monterey, CA from 08/25/25-08/28/25 - Accommodation for M. Baum-Haley	294.80
8/14/2025	CSDA 2025 Annual Conference in Monterey, CA from 08/25/25-08/28/25 - Airfare for D. Micalizzi	606.97
8/15/2025	ReScape Maintenance Qualification Training (Virtual) - Registration for T. Fann	695.00
8/16/2025	CSDA 2025 Annual Conference in Monterey, CA from 08/25/25-08/28/25 - Airfare change for M. Baum-Haley	10.00

Cal Card Charges
Statement Date: August 22, 2025
Payment Date: September 30, 2025

Date	Description	Amount
General Manager Card (continued)		
8/20/2025	August 2025 Meals for H. De La Torre's meetings	739.36
8/20/2025	ACWA 2025 Fall Conference in San Diego, CA from 12/02/25-12/04/25 - Registration for H. De La Torre, M. Baum-Haley, H. Baez, and D. Micalizzi	3,996.00
8/20/2025	ACWA 2025 Fall Conference in San Diego, CA from 12/02/25-12/04/25 - Registration for R. Crane, A. Nederhood, and M. Yoo Schneider	2,997.00
Total:		**15,610.56**
WEROC Card:		
8/05/2025	August 2025 Iridium Standby Plan service charge for WEROC's three satellite phones	67.17
8/12/2025	Purchase of CalOES/CSTI WEROC ICS 402 EM certificates for training	228.38
8/12/2025	Survey Monkey annual subscription for WEROC member agency trainings and exercises	468.00
8/13/2025	Starlink standby mode fees from 08/13/25-09/01/25 for WEROC's Mobile EOC	2.91
8/15/2025	August 2025 Meals for V. Osborn's meetings	153.85
Total:		**920.31**
Public Affairs Card:		
7/24/2025	WEEA tabling and event supplies	84.43
7/29/2025	WEEA Sponsors in-person meeting and lunch	738.00
7/31/2025	California Association of Public Information Officials annual membership renewal for S. Wilson	300.00
7/31/2025	August 2025 Open AI monthly subscription, language processing tool	20.00
8/03/2025	August 2025 Monthly Public Storage Unit for Public Affairs	840.00
8/05/2025	PRSA annual membership renewal for J. Orozco	432.00
8/05/2025	California Association of Public Information Officials annual membership renewal for K. Vincent	300.00
8/05/2025	Sand sifters for beach clean up event on 09/20/25	51.64
8/06/2025	CAPIO Roadmap to Digital Accessibility Compliance webinar training on 08/14/25 for K. Vincent	30.00
8/06/2025	Padlet subscription for online surveys and message boards for WEEA	88.07
8/12/2025	Lunch for 75th Anniversary staff planning committee on 08/13/25	340.17
8/18/2025	August 2025 Meals for D. Micalizzi's meetings	221.93
8/20/2025	Team welcome lunch for new Public Affairs staff	171.90
8/21/2025	Urban Water Institute Annual Conference 2025 in San Diego, CA from 08/20/25-08/22/25 - Accommodation and meals for staff, directors, and guest	765.84
Total:		**4,383.98**
Administration Card:		
7/23/2025	Flowers for staff	106.35
7/24/2025	(2) Western Digital hard drives for archival and disaster recovery	178.34
7/24/2025	Lunch for All Staff meeting	1,205.83
7/24/2025	(2) Eight outlet mountable power strips	50.00
7/24/2025	August 2025 service charge for evaluation of Microsoft Dynamics ERP system	6.00
7/25/2025	July 2025 monthly web hosting and database charges	152.99
7/26/2025	Purchase of locking mailbox	797.22
7/31/2025	Sewerin AquaTest T-10 equipment repairs for Water Loss Control	138.70
7/31/2025	Security certificate (SSL) for ricoh copier	99.99
7/31/2025	Birthday bagels on 07/30/25	45.64
7/31/2025	Supplies for Water Loss Control Shared Services	190.26
8/01/2025	Supplies for privacy room	86.18

Cal Card Charges
Statement Date: August 22, 2025
Payment Date: September 30, 2025

Date	Description	Amount
Administration Card (continued)		
8/01/2025	Supplies for privacy room	86.19
8/01/2025	August 2025 monthly subscription for email services to support secure delivery of email	25.00
8/03/2025	Supplies for Water Loss Control Shared Services	18.47
8/04/2025	Supplies for privacy room	26.32
8/04/2025	Lunch for Management Staff meeting	169.48
8/05/2025	Keyboard Video Mouse (KVM) extender for conference room 101 presentation workstation	227.28
8/05/2025	Deposit for MWDOC Staff Holiday Luncheon at Maggiano's Little Italy on 12/11/25	1,200.00
8/05/2025	Office supplies	151.15
8/05/2025	Branded safety vests for Water Loss Control	502.43
8/06/2025	Two Samsung laptops for staff	3,163.73
8/07/2025	Supplies for privacy room	48.58
8/08/2025	Mounting kit and cables for conference room 101 web cameras	136.26
8/10/2025	Web camera for conference room 101	526.35
8/12/2025	Monthly charge for 500GB of SharePoint storage	105.00
8/13/2025	Carpet repair on 08/08/25	1,000.00
8/14/2025	August 2025 Meals for C. Harris' meeting	46.07
8/15/2025	(3) wireless keyboard/mouse sets for staff	179.40
8/17/2025	(6) Dell LCDs for staff	1,073.94
8/17/2025	August 2025 cloud storage fee to archive Laserfiche documents for compliance/immutability	24.39
8/17/2025	Supplies for privacy room	38.92
8/18/2025	August 2025 Wireless Internet Backup	45.00
8/19/2025	Refreshments for OC GIS Users Group meeting in Fountain Valley, CA on 08/19/25	154.00
8/19/2025	Printer toner for HR and plotter	352.32
8/19/2025	September 2025 Monthly eFax service charge	10.00
8/20/2025	Two Samsung laptops for staff	3,163.73
8/21/2025	Toll Road replenishment charge for Water Loss Control Shared Services vehicles	100.00
8/21/2025	AccuFund Accounting Suite annual maintenance and license renewal	4,968.00
Total:		**20,599.51**

Municipal Water District of Orange County
GM Approved Disbursement Report [1]
For the Month of September 2025

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
CALPERS				
9/19/2025	EFT09192025	100000018034850	Fees for GASB-68 Reports & Schedules for June 30, 2025	350.00
Total				350.00
eSentire, Inc				
9/30/2025	EFT	INESCA0031124	Annual CrowdStrike cybersecurity services - Managed Detection and Response (MDR)	36,816.60
Total				36,816.60
Petra Sosa				
9/04/2025	144224	752755	Lunch for the monthly OC WUE Workgroup meeting in Fountain Valley, CA on 09/04/25	640.00
Total				640.00
Tracker A Division of C2 LLC				
9/30/2025	EFT	INV-0624325	Portfolio Accounting and Reporting - Annual subscription fee renewal	3,780.00
Total				3,780.00
Total Core Disbursements				41,586.60
Choice Disbursements:				
Total Choice Disbursements				-
Other Funds Disbursements:				
Total Other Funds Disbursements				-
Total Disbursements				41,586.60

Melissa Baum-Haley for
Harvey De La Torre, General Manager

Hilary Chumpitazi
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.

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

Jeffery M. Thomas
Vice President

Randall Crane, Ph.D.
Director

Larry D. Dick
Director

Al Nederhood
Director

Karl W. Seckel, P.E.
Director

Megan Yoo Schneider, P.E.
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 Investments
August 31, 2025

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	$ 618,295	2.60%
Pension 115 Trust	2,404,382	10.12%
Total Restricted Reserves	$3,022,677	12.72%
Designated Reserves		
Operating Reserves	$4,058,262	17.09%
Election Reserve	1,709,967	7.20%
OPEB Reserve	297,147	1.25%
Total Designated Reserves	$6,065,376	25.54%
General Operations Fund	$13,500,327	56.83%
Water Purchase Payments Fund	3,068,660	12.92%
Conservation Fund	(1,921,885)	(8.09%)
Trustee Activities – AMP	18,783	0.08%
Total Other Funds	$14,665,885	61.74%
Total	**$23,753,938**	**100.00%**

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.42%	$ 100,241	$ 100,241
Pension 115 Trust	10.12%	2,404,382	2,404,382
Short-term investment			
• LAIF	57.31%	13,613,675	13,613,675
• CAMP	19.10%	4,535,652	4,535,652
Long-term investment			
• US Government Issues	1.05%	249,988	246,067
• Corporate Bond	5.05%	1,200,000	1,198,728
• Certificates of Deposit	6.95%	1,650,000	1,656,390
Total	**100.00%**	**$23,753,938**	**$23,755,135**

The average number of days to maturity/call as of August 31, 2025, equaled 95 and the average yield to maturity is 4.128%. During the month of August 2025, the District's average daily balance was $28,493,854.11. Funds were invested in US Bank, Pension 115 Trust, Negotiable Certificate of Deposits, Corporate Bonds, US Government Issues, Local Agency Investment Funds (LAIF) and California Asset Management Program (CAMP).

The $1,197 difference between the book value and the market value on August 31, 2025, 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.

Melissa Baum-Haley for
Harvey De La Torre
General Manager

Hilary Chumpitazi
Hilary Chumpitazi
Treasurer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary

August 31, 2025

8/31/2025	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,650,000.00	1,656,390.00	1,650,000.00	7.76	997	3.679
Corporate Bond	1,200,000.00	1,198,727.50	1,200,000.00	5.65	279	3.010
US Government Issues	250,000.00	246,067.50	249,988.02	1.18	87	0.860
Local Agency Investment Funds	13,613,674.93	13,613,674.93	13,613,674.93	64.07	1	4.251
California Asset Management Program	4,535,651.37	4,535,651.37	4,535,651.37	21.34	1	4.400
Total Investments	**21,249,326.30**	**21,250,511.30**	**21,249,314.32**	**100.00**	**95**	**4.128**
Cash						
Cash	100,241.19	100,241.19	100,241.19		1	0.00
Pension 115 Trust	2,404,382.02	2,404,382.02	2,404,382.02		1	0.00
Total Cash and Investments	**23,753,949.51**	**23,755,134.51**	**23,753,937.53**		**95**	**4.128**

Total Earnings	Month Ending August	Fiscal Year to Date
Current Year	**94,776.87**	**168,922.40**
Average Daily Balance	**28,493,854.11**	
Effective Rate of Return	**4.128%**	

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.

Melissa Baum-Haley for — 10/02/2025

Harvey De La Torre, General Manager — Date

Hilary Chumpitazi — 10/02/2025

Hilary Chumpitazi, Treasurer — Date

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
August 31, 2025

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	198,074.00	200,000.00	3.350	3.350	688	7/20/2027
Discover Bank	2546736R2	7/26/2023	250,000.00	254,482.50	250,000.00	4.500	4.500	1,058	7/24/2028
Leaders Credit Union	52171MAN5	8/30/2024	250,000.00	251,102.50	250,000.00	4.000	4.000	1,460	8/30/2029
Magyar Bank	55977RCD3	7/30/2024	250,000.00	251,902.50	250,000.00	4.100	4.100	1,429	7/30/2029
Sallie Mae Bank	7954507A7	7/14/2021	200,000.00	194,946.00	200,000.00	1.000	1.000	317	7/14/2026
State Bank of India	8562852Q3	8/10/2023	250,000.00	256,967.50	250,000.00	4.550	4.550	1,075	8/10/2028
Toyota Financial SGS Bank	89235MPD7	9/27/2022	250,000.00	248,915.00	250,000.00	3.650	3.650	752	9/22/2027
Sub Total			**1,650,000.00**	**1,656,390.00**	**1,650,000.00**	**3.679**	**3.679**	**997**	
US Government Issues									
FHLB	3130ALGR9	3/1/2021	250,000.00	246,067.50	249,988.02	0.850	0.860	87	2/26/2026
Sub Total			**250,000.00**	**246,067.50**	**249,988.02**	**0.850**	**0.860**	**87**	
Corporate Bond									
Bank of America Corp	06048WK41	12/7/2020	250,000.00	248,200.00	250,000.00	1.000	0.800	86	11/25/2025
Barclays Bank	06746CSC4	8/20/2025	250,000.00	250,285.00	250,000.00	4.500	4.500	354	8/20/2030
Citigroup Global Markets	17328WFZ6	9/16/2020	250,000.00	249,575.00	250,000.00	1.000	1.000	16	9/16/2025
Morgan Stanley Fin LLC	61766YKH3	6/29/2022	200,000.00	200,250.00	200,000.00	4.500	4.500	667	6/29/2027
Wells Fargo	95001DLD0	8/18/2025	250,000.00	250,417.50	250,000.00	4.550	4.550	349	8/15/2030
Sub Total			**1,200,000.00**	**1,198,727.50**	**1,200,000.00**	**3.052**	**3.010**	**279**	
Total Investments			**3,100,000.00**	**3,101,185.00**	**3,099,988.02**	**3.208**	**3.193**	**645**	

Total Earnings	Month Ending August	Fiscal Year To Date
Current Year	7,512.62	14,510.69

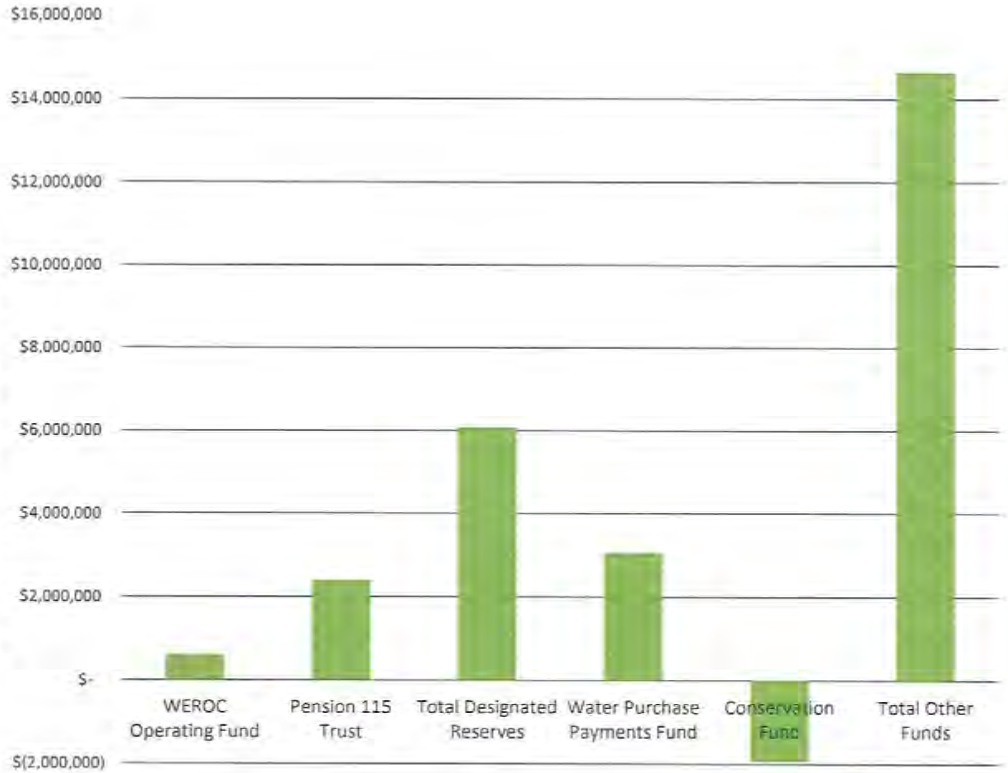
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
August 31, 2025

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	13,613,674.93	13,613,674.93	13,613,674.93	4.251	4.251	1	N/A
Sub Total			**13,613,674.93**	**13,613,674.93**	**13,613,674.93**	**4.251**	**4.251**	**1**	
California Asset Management Program									
CAMP LGIP	CAMP6269	4/1/2025	4,535,651.37	4,535,651.37	4,535,651.37	4.400	4.400	1	N/A
Sub Total			**4,535,651.37**	**4,535,651.37**	**4,535,651.37**	**4.400**	**4.400**	**1**	
Total Investments			**18,149,326.30**	**18,149,326.30**	**18,149,326.30**	**4.288**	**4.288**	**1**	
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	99,741.19	99,741.19	99,741.19	0.000	0.000	1	N/A
Pension 115 Trust	PENSION115TRUST	7/31/2018	2,404,382.02	2,404,382.02	2,404,382.02	0.000	0.000	1	N/A
Total Cash			**2,504,623.21**	**2,504,623.21**	**2,504,623.21**	**0.000**	**0.000**	**1**	
Total Cash and Investments			**20,653,949.51**	**20,653,949.51**	**20,653,949.51**	**4.288**	**4.288**	**1**	

Total Earnings	Month Ending August	Fiscal Year To Date
Current Year	87,264.25	154,411.71

Municipal Water District of Orange County
Cash and Investments at August 31, 2025

ALLOCATION	AMOUNT	%
MWDOC		
Restricted Reserves		
WEROC Operating Fund	$ 618,295	2.60%
Pension 115 Trust	2,404,382	10.12%
Total Restricted Reserves	$ 3,022,677	12.72%
Designated Reserves		
Operating Reserve	$ 4,058,262	17.09%
Election Reserve	1,709,967	7.20%
OPEB Reserve	297,147	1.25%
Total Designated Reserves	$ 6,065,376	25.54%
General Operations Fund	$ 13,500,327	56.83%
Water Purchase Payments Fund	3,068,660	12.92%
Conservation Fund	(1,921,885)	-8.09%
Total Other Funds	$ 14,647,102	61.66%
TOTAL MWDOC	$ 23,735,155	99.92%
TRUSTEE ACTIVITIES		
AMP Sales Admin	$ 18,783	0.08%
TOTAL TRUSTEE ACTIVITIES	$ 18,783	0.08%
TOTAL CASH & INVESTMENTS	**$ 23,753,938**	**100.00%**



PARS PUBLIC AGENCY RETIREMENT SERVICES

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

Account Report for the Period
8/1/2025 to 8/31/2025

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

Account Summary

Source	Balance as of 8/1/2025	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 8/31/2025
OPEB	$3,147,138.60	$0.00	$56,377.20	$1,530.60	$0.00	$0.00	$3,201,985.20
PENSION	$2,415,230.13	$207,000.00	$43,313.88	$1,174.63	$0.00	$0.00	$2,664,369.38
Totals	$5,562,368.73	$207,000.00	$99,691.08	$2,705.23	$0.00	$0.00	$5,866,354.58

Investment Selection

Source	
OPEB	Moderate - Strategic Blend
PENSION	Moderate - Strategic Blend

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

				Annualized Return			
Source	1-Month	3-Months	1-Year	3-Years	5-Years	10-Years	Plan's Inception Date
OPEB	1.79%	5.41%	8.21%	9.94%	6.32%	6.86%	10/26/2011
PENSION	1.78%	5.40%	8.21%	9.96%	6.33%	-	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, 2025 THRU AUGUST 31, 2025

Municipal Water District of Orange County
Combined Balance Sheet
As of August 31, 2025

	Amount
ASSETS	
Cash in Bank	100,241.19
Investments	23,636,795.53
Accounts Receivable	38,675,068.64
Accounts Receivable - Other	356,374.09
Accrued Interest Receivable	150,598.28
Water Inventory	622,976.00
Prepaids/Deposits	428,004.29
Leasehold Improvements	7,119,285.04
Furniture, Fixtures & Equipment	1,053,854.50
Less: Accumulated Depreciation	(4,417,317.93)
TOTAL ASSETS	**67,725,879.63**
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	38,976,726.53
Accrued Salaries and Benefits Payable	943,086.29
Other Liabilities	607,093.46
Unearned Revenue	1,102,894.55
TOTAL LIABILITIES	**41,629,800.83**
FUND BALANCES	
Restricted Fund Balances	
WEROC Reserve	581,898.34
Pension 115 Trust	2,404,382.02
Total Restricted Fund Balances	2,986,280.36
Unrestricted Fund Balances	
Designated Reserves	
General Operations	4,058,262.00
Election Expense	1,709,967.00
OPEB	297,147.00
Total Designated Reserves	6,065,376.00
General Fund	7,009,671.19
General Fund Capital	246,408.19
Total Unrestricted Fund Balances	13,321,455.38
Excess Revenue over Expenditure	
Operating Fund	9,882,835.87
Other Funds	(94,492.81)
TOTAL FUND BALANCES	**26,096,078.80**
TOTAL LIABILITIES AND FUND BALANCES	**67,725,879.63**

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2025 thru August 31, 2025

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
REVENUES						
Retail Connection Charge	0.00	9,939,370.50	9,939,371.00	100.00%	0.00	0.50
Ground Water Customer Charge	0.00	414,371.00	414,371.00	100.00%	0.00	0.00
Water Rate Revenues	**0.00**	**10,353,741.50**	**10,353,742.00**	**100.00%**	**0.00**	**0.50**
Interest Revenue	99,609.71	180,756.12	916,000.00	19.73%	0.00	735,243.88
Subtotal	**99,609.71**	**10,534,497.62**	**11,269,742.00**	**93.48%**	**0.00**	**735,244.38**
Choice Programs	1,186,799.00	1,186,799.00	1,534,798.00	77.33%	0.00	347,999.00
MWD Revenue - Shared Services	0.00	0.00	297,079.00	0.00%	0.00	297,079.00
Miscellaneous Income	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
School Contracts	372,289.03	372,289.03	511,211.00	72.82%	0.00	138,921.97
Delinquent Payment Penalty	0.00	5,516.96	0.00	0.00%	0.00	(5,516.96)
Transfer-In from Reserve	0.00	0.00	123,869.00	0.00%	0.00	123,869.00
Subtotal	**1,559,088.03**	**1,564,604.99**	**2,471,957.00**	**63.29%**	**0.00**	**907,352.01**
TOTAL REVENUES	**1,658,697.74**	**12,099,102.61**	**13,741,699.00**	**88.05%**	**0.00**	**1,642,596.39**

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2025 thru August 31, 2025

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
EXPENSES						
Salaries & Wages	445,998.25	940,666.23	5,841,489.00	16.10%	0.00	4,900,822.77
Salaries & Wages - Grant Recovery	0.00	0.00	(48,000.00)	0.00%	0.00	(48,000.00)
Director's Compensation	19,801.58	41,616.88	281,917.00	14.76%	0.00	240,300.12
MWD Representation	12,753.56	23,829.02	161,096.00	14.79%	0.00	137,266.98
Employee Benefits	143,551.27	294,973.95	1,774,275.00	16.63%	0.00	1,479,301.05
CalPers Unfunded Liability Contribution	207,000.00	207,000.00	207,000.00	100.00%	0.00	0.00
Director's Benefits	9,849.49	19,731.52	158,371.00	12.46%	0.00	138,639.48
Health Insurance for Retirees	6,609.97	13,219.94	122,517.00	10.79%	0.00	109,297.06
Training Expense	6,820.00	7,575.44	84,445.00	8.97%	0.00	76,869.56
Tuition Reimbursement	2,554.00	2,554.00	6,500.00	39.29%	0.00	3,946.00
Temporary Help Expense	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Personnel Expenses	**854,938.12**	**1,551,166.98**	**8,594,610.00**	**18.05%**	**0.00**	**7,043,443.02**
Engineering Expense	35,732.83	92,384.52	570,000.00	16.21%	243,158.42	234,457.06
Legal Expense	14,919.60	52,743.85	260,000.00	20.29%	207,256.15	0.00
Audit Expense	4,000.00	4,000.00	37,445.00	10.68%	28,445.00	5,000.00
Professional Services	56,481.79	118,912.01	1,597,790.00	7.44%	1,038,882.66	439,995.33
Professional Fees	**111,134.22**	**268,040.38**	**2,465,235.00**	**10.87%**	**1,517,742.23**	**679,452.39**
Conference - Staff	5,991.00	8,011.00	42,497.00	18.85%	0.00	34,486.00
Conference - Directors	4,075.19	6,745.19	17,155.00	39.32%	0.00	10,409.81
Travel & Accom. - Staff	4,585.54	5,918.16	85,900.00	6.89%	0.00	79,981.84
Travel & Accom. - Directors	2,301.43	5,936.19	36,625.00	16.21%	0.00	30,688.81
Travel & Conference	**16,953.16**	**26,610.54**	**182,177.00**	**14.61%**	**0.00**	**155,566.46**
Membership/Sponsorship	30,032.00	127,909.70	221,386.00	57.78%	0.00	93,476.30
CDR Support	18,162.13	18,162.13	72,650.00	25.00%	54,486.41	1.46
Dues & Memberships	**48,194.13**	**146,071.83**	**294,036.00**	**49.68%**	**54,486.41**	**93,477.76**
Business Expense	1,152.39	1,479.87	5,500.00	26.91%	0.00	4,020.13
Office Maintenance	13,330.92	22,159.32	156,000.00	14.20%	125,759.39	8,081.29
Building Repair & Maintenance	4,904.08	10,102.76	57,200.00	17.66%	16,832.76	30,264.48
Storage Rental & Equipment Lease	74.15	148.30	1,125.00	13.18%	976.70	0.00
Office Supplies	1,337.41	2,484.60	28,000.00	8.87%	2,703.70	22,811.70
Supplies - Water Loss Control	608.22	766.44	4,000.00	19.16%	0.00	3,233.56
Postage/Mail Delivery	965.94	1,472.78	9,450.00	15.58%	1,068.44	6,908.78
Subscriptions & Books	0.00	3,954.99	10,000.00	39.55%	0.00	6,045.01
Reproduction Expense	810.51	2,181.51	108,500.00	2.01%	6,965.65	99,352.84
Maintenance - Computers	2,147.54	2,510.82	15,850.00	15.84%	0.00	13,339.18
Software Purchase	18,518.73	25,642.07	271,731.00	9.44%	0.00	246,088.93
Software Support	262.50	762.50	20,000.00	3.81%	0.00	19,237.50
Computers and Equipment	6,853.81	7,265.42	45,250.00	16.06%	0.00	37,984.58
Automotive Expense	1,036.63	1,520.33	11,600.00	13.11%	0.00	10,079.67
Vehicle Expense	473.78	1,676.51	10,000.00	16.77%	0.00	8,323.49
Toll Road Charges	109.55	127.84	950.00	13.46%	0.00	822.16
Insurance Expense	18,079.23	37,036.46	234,150.00	15.82%	0.00	197,113.54
Utilities - Telephone	5,174.98	8,838.21	49,586.00	17.82%	800.20	39,947.59
Bank Fees	0.00	0.00	2,400.00	0.00%	0.00	2,400.00
Miscellaneous Expense	10,712.27	13,820.83	181,200.00	7.63%	8,400.00	158,979.17
MWDOC's Contrb. to WEROC	29,429.04	58,858.12	353,149.00	16.67%	0.00	294,290.88
Depreciation Expense	6,321.78	12,643.63	0.00	0.00%	0.00	(12,643.63)
Other Expenses	**122,303.46**	**215,453.31**	**1,575,641.00**	**13.67%**	**163,506.84**	**1,196,680.85**
Election Expense	0.00	0.00	605,000.00	0.00%	0.00	605,000.00
Capital Aquisition	0.00	6,935.19	25,000.00	27.74%	0.00	18,064.81
Building Expense	1,338.51	1,988.51	0.00	0.00%	0.00	(1,988.51)
TOTAL EXPENSES	**1,154,861.60**	**2,216,266.74**	**13,741,699.00**	**16.13%**	**1,735,735.48**	**9,789,696.78**
NET INCOME (LOSS)	**503,836.14**	**9,882,835.87**	**0.00**	**0.00%**	**(1,735,735.48)**	**(8,147,100.39)**

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
July 1, 2025 thru August 31, 2025

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
WATER REVENUES					
Water Sales	17,862,203.20	36,129,176.00	175,492,249.00	20.59%	139,363,073.00
Readiness to Serve Charge	1,440,395.00	2,880,790.87	16,934,350.00	17.01%	14,053,559.13
Capacity Charge CCF	364,325.00	728,650.00	4,624,125.00	15.76%	3,895,475.00
SCP/SAC Pipeline Surcharge	35,955.52	70,899.88	443,000.00	16.00%	372,100.12
TOTAL WATER REVENUES	**19,702,878.72**	**39,809,516.75**	**197,493,724.00**	**20.16%**	**157,684,207.25**
WATER PURCHASES					
Water Sales	17,862,203.20	36,129,176.00	175,492,249.00	20.59%	139,363,073.00
Readiness to Serve Charge	1,440,395.00	2,880,790.87	16,934,350.00	17.01%	14,053,559.13
Capacity Charge CCF	364,325.00	728,650.00	4,624,125.00	15.76%	3,895,475.00
SCP/SAC Pipeline Surcharge	35,955.52	70,899.88	443,000.00	16.00%	372,100.12
TOTAL WATER PURCHASES	**19,702,878.72**	**39,809,516.75**	**197,493,724.00**	**20.16%**	**157,684,207.25**
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, 2025 thru August 31, 2025

	Year to Date Actual	Annual Budget	% Used
HECW Rebate Program(3411)			
Revenues	7,345.58	49,236.00	14.92%
Expenses	6,460.00	49,236.00	13.12%
Excess of Revenues over Expenditures	885.58	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	1,474,483.38	5,501,750.00	26.80%
Expenses	1,487,748.00	5,501,750.00	27.04%
Excess of Revenues over Expenditures	(13,264.62)	0.00	
Tree Incentive Program(3420)			
Revenues	9,600.00	50,000.00	19.20%
Expenses	9,600.00	50,000.00	19.20%
Excess of Revenues over Expenditures	0.00	0.00	
Spray To Drip Conversion(3423)			
Revenues	106,927.35	995,000.00	10.75%
Expenses	404,302.50	995,000.00	40.63%
Excess of Revenues over Expenditures	(297,375.15)	0.00	
Member Agency Administered Pass-Thru (3425)			
Revenues	0.00	75,000.00	0.00%
Expenses	0.00	75,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Comprehensive Landscape (CLWUE)(3427)			
Revenues	3,096.79	226,882.88	1.36%
Expenses	26,646.10	226,882.88	11.74%
Excess of Revenues over Expenditures	(23,549.31)	0.00	
Framework TAP(3429)			
Revenues	0.00	1,222,638.40	0.00%
Expenses	38,453.02	1,222,638.40	3.15%
Excess of Revenues over Expenditures	(38,453.02)	0.00	
Land Design Program(3431)			
Revenues	7,775.00	59,000.00	13.18%
Expenses	8,775.00	59,000.00	14.87%
Excess of Revenues over Expenditures	(1,000.00)	0.00	
WSIP - Industrial Program(3432)			
Revenues	6,441.24	36,250.10	17.77%
Expenses	6,441.24	36,250.10	17.77%
Excess of Revenues over Expenditures	0.00	0.00	

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Use Efficiency
July 1, 2025 thru August 31, 2025

	Year to Date Actual	Annual Budget	% Used
Recycled Water Program(3433)			
Revenues	0.00	62,640.50	0.00%
Expenses	2,479.75	62,640.50	3.96%
Excess of Revenues over Expenditures	(2,479.75)	0.00	
Dedicated Irrigation Meters Measurement Project (DIMM)(3439)			
Revenues	2,080.00	70,000.00	2.97%
Expenses	8,008.23	70,000.00	11.44%
Excess of Revenues over Expenditures	(5,928.23)	0.00	
SAWPA-USBR LAM(3440)			
Revenues	0.00	100.00	0.00%
Expenses	0.00	100.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Total WUE Projects			
Revenues	1,617,749.34	8,349,497.88	19.38%
Expenses	1,998,913.84	8,349,497.88	23.94%
Excess of Revenues over Expenditures	(381,164.50)	0.00	
WEROC			
Revenues	412,006.65	710,997.00	57.95%
Expenses	125,326.77	710,997.00	17.63%
Excess of Revenues over Expenditures	286,679.88	0.00	

Item No. 3

PRESENTATION ITEM
October 8, 2025

TO: **Administration & Finance Committee**

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

Staff Contact: Hilary Chumpitazi, Director of Finance/IT

SUBJECT: **OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST AND PENSION RATE STABILIZATION PROGRAM (PRESENTATION BY PARS)**

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee receive the presentation.

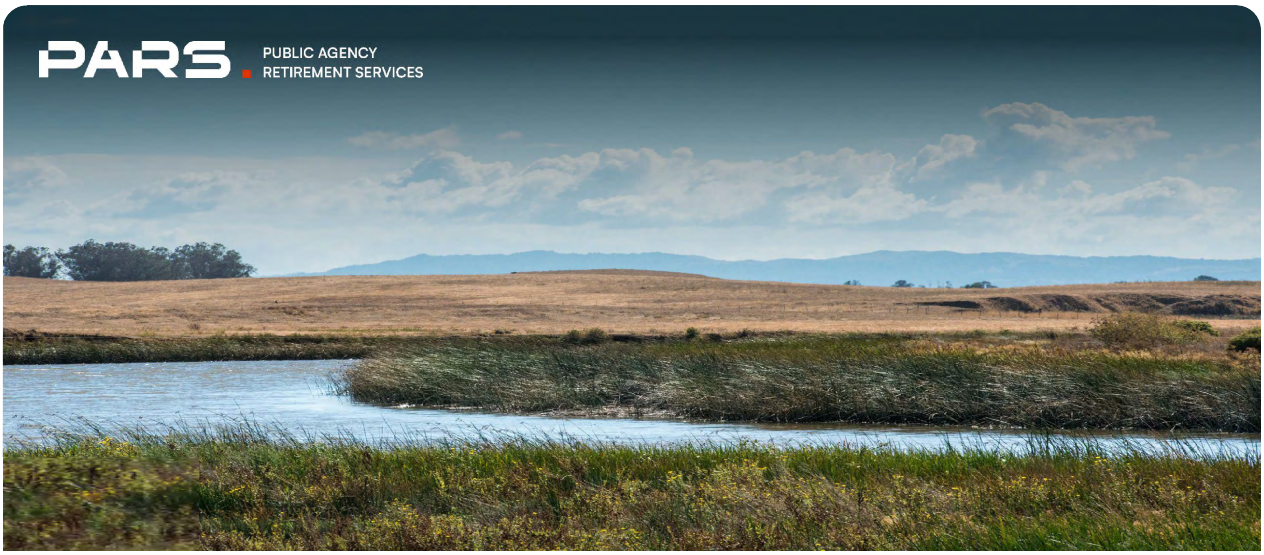
REPORT

As part of its annual review, the Municipal Water District of Orange County invited Ashley Baires from Public Agency Retirement Services (PARS) and Keith Stribling from PFM Asset Management to present an overview of the District's PARS 115 Trust, which includes the Other Post-Employment Benefits (OPEB) Trust and Pension Rate Stabilization Program.

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

- ☒ *Clarifying MWDOC's mission and role; defining functions and actions.*
- ☐ *Balance support for Metropolitan's regional mission and OC values and interests.*
- ☐ *Strengthen communication and coordination of messaging.*
- ☐ *Work with member agencies to develop water supply and demand objectives.*
- ☐ *Solicit input and feedback from member agencies.*
- ☒ *Invest in workforce development and succession planning.*

Attachments/Links:
Attachment 1: OPEB Trust and Pension Rate Stabilization Program Presentation



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

PARS 115 Trust – OPEB Prefunding Program &
Pension Rate Stabilization Plan Client Review
October 8, 2025

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(800) 540-6369 x170
abaires@pars.org

PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc. See additional disclosures at the end of this presentation

PARS 115 TRUST TEAM

As of June 30, 2025

Trust Administrator & Consultant*

PARS PUBLIC AGENCY RETIREMENT SERVICES

- Serves as record-keeper, consultant, and central point of contact
- Sub-trust accounting
- Coordinates all agency services
- Monitors plan compliance (IRS/GASB/State Government Code)
- Processes contributions/disbursements
- Hands-on, dedicated support teams

40+	2,000+	1,100+	500+	750K+	$9.8B+
Years of Experience (1984-2025)	Plans under Administration	Public Agency Clients	115 Trust Clients	Plan Participants	Assets under Administration

** See important information regarding PARS in the Disclaimer page at the end of the presentation.*

Trustee

usbank

- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

162	$11.0T
Years of Experience (1863-2025)	Assets under Administration

Investment Manager

pfm asset management

- A division of U.S. Bancorp Asset Management, Inc.
- Fixed income and multi asset portfolios
- Strategic blend and passive platform options
- Customized portfolios (with minimum asset level)

40+	$256.3B*
Years of Investment Experience *(As of 6/30/2025)*	Assets under Management & Advisement

**As of June 30, 2025. Total assets under management for U.S. Bancorp Asset Management, Inc. were $404.9 billion. Please see disclosures at the end of this presentation*

PARS IRS-APPROVED SECTION 115 TRUST

Prefund OPEB GASB 75

OPEB $3.2 M

Retiree Medical Benefits

Assets can be used to:

- Reimburse agency; or
- Pay benefits provider

General Fund

prefund either or both

Prefund Pension (PRSP) GASB 68

Pension $2.7 M

Pension Rate Stabilization Program

Assets can be used to:

- Reimburse agency; or
- Pay retirement system

Subaccounts

OPEB and pension assets are individually sub-accounted, and can be divided by dept., bargaining group, or cost center.

Financial Stability

Assets in the PARS Section 115 Combination Trust can be used to address unfunded liabilities.

Flexible Investing

Allows separate investment strategies for OPEB and pension subaccounts.

Anytime Access

Trust funds are available anytime; OPEB for OPEB and pension for pension.

Economies-of-Scale

OPEB and pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!

No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.

SUMMARY OF AGENCY'S OPEB PLAN

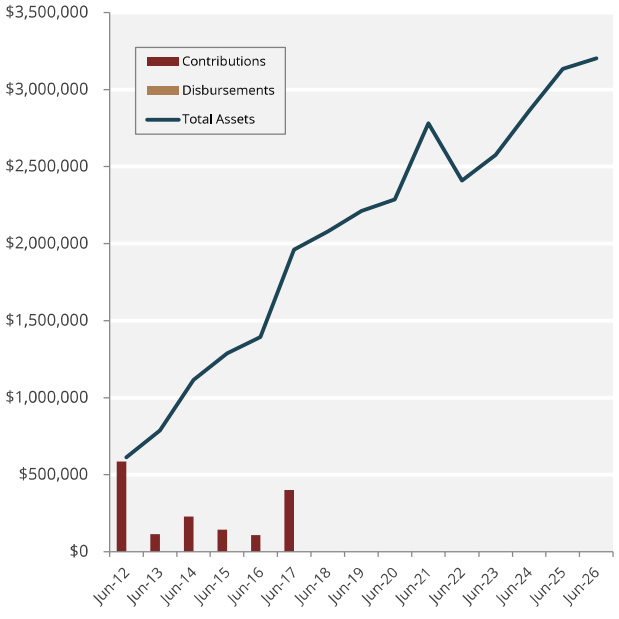
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	July 20, 2011
Plan Administrator:	General Manager
Current Investment Strategy:	Moderate Strategic Blend; Pooled Account

AS OF AUGUST 31, 2025:

Initial Contribution:	October 2011: $500,000
Additional Contributions:	$1,080,656
Total Contributions:	$1,580,656
Disbursements:	$0
Net Investment Earnings:	$1,621,329
Account Balance:	$3,201,985

SUMMARY OF AGENCY'S OPEB PLAN

HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF AUGUST 31, 2025 :



Plan Year Ending

Year	Contributions	Disbursements	Total Assets
Jun-12*	$585,572	$0	$613,547
Jun-13	$114,630	$0	$787,265
Jun-14	$229,436	$0	$1,116,390
Jun-15	$143,687	$0	$1,286,254
Jun-16	$107,332	$0	$1,393,327
Jun-17	$400,000	$0	$1,960,367
Jun-18	$0	$0	$2,077,720
Jun-19	$0	$0	$2,212,237
Jun-20	$0	$0	$2,286,083
Jun-21	$0	$0	$2,781,099
Jun-22	$0	$0	$2,408,599
Jun-23	$0	$0	$2,574,618
Jun-24	$0	$0	$2,861,970
Jun-25	$0	$0	$3,133,003
Jun-26**	$0	$0	$3,201,985

**Plan Year Ending June 2012 is based on 9 months of activity.*
***Plan Year Ending June 2026 is based on 2 months of activity.*

OPEB ACTUARIAL RESULTS

- We have received the actuarial report by Nyhart dated September 3, 2025, with a measurement date as of June 30, 2025. In the table below, we have summarized the results.

Demographic Study	Measurement Date June 30, 2024	Measurement Date June 30, 2025
Actives	8	6
Retirees	13	13
Total	21	19

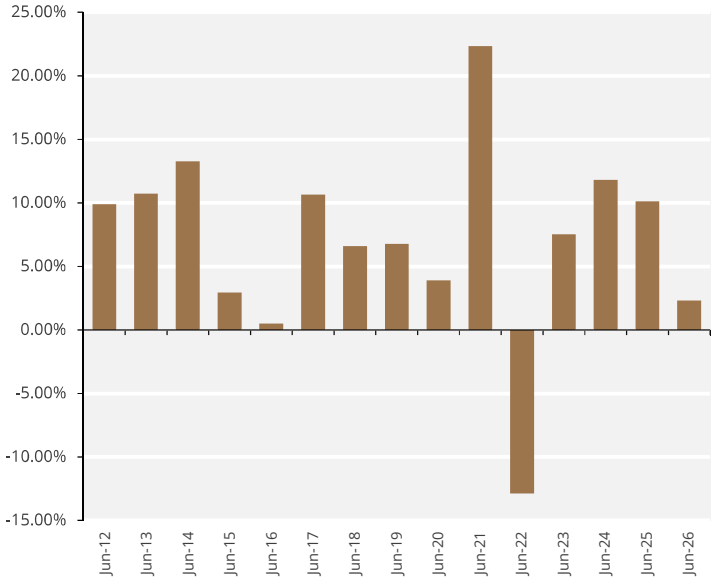
OPEB ACTUARIAL RESULTS

	Measurement Date June 30, 2024 Discount Rate: 6.00%	Measurement Date June 30, 2025 Discount Rate: 6.00%
Total OPEB Liability (TOL)	$2,064,826	$2,409,211
Fiduciary Net Position	$2,861,970	$3,133,003*
Net OPEB Liability (NOL)	($797,144)	($723,792)
Funded Ratio (%)	138.6%	130.0%
Actuarially Determined Contribution (ADC)	$13,516 for FY 2023-24	$0 for FY 2024-25
Annual Benefit Payments (Pay-as-you-Go)	$85,085 for FY 2023-24	$86,917 for FY 2024-25

*As of August 31, 2025, assets at $3,201,985 (approx. ~132.91% funded assuming no change in TOL).
Rule of thumb: For every one percent increase in the discount rate, the unfunded liability is lowered by 10-12%.

OPEB PLAN TOTAL RETURNS

AS OF AUGUST 31, 2025



Year	Returns
Jun-12*	9.90%
Jun-13	10.72%
Jun-14	13.27%
Jun-15	2.95%
Jun-16	0.50%
Jun-17	10.66%
Jun-18	6.58%
Jun-19	6.76%
Jun-20	3.89%
Jun-21	22.35%
Jun-22	-12.87%
Jun-23	7.51%
Jun-24	11.82%
Jun-25	10.13%
Jun-26**	2.30%

Inception to Date (Annualized)
7.38%

**Plan Year Ending June 2012 is based on 9 months of activity.*
***Plan Year Ending June 2026 is based on 2 months of activity.*

Returns are net of the embedded fund fees and gross of trustee and trust administrator fees

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 are impacted by agency plan activity and may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

The advisor to the PARS portfolios is U.S. Bank, and PFM Asset Management serves as sub-advisor to U.S. Bank to manage these portfolios. Please see important additional disclosures to the PARS portfolios included in the individual strategy information at the end of this presentation.

SUMMARY OF AGENCY'S PENSION PLAN

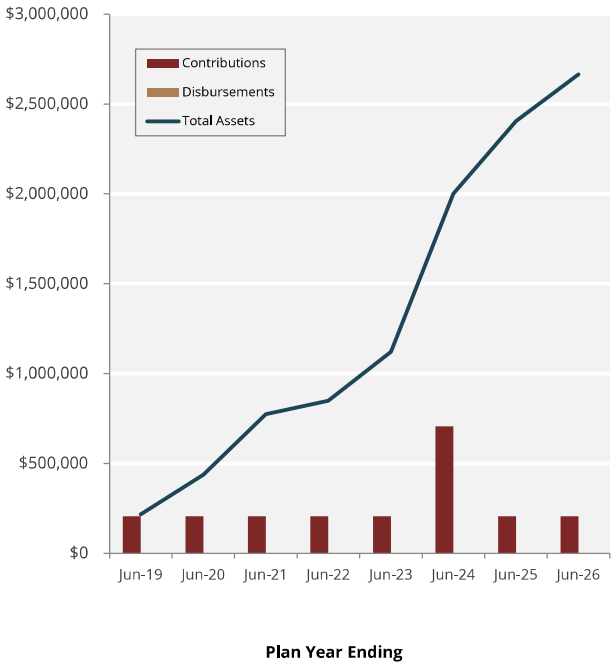
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	February 21, 2018
Plan Administrator:	General Manager
Current Investment Strategy:	Moderate Strategic Blend; Pooled Account

AS OF AUGUST 31, 2025:

Initial Contribution:	July 2018: $207,000
Additional Contributions:	$1,949,000
Total Contributions:	$2,156,000
Disbursements:	$0
Net Investment Earnings:	$508,369
Account Balance:	$2,664,369

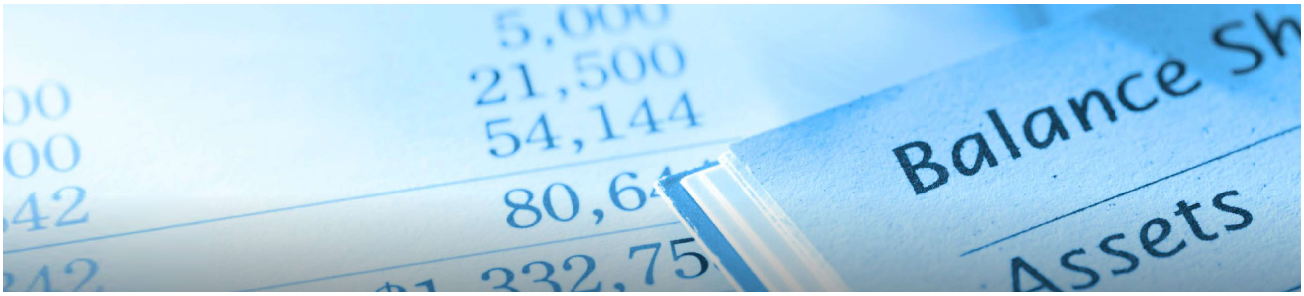
SUMMARY OF AGENCY'S PENSION PLAN

HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF AUGUST 31, 2025 :



Year	Contributions	Disbursements	Total Assets
Jun-19	$207,000	$0	$217,414
Jun-20	$207,000	$0	$438,435
Jun-21	$207,000	$0	$773,722
Jun-22	$207,000	$0	$847,653
Jun-23	$207,000	$0	$1,120,664
Jun-24	$707,000	$0	$1,999,765
Jun-25	$207,000	$0	$2,404,382
Jun-26*	$207,000	$0	$2,664,369

**Plan Year Ending June 2026 is based on 2 months of activity.*



PENSION FUNDING STATUS

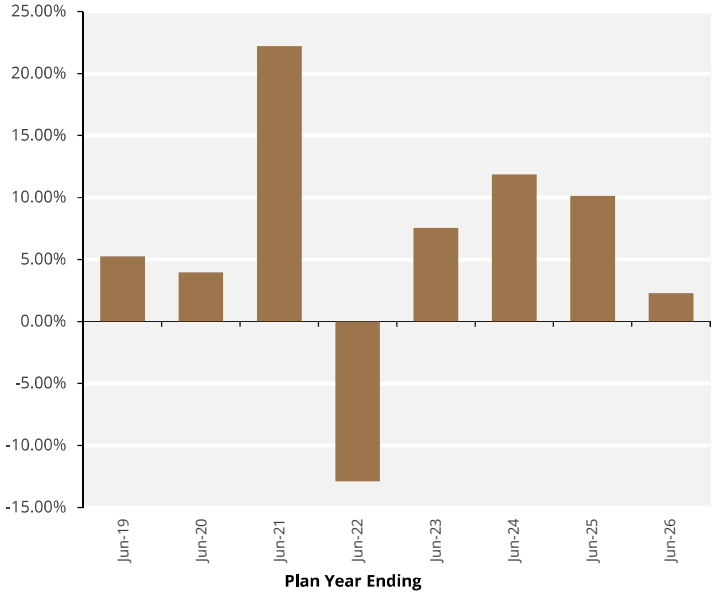
As of June 30, 2024, Municipal Water District of OC's CalPERS pension plan is funded as follows*:

Combined Miscellaneous Groups *	Valuation as of June 30, 2023	Valuation as of June 30, 2024	Change
Actuarial Liability	$21.4 M	$23.7 M	11.2% ↑
Assets	$16.5 M	$19.5 M	18.2% ↑
Unfunded Liability	$4.8 M	$4.2 M	12.7% ↓
Funded Ratio	77.4%	82.3%	6.3% ↑
Employer Contribution Amount	$761.0 K (FY 24-25)	$831.4 K (FY 25-26)	9.3% ↑
Employer Contribution Amount – Projected *	---	$1.0 M (FY 31-32)	21.4% ↑

** Data through 2031-32 from Agency's latest CalPERS actuarial valuation.*

PENSION PLAN TOTAL RETURNS

AS OF AUGUST 31, 2025



Year	Returns
Jun-19	5.26%
Jun-20	3.97%
Jun-21	22.21%
Jun-22	-12.89%
Jun-23	7.55%
Jun-24	11.86%
Jun-25	10.14%
Jun-26*	2.29%

Inception to Date (Annualized)
6.58%

**Plan Year Ending June 2026 is based on 2 months of activity.*

Returns are net of the embedded fund fees and gross of trustee and trust administrator fees

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INVESTMENT REVIEW

pfm asset management

PARS OPEB and Pension Trust Moderate Strategic Blend

Investment Performance Review
For the Quarter Ended June 30, 2025

Client Management Team		PFM Asset Management A division of U.S. Bancorp Asset Management, Inc.
PFM Asset Management	1 California Street Suite 1000 San Francisco, CA 94111	1735 Market Street 43rd Floor Philadelphia, PA 19103

About PFM Asset Management*

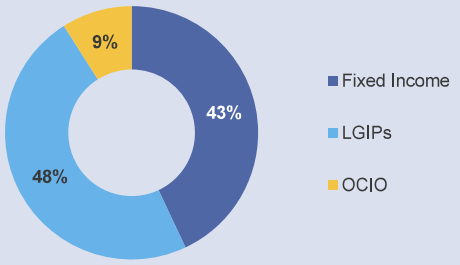
Our Investment Solutions

- **Fixed Income:** High-quality, short- and intermediate-term portfolios for operating funds, reserves, working capital, self-insurance funds and bond proceeds
- **Local Government Investment Pools (LGIPs):** services for programs with options ranging from fully liquid cash management to a fixed-rate, fixed-term investment
- **Outsourced Chief Investment Officer (OCIO):** Multi-asset class portfolios for institutional investors
- **Specialized Solutions:** Arbitrage rebate, escrow restructuring, bond proceeds investments, structured investments

40+ years *of* experience in the public sector

$172.9b in public sector assets under management**

Assets by Investment Solution[1]



[1]Illustrates public sector assets under management by investment solution as of 3/31/2025. Total may not add up to 100% due to rounding.

**A division of U.S. Bancorp Asset Management, Inc.*
***As of 3/31/2025 . Public sector includes government, pool and TERM. Total assets under management for U.S. Bancorp Asset Management, Inc. were $399.7 billion.*

Financial Markets & Investment Strategy Review

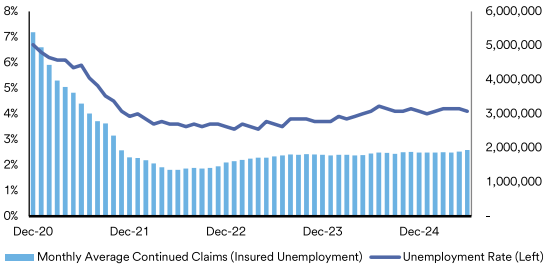
Index or Average Name	QTD	YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
DOMESTIC EQUITY							
S&P 500 (TR)	*10.94%*	*6.20%*	*15.16%*	*19.69%*	*16.63%*	*14.38%*	*13.63%*
Russell 3000	*10.99%*	*5.75%*	*15.30%*	*19.06%*	*15.95%*	*13.54%*	*12.95%*
Russell 1000 Growth	*17.84%*	*6.09%*	*17.22%*	*25.73%*	*18.13%*	*17.88%*	*17.00%*
Russell 1000	*11.11%*	*6.12%*	*15.66%*	*19.57%*	*16.29%*	*14.08%*	*13.34%*
Russell 1000 Value	*3.79%*	*6.00%*	*13.70%*	*12.75%*	*13.92%*	*9.58%*	*9.18%*
Russell Midcap	*8.53%*	*4.84%*	*15.21%*	*14.32%*	*13.10%*	*10.02%*	*9.88%*
Russell Midcap Growth	*18.20%*	*9.79%*	*26.49%*	*21.44%*	*12.65%*	*12.72%*	*12.11%*
Russell Midcap Value	*5.35%*	*3.12%*	*11.53%*	*11.33%*	*13.70%*	*8.21%*	*8.39%*
Russell 2000 Growth	*11.97%*	*-0.48%*	*9.73%*	*12.37%*	*7.41%*	*5.68%*	*7.13%*
Russell 2000	*8.50%*	*-1.79%*	*7.68%*	*9.99%*	*10.03%*	*5.51%*	*7.12%*
Russell 2000 Value	*4.97%*	*-3.16%*	*5.54%*	*7.45%*	*12.46%*	*4.84%*	*6.71%*
INTERNATIONAL EQUITY							
MSCI EAFE	*11.78%*	*19.45%*	*17.73%*	*15.95%*	*11.15%*	*7.20%*	*6.50%*
MSCI AC World	*11.53%*	*10.05%*	*16.17%*	*17.33%*	*13.64%*	*10.77%*	*9.99%*
MSCI AC World ex USA	*12.03%*	*17.90%*	*17.72%*	*13.98%*	*10.12%*	*6.57%*	*6.12%*
MSCI AC World ex USA Small Cap	*16.93%*	*17.68%*	*18.34%*	*13.45%*	*10.74%*	*5.94%*	*6.54%*
MSCI EM (Emerging Markets)	*11.99%*	*15.27%*	*15.29%*	*9.69%*	*6.80%*	*4.48%*	*4.81%*
ALTERNATIVES							
FTSE Nareit / Equity REITs - INV	*-1.16%*	*-0.25%*	*8.60%*	*5.34%*	*8.62%*	*5.58%*	*6.32%*
MSCI US REIT Index	*-1.46%*	*-0.71%*	*7.62%*	*4.08%*	*7.37%*	*4.35%*	*5.03%*
MSCI World Core Infrastructure	*5.45%*	*13.44%*	*21.38%*	*6.78%*	*8.08%*	*7.25%*	*7.46%*
Bloomberg Commodity Index	*-3.08%*	*5.53%*	*5.77%*	*0.13%*	*12.67%*	*4.91%*	*1.98%*
FIXED INCOME							
Bloomberg US Aggregate	*1.21%*	*4.02%*	*6.08%*	*2.55%*	*-0.73%*	*1.77%*	*1.76%*
Bloomberg US Government/Credit	*1.22%*	*3.95%*	*5.89%*	*2.60%*	*-0.83%*	*1.96%*	*1.92%*
Bloomberg US Intermediate Government/Credit	*1.67%*	*4.13%*	*6.74%*	*3.57%*	*0.63%*	*2.42%*	*2.04%*
Bloomberg US Treasury (1-3 Y)	*1.20%*	*2.84%*	*5.72%*	*3.43%*	*1.33%*	*2.10%*	*1.59%*
ICE BofA US High Yield	*3.57%*	*4.55%*	*10.24%*	*9.84%*	*6.00%*	*5.18%*	*5.29%*
Bloomberg Global Aggregate	*4.52%*	*7.27%*	*8.91%*	*2.74%*	*-1.16%*	*0.57%*	*1.17%*
CASH EQUIVALENT							
Bloomberg 3 Month T-Bill	*1.05%*	*2.10%*	*4.73%*	*4.64%*	*2.81%*	*2.58%*	*2.01%*

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

THE ECONOMY

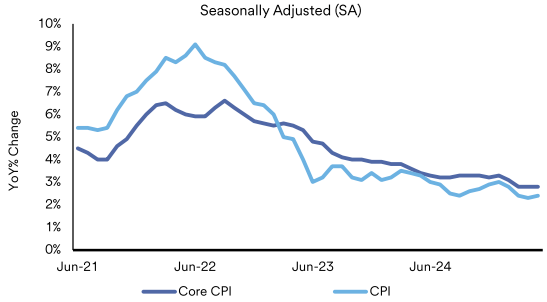
- In the first quarter, U.S. real gross domestic product (GDP) contracted at a seasonally adjusted annualized rate of -0.5%, marking the first quarterly contraction since 2022. This figure was due in large part to a surge in imports as companies hoped to get ahead of tariffs, however other areas including consumption also saw some softening over the quarter. Outside the U.S., some developed countries saw similar contraction such as Japan, which saw (annualized) GDP decline by -0.2% over the quarter; while the Eurozone grew at annualized rate of 2.5%.
- The U.S. unemployment rate held relatively steady over the quarter with a reading of 4.1% in June. The latest initial jobless claims for the week ending June 28 ticked slightly higher to 233,000 in June, while the outstanding claims rose to approximately 2 million as unemployed workers struggled to find suitable employment. Businesses appear to be in a relative "low hire, low fire" mode.
- Inflation remained relatively flat in the second quarter. Headline inflation (CPI) grew at a year-over-year rate of 2.4% in May after a slight dip in April. Core CPI, which excludes volatile food and energy, grew at 2.8% on an annual basis, the lowest rate since March 2021, however it has been growing at this pace since March.

U.S. Unemployment and Monthly Average Continued Claims



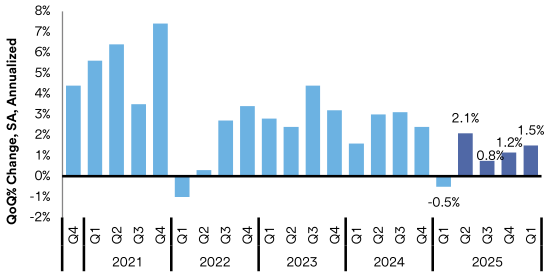
Source: Bloomberg.

U.S. Inflation Rate
Seasonally Adjusted (SA)



Source: Bloomberg.

U.S. GDP Growth

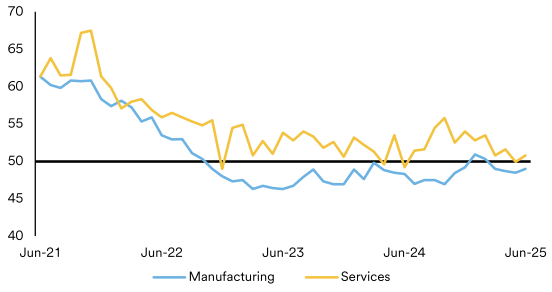


Source: Bloomberg. Light blue bars indicate actual numbers; dark blue bars indicate forecasted estimates.

WHAT WE'RE WATCHING

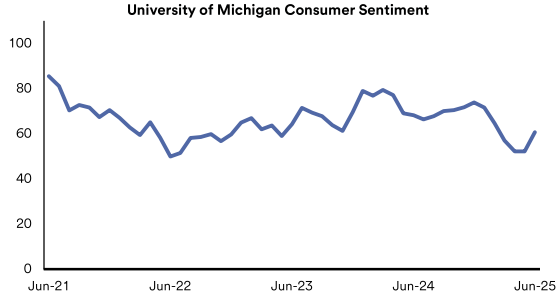
- The Federal Reserve (Fed) held rates flat again in the second quarter and it continues to maintain a 'wait-and-see' approach until more supportive data points to a clearer path regarding the impacts of tariffs. The latest Fed projections continue to forecast two quarter-percentage-point rate reductions by the end of 2025. Outside of the U.S., the European Central Bank (ECB) cut rates twice in the second quarter, bringing rates near neutral as inflation fell within targets.
- U.S. consumer sentiment, as measured by the University of Michigan survey of consumers, recovered after a precipitous drop in March and April, but still remains relatively gloomy, and down significantly from December 2024 levels, as consumers remain cautious about the risks of both an economic slowdown and further increases in inflation. Consumer spending, which drives more than two-thirds of the economy, has seen a slight pullback, falling 0.1% month-over-month, in May.
- Continued geopolitical risk and trade relations remain areas of concern for the markets. Conflict in the Middle East has the potential to impact energy prices, a consequence that we briefly saw before the ceasefire between Israel and Iran. Trade deals have not been finalized with a variety of important partners, and while continued trade negotiations may clear up some of the tariff uncertainty in the third quarter, many questions have not yet been resolved and their possible effects on inflation remain unclear.

U.S. ISM Manufacturing & Services PMI



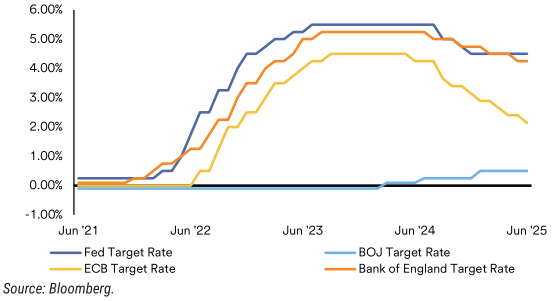
Source: Bloomberg.

University of Michigan Consumer Sentiment



Source: Bloomberg.

Global Central Bank Rates

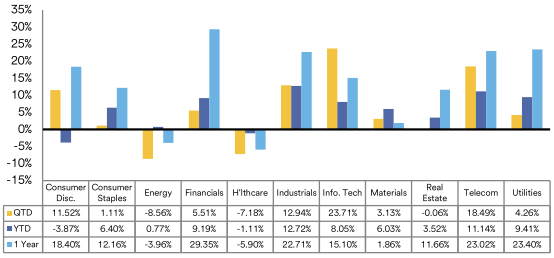


Source: Bloomberg.

DOMESTIC EQUITY

- The S&P 500 Index (S&P) posted a 10.9% return for the second quarter of 2025, recovering from a steep drop at the start of the quarter as markets reacted to the tariff announcements.
- Within the S&P 500, performance was mixed across the 11 GICS sectors. Only three sectors saw declines in the quarter: Energy (-8.6%), Healthcare (-7.2%) and Real Estate (-0.1%). The best performing sectors were Information Technology (23.7%), Communication Services (18.5%), and Industrials (12.9%).
- Positive returns were seen across all capitalizations with large caps, as represented by the Russell 1000 Index, returning 11.1% during the quarter while mid and small caps, as represented by the Russell Midcap and Russell 2000 indices both returned approximately 8.5%.
- According to FactSet Earnings Insight (as of June 27, 2025), analysts are projecting moderate earnings growth of 5.0% for Q2 2025, and for calendar year 2025, analysts are projecting year-over-year earnings growth of 9.1%. If the projected earnings growth for Q2 is correct, this will mark the lowest earnings growth since Q4 2023.
- As of the end of the quarter, the forward 12-month adjusted positive price-to-earnings (P/E) ratio (includes only positive earnings results for consistency) for the S&P 500 is 25.7, which is above the 5-year average of 23.3. The Russell 2000, which represents small cap stocks, had an adjusted positive forward P/E ratio of 19.6, also above its 5-year average of 17.7.

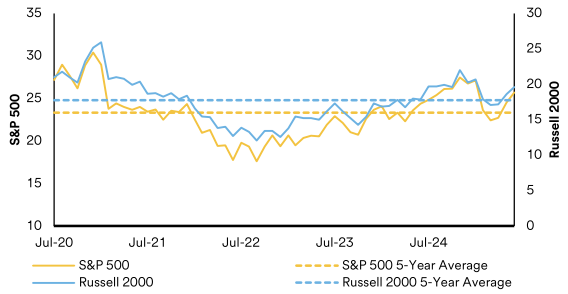
S&P 500 Index Performance by Sector
Periods Ended June 30, 2025



	Consumer Disc.	Consumer Staples	Energy	Financials	H'lthcare	Industrials	Info. Tech	Materials	Real Estate	Telecom	Utilities
QTD	11.52%	1.11%	-8.56%	5.51%	-7.18%	12.94%	23.71%	3.13%	-0.06%	18.49%	4.26%
YTD	-3.87%	6.40%	0.77%	9.19%	-1.11%	12.72%	8.05%	6.03%	3.52%	11.14%	9.41%
1 Year	18.40%	12.16%	-3.96%	29.35%	-5.90%	22.71%	15.10%	1.86%	11.66%	23.02%	23.40%

Source: Bloomberg.

P/E Ratios of Major Stock Indices*

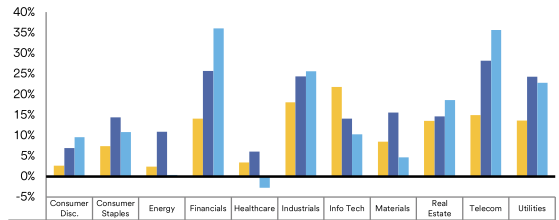


Source: Bloomberg.
**P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.*

INTERNATIONAL EQUITY

- Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, outperformed their U.S. counterparts, returning 12.0% for the quarter.
- All 11 sectors posted positive returns for the quarter. The top performing sectors were Information Technology (21.8%), Industrials (18.0%) and Communication Services (15.0%). The worst performers for the quarter were Energy (2.5%), Consumer Discretionary (2.6%), and Healthcare (3.5%).
- Developed ex-U.S. Markets, as represented by the MSCI EAFE Index, underperformed emerging markets (EM), as represented by the MSCI Emerging Market Index, returning 11.8% versus 12.0% for the quarter. Returns from all international indices are in USD, which positively impacted performance due to the weakening dollar.
- Of the five largest-weighted countries in the MSCI EAFE Index the MSCI Germany Index (16.3%) outperformed while MSCI Japan (11.4%) performed in line with EAFE. The MSCI France (9.3%), MSCI United Kingdom (8.7%), and MSCI Switzerland (7.5%) indices all underperformed, though they still saw solid returns.
- Of the five largest-weighted countries in Emerging Markets, MSCI China (2.0%) and MSCI India (9.2%) underperformed the MSCI Emerging Markets index, while MSCI Taiwan (26.1%), MSCI Korea (32.7%), and MSCI Brazil (13.3%) all outperformed. Taiwan and Korea were both boosted to their double digit returns by the continued demand for semiconductors.
- Growth stocks outperformed value stocks for the quarter as represented by the broad benchmarks. MSCI AC World ex-USA Growth returned 13.7%, while MSCI AC World ex-USA Value returned 10.4%. Within EM, growth outperformed value as well, returning 13.4% versus 8.5%.
- Small-caps, as represented by the MSCI ACWI ex-U.S. Small Cap Index, also saw strong positive returns during the quarter, posting a return of 16.9%.
- Non-U.S. equity valuations rose over the second quarter but remain close to their long-term averages. As of quarter-end, the MSCI EAFE's Adjusted Positive Forward P/E stood at 16.6 versus a 5-year average of 16.0. MSCI EM ended the quarter with an Adjusted Positive Forward P/E ratio of 13.6, slightly above its 5-year average of 13.3.

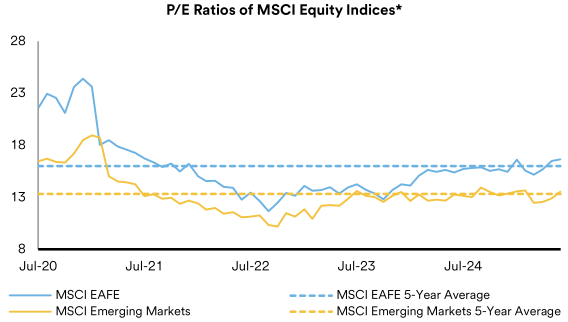
MSCI ACWI ex-U.S. Sectors
Periods Ended June 30, 2025



	Consumer Disc.	Consumer Staples	Energy	Financials	Healthcare	Industrials	Info Tech	Materials	Real Estate	Telecom	Utilities
QTD	2.64%	7.45%	2.48%	14.09%	3.45%	18.05%	21.80%	8.50%	13.55%	14.96%	13.68%
YTD	6.94%	14.46%	10.95%	25.77%	6.12%	24.37%	14.09%	15.58%	14.68%	28.23%	24.32%
1 Year	9.59%	10.84%	0.39%	36.08%	-2.74%	25.61%	10.32%	4.67%	18.59%	35.73%	22.88%

Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*

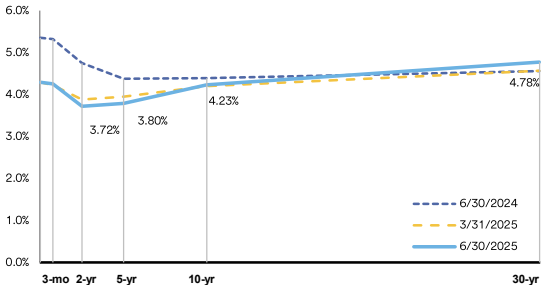


Source: Bloomberg.
**P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.*

FIXED INCOME

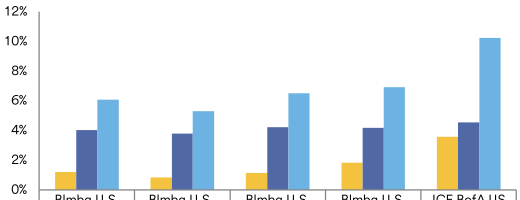
- The U.S. bond market, represented by the Bloomberg U.S. Aggregate Index, saw positive returns in the first quarter, returning 1.2%.
- The Bloomberg U.S. Treasury Index closed the quarter returning 0.8%. During the period, the Federal Open Market Committee (FOMC) held rates steady, marking the second quarter with no changes as policy makers continue their cautious stance as uncertainty remains over the final impact of tariffs on inflation and economic activity. The official dot plot continues to project two cuts for the remainder of the year. The yield curve steepened over the quarter as rates rose on the very long end and fell in the intermediate-term. The 30-year rose to 4.8%, while the 2-year ended at 3.7%. Cash markets currently provide higher yields than the 2-year Treasuries.
- Corporate credit saw positive returns across the quality spectrum for the quarter. The Investment Grade Bloomberg U.S. Corporate (IG Corp) Index returned 1.8% while High Yield bonds, as represented by the ICE BofA High Yield (HY) Index, returned 3.6%. After a spike in April, spreads returned to levels below the 10-year average for both investment-grade and high yield, in line with a broad "risk on" sentiment.
- The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index returned 1.1%. On the commercial side, the Bloomberg U.S. Agency CMBS Index returned 1.8% while the non-agency CMBS Index posted a return of 2.0%.

U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments
Periods Ended June 30, 2025



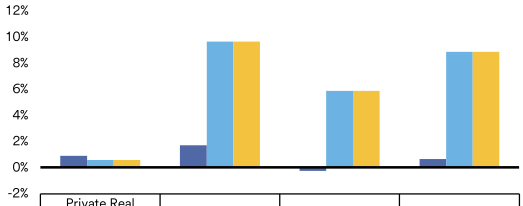
	Blmbg U.S. Aggregate	Blmbg U.S. Treasury	Blmbg U.S. MBS	Blmbg U.S. Corporate	ICE BofA US High Yield
QTD	1.21%	0.85%	1.14%	1.82%	3.57%
YTD	4.02%	3.79%	4.23%	4.17%	4.55%
1 Year	6.08%	5.30%	6.52%	6.91%	10.24%

Source: Bloomberg.

ALTERNATIVES

- Real estate investment trusts (REITs), as measured by the FTSE NAREIT Equity REITs Index, returned -1.5% in the second quarter, down from the 0.9% return in the prior quarter. Three of the nine major sectors saw positive returns. Private real estate, as measured by the NCREIF Property Index, gained 0.9% in the fourth quarter of 2024, resulting in a 0.6% return for the year. Q4 marked the second quarter of positive total returns in two years as property value declines leveled off across most sectors. Senior Housing was the top performer, returning 2.1%, while Office Properties continued to fare poorly, returning -0.6%.
- Listed infrastructure, as measured by the MSCI World Infrastructure Index, performed strongly in the second quarter, growing 5.4%. This compares to a 7.6% return in the prior quarter. In Q1 2025, 13 private infrastructure funds raised $49.7 billion, a strong quarter following a year of subdued fundraising. Most of the capital went to funds larger than $5 billion which seek to capitalize on secular trends around the adoption of artificial intelligence (AI) and decarbonization. Infrastructure dry powder has fallen from the previous year and stands at $394.4 billion as of Q3 2024. According to PitchBook, infrastructure funds posted a return of 1.7% in Q4 2024. The asset class has generated an annualized return of 10.7% for the five years ended Q4 2024.
- In Q1 2025, 42 private debt funds raised $68.7 billion. Private debt dry powder remains above the long-term average at $556.7 billion as of Q3 2024; although over 50% has been outstanding for more than two years. According to PitchBook, private debt funds posted a return of -0.2% in Q4 2024. The asset class has generated an annualized return of 8.1% for the five years ended Q4 2024.
- In Q1 2025, 131 private equity funds raised $115.5 billion – a slower pace compared to the prior year as constrained distributions hindered fundraising efforts. The bulk of the capital raised went to experienced managers raising capital for funds larger than $1 billion. Global private equity dry powder, which accounts for the bulk of private capital dry powder, remains high at $1.6 trillion as of Q3 2024. Recent private equity performance has been muted due to higher borrowing costs and a slowdown in deal activity. According to PitchBook, private equity funds posted a return of 0.7% in Q4 2024. The asset class has generated an annualized return of 15.8% for the five years ended Q4 2024.

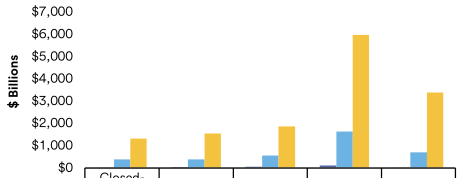
Returns for Private Capital Assets



	Private Real Estate	Infrastructure	Private Debt	Private Equity
QTD	0.92%	1.73%	-0.24%	0.66%
YTD	0.60%	9.67%	5.89%	8.87%
1 Year	0.60%	9.67%	5.89%	8.87%

Source: NCREIF, PitchBook.
As of December 31, 2024, the most recent period for which all index data is available.

Private Capital Fundraising & Dry Powder



	Closed-End Real Estate***	Infrastructure***	Private Debt	Private Equity	Venture Capital
YTD Fundraising ($B)*	$19.01	$49.30	$68.71	$115.48	$18.70
Dry Powder ($B)**	$390.28	$386.40	$556.68	$1,646.43	$701.16
Total AUM ($B)**	$1,325.45	$1,549.50	$1,866.50	$5,974.94	$3,389.30

Sources: Pitchbook.
** Total capital raised in 2025 as of March 31, 2025 - most recent period for which ALL fundraising data is available.*
*** Cumulative dry powder and total AUM as of September 30, 2024.*
**** Excluding open-end, evergreen fund vehicles.*

Factors to Consider Over the Next 6-12 Months

Monetary Policy (Global):



- The Fed continued to hold the rates unchanged through the second quarter amid healthy labor markets and tariff-induced inflation concerns. Latest dot plot points to two rate cuts before year end.
- While inflation continues to cool globally, tariffs add to future inflation pressures and complicate the outlook.

Economic Growth (Global):



- U.S. GDP is expected to grow at a slower pace for rest of the year but uncertainty over economic growth outcomes remains elevated even as higher tariff rates have been paused.
- Escalating trade and geopolitical tensions create the potential for slower global growth while fiscal stimulus within Eurozone a positive for growth.

Inflation (U.S.):



- Progress has been made towards the Fed's 2% inflation target over recent months. However, future price pressures from tariffs are expected in coming months.
- Fed Chair Powell said that he expects tariffs to impact inflation and that the size, duration, and time of tariff effects are highly uncertain.

Financial Conditions (U.S.):



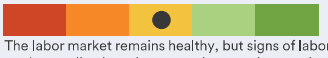
- Even after the recent bout of volatility, risk and credit conditions still point to the stability of financial conditions.
- The evolving fiscal landscape and persistent uncertainty may lead to tightening financial conditions over the next 6-12 months especially if inflation and growth concerns take hold.

Consumer Spending (U.S.):



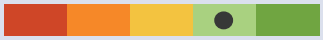
- Sentiment has remained subdued as consumers continue to expect higher prices and weaker labor market conditions. Tax extension support is a positive while higher prices are a negative.
- A material deterioration of labor market conditions remains the biggest risk factor to consumer spending.

Labor Markets (U.S.):



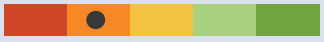
- The labor market remains healthy, but signs of labor market cooling have begun to show on the margin particularly through initial and continuing jobless claims.
- With hiring and quits rates low, any acceleration in layoffs may result in job seekers remaining unemployed for longer.

Corporate Fundamentals:



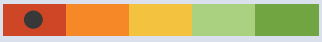
- Earnings growth expectations are positive across global equities, but expectations within U.S. have seen a pullback over the course of this year.
- In the U.S., any deregulation initiatives are positives while tariff/cost pressure impact on both earnings growth expectations and profit margins needs attention.

Valuations:



- U.S. equities and credit markets sold off due to reciprocal tariffs in April but have recovered most of the losses over the quarter, bringing them back into expensive valuations relative to history.
- We believe that economic and policy risks are not fully reflected in the current valuations.

Political/Policy Risks:



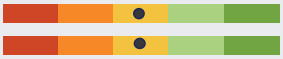
- Geopolitical conflict in the Middle East and other regions remains a source of concern.
- Deglobalization and global trade and tariff policy risks continue to create market uncertainty and strained relationships with major trading partners for the U.S.

● Current outlook ○ Outlook one quarter ago

Stance Unfavorable to Risk Assets | Negative | Slightly Negative | Neutral | Slightly Positive | Positive | Stance Favorable to Risk Assets

Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (June 30, 2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness, or suitability.

Investment Strategy Overview

Asset Class	Our Q3 2025 Investment Outlook	Comments
U.S. Equities		• Tariffs and their possible impact on business and consumer confidence, corporate profit margins, inflation and economic growth has led to increased uncertainty in 2025. • We maintain defensive stance due to expensive valuations amidst uncertainty around economic and policy outcomes. Reciprocal tariffs are being quickly renegotiated but any negative news can lead to swift pullback in equities. • Small cap have lagged large caps on YTD basis while recent performance has been positive. Small caps are more attractively valued but vulnerable to higher level of rates and growth slowdown leading us to stay neutral.
Large-Caps		
Small-Caps		
Non-U.S. Equities		• International equities have outperformed U.S. equities on YTD basis, helped by a weaker USD. • Improved sentiment is driven by increased fiscal spending efforts in Europe and continued stimulus in China but we remain defensive due to worry about global slowdown from tariff and trade tensions. • Across Europe and China, we believe that there are structural/geopolitical issues that need to be addressed for long-term sustained outperformance.
Developed Markets		
Emerging Markets		
Fixed Income		• Latest Fed projections call for higher inflation, higher unemployment and lower growth by year-end while rate cut path still remains uncertain. • We maintain an overweight to fixed income due to attractive yields and ability to preserve capital during risk-off periods. We maintain duration close to the benchmark duration across the portfolios. • We remain positive on investment grade credit due to underlying corporate fundamentals but are neutral to high yield given the tighter spreads pointing to higher downside than upside in case of stress.
Core Bonds		
Investment Grade Credit		
High Yield Credit		
Diversifying Assets		• During the S&P 500 sell-off of close to 20%, listed REITs and listed infrastructure held up well pointing to their characteristics of lower correlation. • While the long-term fundamentals within listed real estate and listed infrastructure are healthy, we remain neutral due to ongoing interest rate uncertainty.
Listed Real Estate		
Listed Global Infrastructure		

● Current outlook ○ Outlook one quarter ago

Negative | Slightly Negative | Neutral | Slightly Positive | Positive

The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (June 30, 2025) and are subject to change.

SOURCES

Factset

https://www.bea.gov/sites/default/files/2024-12/gdp3q24-3rd-fax.pdf

https://www.bls.gov/news.release/pdf/empsit.pdf

https://www.bls.gov/news.release/pdf/cpi.pdf

http://www.sca.isr.umich.edu/

NCREIF

PitchBook

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2.10

Plan Performance Summary

Asset Allocation & Performance

	Allocation	Performance(%)								
	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Portfolio	**100.00**	**5.61**	**5.84**	**10.08**	**9.77**	**7.10**	**6.59**	**N/A**	**7.16**	**02/01/2016**
Blended Benchmark		*5.65*	*5.29*	*10.33*	*9.82*	*7.16*	*6.78*	*N/A*	*7.41*	
Domestic Equity	**35.96**	**11.03**	**5.78**	**14.60**	**17.88**	**15.23**	**12.09**	**N/A**	**13.78**	**02/01/2016**
Russell 3000 Index		*10.99*	*5.75*	*15.30*	*19.08*	*15.96*	*13.55*	*12.96*	*14.69*	
Columbia Contrarian Core Inst3	8.00	11.59	6.33	12.72	20.34	16.95	14.85	13.27	19.67	02/01/2024
S&P 500		*10.94*	*6.20*	*15.16*	*19.71*	*16.64*	*14.39*	*13.65*	*20.72*	
Putnam Core Equity Fund Y	3.33	9.85	4.58	13.45	20.74	18.51	14.85	13.55	7.13	10/01/2024
Schwab US Large-Cap ETF	22.92	11.24	6.19	15.64	19.76	16.34	14.20	13.46	9.17	10/01/2024
S&P 500		*10.94*	*6.20*	*15.16*	*19.71*	*16.64*	*14.39*	*13.65*	*8.76*	
Undisc Managers Behavioral Val R6	1.00	1.28	-2.57	5.61	9.77	18.82	7.99	9.05	6.84	02/01/2024
Russell 2000 Value Index		*4.97*	*-3.16*	*5.54*	*7.45*	*12.47*	*4.85*	*6.72*	*6.70*	
Russell 2000 Index		*8.50*	*-1.79*	*7.68*	*10.00*	*10.04*	*5.52*	*7.12*	*9.68*	
Columbia Small Cap Growth Inst3	0.37	16.55	2.23	15.57	19.02	7.15	11.55	12.18	6.32	10/01/2024
Russell 2000 Growth Index		*11.97*	*-0.48*	*9.73*	*12.38*	*7.42*	*5.69*	*7.14*	*1.22*	
Russell 2000 Index		*8.50*	*-1.79*	*7.68*	*10.00*	*10.04*	*5.52*	*7.12*	*-1.46*	
Emerald Growth Institutional	0.35	20.28	5.39	14.60	16.76	10.28	8.26	8.78	20.51	02/01/2024
Russell 2000 Growth Index		*11.97*	*-0.48*	*9.73*	*12.38*	*7.42*	*5.69*	*7.14*	*12.66*	
Russell 2000 Index		*8.50*	*-1.79*	*7.68*	*10.00*	*10.04*	*5.52*	*7.12*	*9.68*	
International Equity	**8.55**	**10.76**	**17.80**	**15.05**	**12.67**	**9.52**	**6.40**	**N/A**	**8.18**	**02/01/2016**
MSCI AC World ex USA (Net)		*12.03*	*17.90*	*17.72*	*13.99*	*10.13*	*6.58*	*6.12*	*8.43*	
MFS International Growth R6	1.39	10.73	15.46	18.59	15.19	10.45	8.73	8.94	18.45	02/01/2024
MSCI AC World ex USA (Net)		*12.03*	*17.90*	*17.72*	*13.99*	*10.13*	*6.58*	*6.12*	*17.50*	
Fidelity International Index	3.35	11.71	20.59	18.55	16.23	11.41	7.47	6.71	18.55	07/01/2024
MSCI EAFE (net)		*11.78*	*19.45*	*17.73*	*15.97*	*11.16*	*7.21*	*6.51*	*17.73*	
Goldman Sachs GQG Ptnrs Intl Opportunities	1.23	7.04	15.85	5.00	14.77	11.17	10.62	N/A	5.00	07/01/2024
MSCI AC World ex USA (Net)		*12.03*	*17.90*	*17.72*	*13.99*	*10.13*	*6.58*	*6.12*	*17.72*	
Hartford Schroders Emerging Mkts Eq	2.58	11.50	14.52	12.97	9.29	6.10	4.47	N/A	19.81	02/01/2024
MSCI EM (net)		*11.99*	*15.27*	*15.29*	*9.70*	*6.81*	*4.48*	*4.81*	*20.31*	

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

PARS OPEB and Pension Trust Moderate Strategic Blend As of June 30, 2025

Asset Allocation & Performance

	Allocation	Performance(%)								
	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Other Growth	**4.93**	**4.00**	**8.91**	**16.78**	**N/A**	**N/A**	**N/A**	**N/A**	**12.97**	**02/01/2024**
Cohen & Steers Inst Realty Shares	2.35	1.31	4.51	10.85	4.98	8.46	7.38	7.73	12.36	06/01/2024
MSCI US REIT Index		*-1.14*	*-0.09*	*8.92*	*5.40*	*8.63*	*5.60*	*6.33*	*11.08*	
Lazard Global Listed Infrastructure Inst	1.33	8.85	15.90	24.75	10.77	10.89	8.91	9.80	13.59	10/01/2024
MSCI World Core Infrastructure Index (Net)		*5.45*	*13.44*	*21.38*	*6.78*	*8.09*	*7.26*	*7.46*	*6.30*	
NYLI CBRE Global Infrastructure	1.25	4.25	10.58	19.58	7.27	8.24	7.50	7.53	13.56	06/01/2024
FTSE Global Core Infrastructure 50/50 Index (Net)		*4.29*	*9.30*	*17.03*	*6.66*	*8.15*	*6.67*	*6.80*	*12.77*	
Fixed Income	**48.49**	**1.34**	**4.11**	**6.43**	**3.66**	**0.48**	**2.22**	**N/A**	**2.18**	**02/01/2016**
Blmbg. U.S. Aggregate		*1.21*	*4.02*	*6.08*	*2.55*	*-0.73*	*1.77*	*1.76*	*1.65*	
Baird Aggregate Bond Inst	13.36	1.19	4.05	6.20	3.18	-0.33	2.17	2.15	5.56	03/01/2024
iShares Core US Aggregate Bond ETF	11.30	1.21	4.00	6.09	2.55	-0.73	1.75	1.72	5.30	03/01/2024
Blmbg. U.S. Aggregate		*1.21*	*4.02*	*6.08*	*2.55*	*-0.73*	*1.77*	*1.76*	*5.30*	
Dodge & Cox Income	7.86	1.42	4.32	6.49	4.26	1.08	3.00	2.89	4.73	02/01/2024
PGIM Total Return Bond R6	9.08	1.29	4.11	6.62	4.11	0.27	2.44	2.65	4.89	02/01/2024
Blmbg. U.S. Aggregate		*1.21*	*4.02*	*6.08*	*2.55*	*-0.73*	*1.77*	*1.76*	*3.93*	
Voya Intermediate Bond	4.63	1.50	4.27	6.71	3.72	0.23	2.40	2.44	1.13	05/01/2025
Blmbg. U.S. Aggregate		*1.21*	*4.02*	*6.08*	*2.55*	*-0.73*	*1.77*	*1.76*	*0.81*	
NYLI MacKay High Yield Corp Bond Fund	2.26	2.63	3.84	7.89	8.82	5.86	5.12	5.30	8.03	03/01/2024
ICE BofA US High Yield Index		*3.58*	*4.55*	*10.24*	*9.85*	*6.01*	*5.18*	*5.29*	*9.43*	
Cash Equivalent	**2.07**	**1.06**	**2.13**	**4.68**	**4.40**	**2.66**	**2.38**	**N/A**	**1.95**	**02/01/2016**
ICE BofA 3 Month U.S. T-Bill		*1.04*	*2.07*	*4.68*	*4.56*	*2.76*	*2.54*	*1.97*	*2.09*	
First American Government Obligation - X	2.07	1.06	2.13	4.68	4.57	2.76	2.47	N/A	4.86	02/01/2024
ICE BofA 3 Month U.S. T-Bill		*1.04*	*2.07*	*4.68*	*4.56*	*2.76*	*2.54*	*1.97*	*4.88*	

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

Calendar Year Comparative Performance

	Performance(%)						
	2024	2023	2022	2021	2020	2019	2018
Total Portfolio	**9.48**	**14.07**	**-14.61**	**9.29**	**12.52**	**17.70**	**-4.01**
Blended Benchmark	*10.03*	*13.56*	*-13.74*	*10.21*	*12.02*	*17.66*	*-3.37*
Domestic Equity	**21.76**	**24.55**	**-18.76**	**23.40**	**18.35**	**29.31**	**-6.02**
Russell 3000 Index	*23.81*	*25.96*	*-19.21*	*25.66*	*20.89*	*31.02*	*-5.24*
Columbia Contrarian Core Inst3	23.51	32.21	-18.45	24.45	22.44	33.08	-8.81
Putnam Core Equity Fund Y	26.47	27.99	-15.87	30.75	17.66	32.50	-7.91
Schwab US Large-Cap ETF	24.91	26.87	-19.45	26.75	20.90	31.40	-4.53
S&P 500	*25.02*	*26.29*	*-18.11*	*28.71*	*18.40*	*31.49*	*-4.38*
Undisc Managers Behavioral Val R6	10.35	14.57	-1.10	34.50	3.62	23.34	-15.20
Russell 2000 Value Index	*8.05*	*14.65*	*-14.48*	*28.27*	*4.63*	*22.39*	*-12.86*
Russell 2000 Index	*11.54*	*16.93*	*-20.44*	*14.82*	*19.96*	*25.53*	*-11.01*
Columbia Small Cap Growth Inst3	24.45	26.39	-36.51	-2.54	70.41	41.18	-1.92
Emerald Growth Institutional	19.41	19.06	-24.50	4.04	38.85	28.70	-11.57
Russell 2000 Growth Index	*15.15*	*18.66*	*-26.36*	*2.83*	*34.63*	*28.48*	*-9.31*
Russell 2000 Index	*11.54*	*16.93*	*-20.44*	*14.82*	*19.96*	*25.53*	*-11.01*
International Equity	**4.09**	**14.02**	**-15.77**	**4.68**	**13.90**	**23.74**	**-15.46**
MSCI AC World ex USA (Net)	*5.53*	*15.62*	*-16.00*	*7.82*	*10.65*	*21.51*	*-14.20*
MFS International Growth R6	9.24	14.96	-15.02	9.65	15.82	27.31	-8.79
MSCI AC World ex USA (Net)	*5.53*	*15.62*	*-16.00*	*7.82*	*10.65*	*21.51*	*-14.20*
Fidelity International Index	3.71	18.31	-14.24	11.45	8.17	22.00	-13.52
MSCI EAFE (net)	*3.82*	*18.24*	*-14.45*	*11.26*	*7.82*	*22.01*	*-13.79*
Goldman Sachs GQG Ptnrs Intl Opportunities	5.99	21.25	-11.10	12.49	15.77	27.64	-6.04
MSCI AC World ex USA (Net)	*5.53*	*15.62*	*-16.00*	*7.82*	*10.65*	*21.51*	*-14.20*
Hartford Schroders Emerging Mkts Eq	7.75	9.00	-22.14	-4.93	23.78	22.32	-15.42
MSCI EM (net)	*7.50*	*9.83*	*-20.09*	*-2.54*	*18.31*	*18.42*	*-14.57*

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

PARS OPEB and Pension Trust Moderate Strategic Blend **As of June 30, 2025**

Calendar Year Comparative Performance

	Performance(%)						
	2024	2023	2022	2021	2020	2019	2018
Other Growth	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Cohen & Steers Inst Realty Shares	6.24	12.72	-24.73	42.47	-2.57	33.01	-3.99
MSCI US REIT Index	*8.75*	*13.74*	*-24.51*	*43.06*	*-7.57*	*25.84*	*-4.57*
Lazard Global Listed Infrastructure Inst	6.71	10.89	-1.30	19.87	-4.48	22.26	-3.73
MSCI World Core Infrastructure Index (Net)	*5.73*	*4.01*	*-7.93*	*17.13*	*-0.80*	*26.64*	*-2.66*
NYLI CBRE Global Infrastructure	7.68	3.96	-6.08	15.22	1.17	28.46	-6.56
FTSE Global Core Infrastructure 50/50 Index (Net)	*9.53*	*2.21*	*-4.87*	*14.88*	*-4.06*	*25.13*	*-3.99*
Fixed Income	**2.16**	**6.95**	**-12.08**	**-0.72**	**7.21**	**8.23**	**-0.39**
Blmbg. U.S. Aggregate	*1.25*	*5.53*	*-13.01*	*-1.55*	*7.51*	*8.72*	*0.01*
Baird Aggregate Bond Inst	1.85	6.43	-13.35	-1.46	8.63	9.48	-0.30
iShares Core US Aggregate Bond ETF	1.37	5.59	-13.06	-1.67	7.42	8.68	-0.05
Dodge & Cox Income	2.26	7.70	-10.87	-0.91	9.45	9.73	-0.31
PGIM Total Return Bond R6	3.03	7.78	-14.86	-1.15	8.10	11.14	-0.63
Voya Intermediate Bond	2.93	7.07	-14.16	-0.99	8.22	10.06	-0.25
Blmbg. U.S. Aggregate	*1.25*	*5.53*	*-13.01*	*-1.55*	*7.51*	*8.72*	*0.01*
NYLI MacKay High Yield Corp Bond Fund	7.14	11.97	-7.81	5.35	5.28	13.03	-1.34
ICE BofA US High Yield Index	*8.20*	*13.46*	*-11.22*	*5.36*	*6.17*	*14.41*	*-2.27*
Cash Equivalent	**4.73**	**4.98**	**1.48**	**0.02**	**0.36**	**2.08**	**1.71**
ICE BofA 3 Month U.S. T-Bill	*5.25*	*5.02*	*1.46*	*0.05*	*0.67*	*2.28*	*1.87*
First American Government Obligation - X	5.19	5.00	1.54	0.03	0.40	2.12	1.74
ICE BofA 3 Month U.S. T-Bill	*5.25*	*5.02*	*1.46*	*0.05*	*0.67*	*2.28*	*1.87*

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

Historical Hybrid Composition - PARS Moderate

Allocation Mandate	Weight (%)
Oct-2012	
Blmbg. U.S. Aggregate	33.50
S&P 500	26.50
ICE BofA 1-3 Yr. Gov/Corp	10.00
Russell 2000 Index	7.50
MSCI EAFE (net)	6.00
Russell Midcap Index	5.00
FTSE 1 Month T-Bill	5.00
MSCI EM (net)	3.25
Wilshire US REIT Index	1.75
ICE BofA US High Yield Index	1.50
Apr-2007	
S&P 500	43.00
Blmbg. U.S. Aggregate	30.00
ICE BofA 1-3 Yr. Gov/Corp	15.00
FTSE 1 Month T-Bill	5.00
MSCI EAFE (net)	5.00
Russell 2000 Index	2.00
Jul-1986	
S&P 500	50.00
Blmbg. U.S. Aggregate	30.00
ICE BofA 1-3 Yr. Gov/Corp	15.00
FTSE 1 Month T-Bill	5.00

*The benchmark for the PARS Moderate strategy defined above was assigned to the PARS OPEB and Pension Trust Moderate Strategic Blend upon its inception on February 2016

3.5

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Item No. 4

DISCUSSION ITEM
October 8, 2025

TO: **Administration & Finance Committee**

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

Staff Contact: Melissa Baum-Haley, Assistant General Manager
Hilary Chumpitazi, Director of Finance/IT
Steven Hung, Financial Analyst/Database Analyst

SUBJECT: **BIENNIAL BUDGET FRAMEWORK AND APPROACH**

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee review and discuss the information presented.

REPORT

Purpose

This Board memo provides the approach for developing and implementing MWDOC's biennial budget for Fiscal Years (FY) 2026-27 and 2027-28. In 2024, the Board directed staff to evaluate implementing a biennial budget process and, in November 2024, requested additional analysis. Staff are seeking the Board's feedback on the proposed implementation framework before proceeding with the development of the biennial budget as outlined in the proposed budget schedule (Attachment 1).

Feasibility

Described below are a set of key factors staff used to evaluate the feasibility of shifting MWDOC from a single-year to a biennial budget:

> **Organizational Readiness:** MWDOC is well-positioned to implement a biennial budget process. The District has demonstrated budget stability and maturity through several key milestones: the transition to a 100% fixed charge revenue structure in FY 2015-16, the successful implementation of the Revised Ground Water Charge allocation following the 2021 Raftelis Study, and the establishment of gradual rate increases (averaging 3.87% annually since FY 2021-22). This

revenue predictability provides a crucial element in supporting the establishment of a biennial budget.

Proven Regional Model: The feasibility of a biennial budget has already been demonstrated by the successful implementation among peer agencies throughout Southern California. Notably, the Metropolitan Water District of Southern California and Irvine Ranch Water District budget frameworks were both referenced for best practices and implementation guidance.

Operational Benefits Support Implementation: The limited revenue variations characteristic of the District's current budget structure support the feasibility of longer-term planning cycles. Moreover, the administrative efficiencies gained through reduced budget cycle preparation can be redirected toward strategic planning and program management. The ability to conduct mid-cycle revisions for Choice and other externally-funded programs ensures flexibility while maintaining fiscal responsibility.

Technical and Resource Considerations: Current budget systems and staff expertise are adequate to support biennial budget development and monitoring. The existing annual budget process provides a technical foundation for transitioning to a two-year (biennial) cycle with minimal additional resource requirements in tandem with the District's new Enterprise Resource Planning (ERP) system.

Biennial Budget Considerations

In developing the framework for MWDOC's biennial budget, staff evaluated three critical areas to ensure successful implementation and alignment with organizational priorities and external dependencies.

- **Reserve Policy Impact:** The biennial approach requires evaluating reserve adequacy over 24 months rather than 12, including longer-term cash flow patterns. Staff analyzed whether the current Reserve Policy (Attachment 2) remains appropriate under a two-year framework and determined that current reserve levels are adequate to maintain fiscal stability across a biennium while accommodating potential revenue or expenditure variations. This conclusion builds on the Board's comprehensive FY 2022-23 Reserve Policy review, which aligned reserve funds and targets with the District's operational needs and priorities.

- **Key Financial Assumptions Methodology:** The biennial budget requires establishing reliable methodologies for projecting key variables across two fiscal years. The assumptions listed below are consistent with those utilized within the Metropolitan biennial budget:

    - **Consumer Price Index (CPI) Projections:** The first- and second-year salary range adjustments will continue to be based on actual CPI

performance for the LA/Long Beach/Anaheim area from the U.S. Department of Labor, Bureau of Labor Statistics. For second-year budgeting purposes, reliable inflation estimates will be based on the UCLA Anderson School economic forecast.

- **Second-year Core Expense Escalation:** Unless specific forecast information is available, a general inflation factor will be used as an assumed escalator and will be congruent with that utilized within the Metropolitan biennial budget.

- **MWDOC Water Sales Forecast:** The two-year demand projections will incorporate local production estimates, economic factors, and conservation trends, in alignment with our developed Demand Projections and coordinated with Metropolitan's regional demand assessments. Expectations of lower demands on imported water are primarily due to improved local water supply production resulting from favorable hydrologic conditions and the implementation of new PFAS treatment facilities. Any variations to the water transaction forecast will be noted.

- **Timing Alignment with Metropolitan Biennial Budget:** Staff assessed how MWDOC's biennial budget cycle would coordinate with Metropolitan's budget development and rate-setting processes. Proper alignment ensures MWDOC's revenue projections accurately reflect Metropolitan's cost structure and rate decisions across the biennium.

Components Remaining on an Annual Schedule

While the overall budget transitions to a biennial structure, certain program components will continue to operate on an annual schedule to accommodate Member Agency decision-making processes, such as MWDOC's Choice programs.

MWDOC offers programs through a Shared Services structure, utilizing the Choice Program format, which enables Member Agencies to pool resources and achieve economies of scale. These programs help Member Agencies meet regulatory requirements and implement best management practices at reduced costs and administrative burden compared to individual program administration.

By participating in these collaborative programs, MWDOC's Member Agencies gain the flexibility to customize program elements to suit their unique operational needs while maintaining an appropriate level of consistency and seamless integration across MWDOC's entire service area.

Choice Program Budget Timing Considerations: The budget process timeline differs from the timing of Member Agency Choice Program selection. Therefore, the Choice Budget estimates are preliminary at the April budget adoption. The Board will continue to receive annual notification of the final Choice Programs Budget each October based on confirmed agency participation numbers. The comprehensive proposed biennial

budget schedule, including any annual components and key milestones, is outlined in Attachment 1.

Biennial Budget Layout Preview

The biennial budget will continue to include all existing components and exhibits, with the inclusion of a second proposed FY and variance. Below is a snapshot of the layout for MWDOC's proposed biennial budget for FYs 2026-27 and 2027-28.

Municipal Water District of Orange County (MWDOC) Biennial Budget

Summary Of Revenue And Expenses By Accounts

Consolidated (Core And Choice Funds)

	Adopted FY25-26	Projected FY25-26	Proposed FY26-27	Proposed FY27-28	FY25-26 to FY26-27 Variance	FY26-27 to FY27-28 Variance
Revenue						
4050-RETAIL CONNECTION CHARGE	$ 9,939,370	$ 9,580,818	$ 10,436,340	$ 10,958,160	$ 496,970	$ 521,820
4055-GROUND WATER CUSTOMER CHARGE	$ 414,371	$ 405,463	$ 435,090	$ 456,850	$ 20,719	$ 21,760
4105-INTEREST REVENUE	$ 916,000	$ 1,076,734	$ 961,800	$ 1,009,890	$ 45,800	$ 48,090
4205-SCHOOL CONTRACTS	$ -	$ 118,080	$ -	$ -	$ -	$ -
4215-CHOICE REVENUE	$ 2,046,009	$ 1,720,199	$ 2,148,400	$ 2,255,920	$ [illegible]	$ 107,520
4220-DELINQUENT PAYMENT PENALTY	$ -	$ 58	$ -	$ -	[illegible]	$ -
4240-MISCELLANEOUS INCOME	$ 5,000	$ 5,322	$ 5,250	$ [illegible]	[illegible]	$ 270
4305-REVENUE FROM MWD	$ 297,079	$ 123,930	$ 311,940	$ [illegible]	[illegible]	15,600
4350-REVENUE - OTHER	$ -	$ 1,861	$ -	[illegible]	[illegible]	$ -
4XXX-REIMB FROM OPEB RESERVE	$ 122,517	$ 122,517	$ [illegible]	[illegible]	[illegible]	$ 6,440
Revenue Total	**$ 13,740,346**	**$ 13,154,983**	**$ [illegible]**	[illegible]	687,124	$ 721,500
Expenditure						
6010-SALARIES AND WAGES - ADMIN	$ 5,841,487	[illegible]	[illegible]	$ 6,440,380	$ 292,153	$ 306,740
6012-GRANT RECOVERY - SALARIES	$ (48,0[illegible]		[illegible]	$ (52,930)	$ (2,400)	$ (2,530)
6090-DIRECTORS COMPENSATION - MWDOC	$ 281,91[illegible]		[illegible]	$ 310,830	$ 14,103	$ 14,810
6095-DIRECTORS COMPENSATION-MET	$ 161,096		$ 169,160	$ 177,620	$ 8,064	$ 8,460
6105-BENEFITS ADMIN	$ 1,774,275	$ [illegible]	$ 1,863,060	$ 1,956,280	$ 88,785	$ 93,220
6107-BENEFIT-GRANT RECOVERY	$ -	$ (18,632)	$ -	$ -	$ -	$ -
6109-UNFUNDED PENSION & OPEB CONTRIBUTIONS	$ 207,000	$ 207,000	$ 217,350	$ 228,220	$ 10,350	$ 10,870
6111-OVERHEAD REIMBURSEMENT	$ -	$ 459,879	$ 10	$ 20	$ 10	$ 10
6115-DIRECTORS BENEFITS	$ 158,371	$ 114,877	$ 166,290	$ 174,610	$ 7,919	$ 8,320
6120-HEALTH INSURANCE FOR RETIREES	$ 122,517	$ 75,165	$ 128,650	$ 135,090	$ 6,133	$ 6,440
6205-TRAINING	$ 84,445	$ 53,460	$ 88,680	$ 93,140	$ 4,235	$ 4,460
6210-TUITION REIMBURSEMENT	$ 6,500	$ 14,309	$ 6,830	$ 7,180	$ 330	$ 350
6220-TEMPORARY HELP EXPENSE	$ 5,000	$ -	$ 5,250	$ 5,520	$ 250	$ 270
7010-OUTSIDE CONSULTING SERVICES	$ 570,000	$ 210,179	$ 598,500	$ 628,430	$ 28,500	$ 29,930

FOR EXAMPLE PURPOSES ONLY

Next Steps

Staff evaluation and due diligence support the development and implementation of a biennial budget for MWDOC. Based on feedback from the Board, staff can initiate a proposed biennial budget for Board review in early 2026, as outlined in the proposed budget schedule.

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

☒ *Clarifying MWDOC's mission and role; defining functions and actions.*
☐ *Balance support for Metropolitan's regional mission and OC values and interests.*
☐ *Strengthen communication and coordination of messaging.*
☐ *Work with member agencies to develop water supply and demand objectives.*
☒ *Solicit input and feedback from member agencies.*
☒ *Invest in workforce development and succession planning.*

Attachments/Links:
Attachment 1: MWDOC Proposed Biennial Budget Schedule
Attachment 2: MWDOC Reserve Policy
Attachment 3: MWDOC Biennial Budget Framework and Approach Presentation

PROPOSED BIENNIAL BUDGET SCHEDULE

November 2025 - Notification

- Notification to Member Agencies of the start of the 2-year budget process and solicitation of input
- Begin internal preparation of budget document

December 2025 & January 2026 – Internal Development Review

- Review of preliminary budget input by staff on a line-item basis
- Preparation of an internal, draft conceptual budget and review changes for the upcoming fiscal year
- Request for Member Agencies' preliminary indication of participation in Choice programs

February 2026

- Publish the FIRST DRAFT Budget in the packet for the A&F Committee (1-30-26)
- Review of First Draft Budget with A&F Committee with discussion of budget issues with Member Agencies for feedback (2-11-26)
- Formally request comments from all Member Agencies
- Member Agencies' INITIAL participation in Choice-funded programs (2-17-26)
- Discuss FIRST DRAFT Budget at Member Agency Managers Meeting (2-19-26)
- Meet with Member Agencies as requested or scheduled

March 2026

- Revised information completed on prior year Choice-funded benefits to Member Agencies to serve as the basis of charging agencies for the upcoming year for Choice-funded activities
- Discuss SECOND DRAFT Budget in A&F Committee (3-11-26)
- Review SECOND DRAFT Budget at Member Agency Managers' Meeting (3-19-26)
- Update Choice-funded Program Participation
- Member Agencies submit Formal Comments on the Budget (3-27-26)

April 2026

- THIRD/FINAL DRAFT Budget and Rates presented to A&F Committee (4-8-26)
- Member Agencies' Formal Comments presented to A&F Committee (4-8-26)
- Board approval of FINAL Budget and Rates (4-15-26)

PROPOSED BIENNIAL BUDGET SCHEDULE

June 2026

- Member Agencies confirm FINAL FY 26-27 Choice Participation (6-12-26)

August 2026

- Reconciliation of FY 26-27 Choice-funded Programs participation

October 2026

- Review of Budget mid-cycle presented to A&F Committee (10-14-26)
- Updated Choice FY 26-27 Final Budget
  - Presented to A&F Committee (10-14-26)
  - Board action (10-21-26)

January 2027

- Request for Member Agencies' preliminary indication of participation in Choice programs

February 2027

- Member Agencies' INITIAL participation in Choice-funded programs (2-16-27)

March 2026

- Revised information completed on prior year Choice-funded benefits to Member Agencies to serve as the basis of charging agencies for the upcoming year for Choice-funded activities
- Update Choice-funded Program Participation

June 2027

- Member Agencies confirm FINAL FY 27-28 Choice Participation (6-11-27)

August 2027

- Reconciliation of FY 27-28 Choice-funded Programs participation

October 2027

- Updated Choice FY 27-28 Final Budget
  - Presented to A&F Committee (10-13-27)
  - Board action (10-20-27)

MWDOC RESERVE POLICY

(As of March 15, 2023)

Administrative Code Section 2009 Reserve Policy

Reserves include all cash and investments held by MWDOC. Reserves are categorized as follows:

a. **Unrestricted – Designated** - These reserves have been established for specific purposes as Designated by the Board of Directors.
b. **Unrestricted** - Funds in unrestricted and undesignated reserves may be used for any purpose, including funding general operations, water use efficiency programs and capital expenditures.
c. **Restricted** - Restricted reserves are funds whose use is governed by statute or other legal restrictions such as bond covenants, contracts, etc.

Restricted

a. **WEROC Reserve** - WEROC reserves include annual operating and capital funds held for WEROC purposes. All revenues and expenditures for WEROC purposes flow through the WEROC Reserve. WEROC reserves fluctuate on an as needed basis with some reserves held for unforeseen expenses and to enhance infrastructure and emergency systems. The WEROC expenditures and reserve are approved by the MWDOC Board and the WEROC contracted contributors.

Unrestricted – Designated

a. **Operating Reserve** - The Operating Reserve is established to fund emergency expenditures, unbudgeted and unanticipated costs, and provide working capital if needed. MWDOC has established a target for the Operating Reserve to equal 120 days cash on hand.
b. **Election Reserve** - The Election Reserve is managed to fund seven elections every four years. The estimated cost of elections and needed reserve levels shall be updated annually as part of the budget process. If the amounts in the Election Reserve exceed the estimated costs, the Board may consider other uses that would lower the long-term costs of the District.
c. **OPEB Reserve** - The Board requested staff to fully fund the OPEB liability in 2016. The Actuarial recommendation is to fund between 85%-95% of the liability and put the remaining amount in a reserve fund, as to not overfund the OPEB trust. This recommendation was implemented in September 2016 with the reserve balance of $209,000 to equal MWDOC's Unfunded Liability at that time. The reserve will be re-evaluated every two years beginning in 2018 after each actuarial study, and funds may be transferred to the OPEB trust to stay within the funding range.

Unrestricted

a. **General Operations Fund** – Revenues are deposited in the General Operations Fund and are used to pay for annual operating expenses. Revenues include annual meter and groundwater charges generally paid in the first quarter of the fiscal year. Each year as part of the annual budget process, MWDOC will estimate commitments, liabilities and other carryover obligations to be retained in the General Operations Fund. Any amounts in excess of these liabilities and carryover amounts may be used for any legal purpose in the following budget year, including offsetting budgeted costs, credits or refunds to MWDOC member agencies, pre-payment of pension obligations, or any other purpose as determined by the MWDOC Board of Directors.
b. **Water Purchase Payments Fund** - Amounts paid by MWDOC member agencies for water purchases in advance of the date payments are due to the Metropolitan Water District are held in the Water Supply Fund.
c. **Conservation Fund** - The Conservation Fund includes grants and MET and member agency payments for Water Use Efficiency projects and programs. Funds from the Conservation Fund are used to meet Water Use Efficiency and conservation program costs. The Conservation Fund may have a negative balance as MWDOC pays upfront for rebates and invoices for reimbursement.
d. **Trustee Activities Fund** – This fund holds deposits from Member Agencies for specific trustee activities (e.g., activities associated with the Allen McCulloch Pipeline) and any unused funds will be returned to the Member Agencies who provided funding.



BIENNIAL BUDGET FRAMEWORK AND APPROACH

A&F Committee Meeting

10.08.2025

Consideration of a Two-Year Budget

Why: In 2024, the Board directed staff to evaluate implementing a 2-year (Biennial) Budget process

Purpose of item: Framework and approach for developing and implementing MWDOC's Biennial Budget for Fiscal Years (FY) 2026-27 and 2027-28

Timing

- FY 2026-27 and FY 2027-28 – Initial implementation of Biennial Budget
- Aligns with the Metropolitan Biennial Budget timing

What we are seeking:

- Board feedback on the proposed implementation framework

Feasibility



MWDOC's Organizational Readiness

Budget transitioned to 100% fixed charge revenue structure

Revised Ground Water Charge allocation per 2021 Raftelis Study

Rate increases have been (and are projected to be) gradual and predictable, approximately 3-4% per year

Other Agencies with 2-year budget

Metropolitan MA's	MWDOC MA's
Eastern MWD	City of Brea
Inland Empire UA	City of Buena Park
Las Virgenes MWD	City of Garden Grove
San Diego CWA	Irvine Ranch WD
City of Santa Monica	City of San Clemente
Western MWD	

2-Year Budget

Operational Benefits

Limited Revenue Variations

- Revenue is predominantly received at the onset of the Fiscal Year
- Current reserve levels are adequate to maintain fiscal stability across a biennium while accommodating potential revenue or expenditure variations

Technical and Resource Considerations

- More efficient process of preparing, reviewing, and approving budgets
- Aligns with the transition to the District's new Enterprise Resource Planning (ERP) system.
- Would still allow for mid-cycle *Choice* revisions

Longer-Term Planning

- 2-year budget promotes strategic, longer-term financial planning, allowing for better management of multi-year projects
- Assists our Member Agencies' ability to plan further ahead

2-Year Budget
Key Financial Assumptions

Consumer Price Index (CPI) Projections

- The salary range adjustments will continue to be based on actual CPI performance for the LA/Long Beach/Anaheim area from the U.S. Department of Labor, Bureau of Labor Statistics.
- Reliable inflation estimates for the second budget year will be based on the UCLA Anderson School economic forecast model.

Second-year Core Expense Escalation

- General inflation factor will be used as an assumed escalator and will be congruent with that utilized within the Metropolitan biennial budget.

MWDOC Water Sales Forecast

- Incorporate local production estimates, economic factors, and conservation trends, in alignment with our Demand Projections and coordinated with Metropolitan's regional demand assessments.

2-Year Budget
Components with Timing Considerations

Choice/Share-Services

- The budget process timeline differs from the timing of Member Agency Choice Program selection.
- The Board will continue to receive annual notification of the final Choice Programs Budget each October based on confirmed agency participation numbers.

WEROC

- WEROC budgetary process timing will need to be evaluated and possibly modified

2-Year Budget
Layout Preview

Municipal Water District of Orange County (MWDOC) Biennial Budget

Summary Of Revenue And Expenses By Accounts

Consolidated (Core And Choice Funds)

	Adopted FY25-26	Projected FY25-26	Proposed FY26-27	Proposed FY27-28	FY25-26 to FY26-27 Variance	FY26-27 to FY27-28 Variance
Revenue						
4050-RETAIL CONNECTION CHARGE	$ 9,939,370	$ 9,580,818	$ 10,436,340	$ 10,958,160	$ 496,970	$ 521,820
4055-GROUND WATER CUSTOMER CHARGE	$ 414,371	$ 405,463	$ 435,090	$ 456,850	$ 20,719	$ 21,760
4105-INTEREST REVENUE	$ 916,000	$ 1,076,734	$ 961,800	$ 1,009,890	$ 45,800	$ 48,090
4205-SCHOOL CONTRACTS	$ -	$ 118,080	$ -	$ -	$ -	$ -
4215-CHOICE REVENUE	$ 2,046,009	$ 1,720,199	$ 2,148,400	$ 2,255,920	[illegible]	$ 107,520
4220-DELINQUENT PAYMENT PENALTY	$ -	$ 58	$ -	$	[illegible]	$ -
4240-MISCELLANEOUS INCOME	$ 5,000	$ 5,322	$ 5,[illegible]			$ 270
4305-REVENUE FROM MWD	$ 297,079	$ 123,930	$ [illegible]		[illegible]	$ 15,600
4350-REVENUE - OTHER	$ -	$ [illegible]			[illegible]	$ -
4XXX-REIMB FROM OPEB RESERVE	$ 122,5[illegible]			135,090	$ 6,133	$ 6,440
Revenue Total	**$ 13,740,34[illegible]**		[illegible]70	**$ 15,148,970**	**$ 687,124**	**$ 721,500**
Expenditure						
6010-SALARIES AND WAGES - ADMIN	$ 5,841,487	$ 5,272,470	$ 6,133,640	$ 6,440,380	$ 292,153	$ 306,740
6012-GRANT RECOVERY - SALARIES	$ (48,000)	$ (101,496)	$ (50,400)	$ (52,930)	$ (2,400)	$ (2,530)
6090-DIRECTORS COMPENSATION - MWDOC	$ 281,917	$ 248,519	$ 296,020	$ 310,830	$ 14,103	$ 14,810
6095-DIRECTORS COMPENSATION-MET	$ 161,096	$ 126,388	$ 169,160	$ 177,620	$ 8,064	$ 8,460

FOR EXAMPLE PURPOSES ONLY

FY 26-27 & FY 27-28 BUDGET SCHEDULE

November 2025 - Notification
- Notification to Member Agencies of the start of the 2-year budget process and solicitation of input
- Begin internal preparation of budget document

December 2025 & January 2026 – Internal Development Review
- Review of preliminary budget input by staff on a line-item basis
- Preparation of an internal, draft conceptual budget and review changes for the upcoming fiscal year
- Request for Member Agencies' preliminary indication of participation in Choice programs

February 2026
- Publish the FIRST DRAFT Budget in the packet for the A&F Committee (1-30-26)
- Review of First Draft Budget with A&F Committee with discussion of budget issues
- Formally request comments from all Member Agencies for feedback (2-11-26)
- Member Agencies' INITIAL participation in Choice-funded programs (2-17-26)
- Discuss FIRST DRAFT Budget at Member Agency Managers Meeting (2-19-26)
- Meet with Member Agencies as requested or scheduled

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- Revised information completed on prior year Choice-funded benefits to Member Agencies to serve as the basis of charging agencies for the upcoming year for Choice-funded activities

[illegible] in A&F Committee (3-11-26)

[illegible] Managers' Meeting (3-19-26)

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- Update Choice-funded Program Participation

June 2027
- Member Agencies confirm FINAL FY 27-28 Choice Participation (6-11-27)

August 2027

[illegible] Choice-funded Programs participation

Budget Schedule Attached

Item No. 5

ACTION ITEM
October 15, 2025

TO: **Board of Directors**

FROM: **Administration & Finance Committee**

Harvey De La Torre, General Manager

Staff Contact: Hilary Chumpitazi, Director of Finance/IT
Steven Hung, Financial Analyst/Database Analyst

SUBJECT: **AWARD OF CONTRACT FOR ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM ARCHITECTURE AND CONFIGURATION**

STAFF RECOMMENDATION

Staff recommends the Board of Directors award a contract to Consultadd Public Services in an amount not to exceed $53,200 to provide Enterprise Resource Planning (ERP) system architecture and configuration and authorize the General Manager to execute the contract.

COMMITTEE RECOMMENDATION

(To be determined at Committee Meeting)

REPORT

Summary

The purpose of this item is to seek Board approval to award a contract for the implementation of a modern ERP system to enhance efficiency and strengthen controls across payroll, accounts payable, billing, and personnel records management. The contract will enable the District to replace its legacy financial system with Microsoft Dynamics 365 Business Central, fully integrated with Paylocity for payroll and Jet Reports for financial reporting.

Budgeted: ☒ Yes ☐ No ☐ N/A		Budgeted amount: $120,000
Core: ☒	Choice: ☐	Movement between funds: ☐ Yes ☒ No
Action item amount: $53,200		

This proposed modernization will strengthen internal controls, modernize nearly all the District's accounting and financial reporting processes, enhance the user experience, and ensure compliance with Generally Accepted Accounting Principles (GAAP), as defined by the Governmental Accounting Standards Board (GASB), along with prevailing public-sector records retention standards. The system will also provide a scalable platform designed to meet both the District's current operational needs and future growth objectives.

Discussion

On August 5, 2025, staff released a Request for Proposal (RFP) seeking a qualified firm to provide ERP system architecture and configuration (Attachment 1). As outlined, the scope of services included data migration, configuration of financial modules, streamlined financial reporting, user training, and post-go-live support. Prospective respondents had the opportunity to submit requests for clarification by August 21. MWDOC staff compiled questions and posted the complete question-and-answer lists to the MWDOC website on August 22. Final proposals were due to MWDOC on September 5, 2025.

A total of six proposals were received in response to the RFP. During the initial staff review, one proposal was eliminated due to an infeasible pricing structure and failure to meet the requirements listed in the RFP. The remaining five proposals were distributed to the internal review panel, consisting of six MWDOC staff members from three departments. The evaluation was based on the published criteria of the project approach, implementation strategy and timeline, vendor experience and references, training and ongoing support, and relevant experience.

The review panel individually evaluated and scored all proposals. After conducting an interview with the top-scoring proposal, Consultadd Public Services was selected as the recommended vendor. Consultadd Public Services' approach emphasizes configuration rather than customization, which is critical for long-term system stability, audit readiness, and sustainable internal maintenance.

Funding for ERP implementation is included in the FY 2025–26 Budget. Any optional post-implementation support services would be evaluated and brought to the Board for consideration, if needed. During implementation, MWDOC will withhold ten percent of each monthly invoice, which will be released to Consultadd Public Services upon successful completion and acceptance of the project.

Next Steps

Staff recommends the Board of Directors select Option #1 to award a contract to Consultadd Public Services for an amount not to exceed $53,200 to provide Enterprise Resource Planning (ERP) system architecture and configuration, and authorize the General Manager to execute the contract.

A project kickoff will be scheduled following contract execution, with discovery and planning to begin promptly. Finance staff will work closely with Consultadd Public

Services to manage configuration, data migration, training, and system testing, with a targeted go-live in early 2026.

Costs not included in the implementation proposal are the annual software licensing dues, estimated at approximately $30,000 per year, and a one-time setup fee of about $7,000 for the software vendor. Staff will return to the Board in early 2026 regarding the annual software licensing costs and fees.

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

- ☒ *Clarifying MWDOC's mission and role; defining functions and actions.*
- ☐ *Balance support for Metropolitan's regional mission and OC values and interests.*
- ☒ *Strengthen communication and coordination of messaging.*
- ☐ *Work with member agencies to develop water supply and demand objectives.*
- ☐ *Solicit input and feedback from member agencies.*
- ☒ *Invest in workforce development and succession planning.*

BOARD OPTIONS

Option #1: Award a contract to Consultadd Public Services for an amount not to exceed $53,200 to provide Enterprise Resource Planning (ERP) system architecture and configuration, and authorize the General Manager to execute the contract.

Fiscal Impact: In Fiscal Year 2025–26, $120,000 is budgeted for the new ERP system and $15,000 is budgeted for ERP annual licensing dues. The proposed authorized amount, not to exceed $53,200 with a one-time setup fee of $7,000 and an estimated annual licensing cost of $30,000, remains below the budgeted amount. Staff will budget $30,000 annually in subsequent years for licensing costs.

Option #2: Do not award a contract to Consultadd Public Services to provide ERP system architecture and configuration.

Fiscal Impact: Staff will continue to operate under the current legacy financial system, resulting in operational inefficiencies, and the ERP replacement will be deferred until a future date.

Attachments/Links:
Attachment 1: ERP System Architecture and Configuration RFP

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

REQUEST FOR PROPOSALS TO PROVIDE

for

PROFESSIONAL SERVICES

for

Enterprise Planning Resource (ERP) System Architecture and Configuration (RFP No. FIN0825-001)

RFP Release Date: August 05, 2025, updated on August 13, 2025

Proposals Due by 5:00PM PDT, September 05, 2025

(via e-mail to shung@mwdoc.com)

Electronic submittals only

Website: www.MWDOC.com

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Exhibit A – MWDOC Standard Agreement for Consultants

Exhibit B – MWDOC Ethics Policy – Admin Code Sections 7100-7111

SECTION 1 - NOTICE TO PROPOSERS

1. Proposals for RFP No. **FIN0825-001 – Enterprise Planning Resource (ERP) System Architecture and Configuration** as described herein, will be received by email and must be received by Municipal Water District of Orange County (MWDOC) by **5:00PM PDT on September 05, 2025**.

2. Proposals being emailed must have the subject line of the email read: **Proposal – RFP No. FIN0825-001 – [Insert Proposer's Name]** and emailed to:

   shung@mwdoc.com

3. It is the Proposer's sole responsibility to ensure that their proposal, inclusive of any or all addenda, is received at the proper place by the deadline. Postmarks will not validate proposals which arrive after the deadline listed above. Faxed proposals will not be accepted. Any proposal received after the deadline will be disqualified and not considered.

4. All submitted material will be retained by MWDOC and considered public information. Be advised that all information contained in proposals submitted in response to this solicitation may be subject to the California Public Records Act (Government Code Section 6250 et seq.).

5. **Any questions as to the meaning of the scope of work, proposal requirements or selection process must be submitted by email and shall be directed to:**

   Steven Hung
   shung@mwdoc.com

   To be given consideration, **questions must be received by 5:00PM PDT on August 21, 2025.** All questions asked by Proposers and answers provided in response will be posted to MWDOC's website at http://www.mwdoc.com/business/rfp.

6. Under no circumstances may the Proposer contact any other staff member or Board Member of MWDOC or its member agencies to discuss this RFP or clarify any requirements herein. Failure to comply with this requirement may be grounds for immediate disqualification.

SECTION 2 – INTRODUCTION AND OVERVIEW

1. PURPOSE OF THE REQUEST FOR PROPOSALS

The Municipal Water District of Orange County (MWDOC) herein referred to as "District" is seeking a professional firm to provide ERP system architecture and configuration services to assist in the migration/configuring/training of Microsoft's Dynamics 365 Business Central along with the following add-ons: Paylocity and Jet Report~~an excel based business report tool~~ that will enhance the District's operational efficiency, scalability, and reporting capabilities. We aim to replace our existing system with a modern ERP solution that aligns with our operational needs and future growth objectives.

There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

2. DISTRICT OVERVIEW

MWDOC is a wholesale, imported water supplier and resource planning agency as well as a Member Agency of the Metropolitan Water District of Southern California (MET). Formed on January 11, 1951, pursuant to the Municipal Water District Act of 1911 (Water Code Section 71000 et seq.) for the expressed purpose of importing MET water to Orange County, excluding the original three MET Member Agencies (cities of Anaheim, Fullerton and Santa Ana). Beyond the provision of MET water, our efforts focus on sound planning and appropriate investments in water reliability, water supply development, water use efficiency, public information, legislative advocacy, water education and emergency preparedness.

MWDOC purchases imported water through MET and delivers this water to its 26 member agencies (local water districts and city water departments), which provides retail water services to the public. MWDOC is governed by a Board of Directors consisting of seven elected board members and has four appointed MET directors. From among its members, the Board appoints a President, Vice President and such other positions as it deems necessary. District operations are managed by an appointed General Manager.

MWDOC's operating revenue stream comes from a fixed retail meter customer charge and a groundwater customer charge since fiscal year 2015-16. In addition, there are Choice services charged directly to the agencies as a "fee for service" on a subscription basis and grant funding (local, state and federal) that is primarily used as a pass thru for customer rebate funds.

For more information, please visit our website at www.mwdoc.com.

3. BACKGROUND

The Municipal Water District of Orange County (MWDOC) is undertaking an initiative to modernize and enhance its enterprise operations through the implementation of a new Enterprise Resource Planning (ERP) system. This effort stems from the District's commitment to improving organizational efficiency, ensuring long-term scalability, and advancing its financial capabilities in line with evolving operational demands.

The District currently relies on a legacy ERP system that, while serviceable, no longer meets the performance expectations, reporting flexibility, or integration capabilities required to support our strategic goals. Key limitations include a lack of intuitive user interfaces, constrained reporting tools, and insufficient scalability to accommodate future growth or enhancements. Additionally, evolving regulatory requirements and cybersecurity expectations necessitate a system with robust compliance features and modern security protocols.

Given the complexity of our financial, human resources, and operational workflows, including fund accounting, project tracking, payroll processing, and cross-departmental reporting, a fully integrated and flexible ERP platform is essential.

4. PROJECT TIMELINE

The following table identifies and estimates the dates/timeframe for receipt, evaluation, and award.

Description	**Date**
Release of RFP	August 5, 2025
Deadline for Written Questions Regarding RFP	August 21, 2025
Proposal Due Date	**September 5, 2025**
Vendor Interviews and Selections (tentative)	*September 10-18, 2025*
Contract Execution	*By end of October, 2025*
ERP go live timeframe	Early February 2026

SECTION 3 – SCOPE OF SERVICES

The Municipal Water District of Orange County (MWDOC) is seeking a qualified and experienced ERP implementation firm for the configuration, integration, and deployment of a modern ERP solution with an agency go-live date of **Early February, 2026.**The selected firm will be responsible for implementing **Microsoft Dynamics 365 Business Central** as the core financial platform, **Paylocity** for human resources, payroll, timesheet, employee expense reporting, and a robust **reporting tool** that meets the District's data reporting needs (please note that time of this writing, MWDOC has not yet finalized a reporting tool but has identified a few potential solutions. For more information, please contact shung@mwdoc.com before the Deadline for Written Questions Regarding RFP).

We are seeking a professional firm that can serve as a full-service system implementer—responsible for not only configuring and integrating our ERP systems, but also for **understanding our business processes, training staff, identifying opportunities for operational efficiency, ensuring a smooth transition, and providing ongoing support**. The goal is to establish a fully integrated, user-friendly ERP environment that enhances reporting capabilities, enables real-time data access, improves overall efficiency, and supports the District's continued growth. MWDOC's role in this process will be to support the implementer's efforts, while relying on their expertise to lead the design, implementation, and training activities.

Required Services Include:

- **Implementation & Configuration**
  - Full set up, migration of current ERP data and configuration of **Business Central** to support fund accounting, procurement, accounts payable/receivable, budgeting, fixed assets, and other financial functions.
  - Integration and configuration of **Paylocity** to manage timesheets, payroll, benefits, employee expense reporting and employee records.
  - Selection and setup of a **reporting solution** that is user-friendly, excel based business report tool that is compatible with Business Central.
  - Ensure seamless data flow between platforms.
- **Training & Change Management**
  - Develop and deliver comprehensive training programs for staff.
  - Provide clear documentation and user guides tailored to the agency's specific system configuration.
- **Compliance**
  - Ensure compliance with all applicable governmental regulations such as financial reporting standards, procurement rules, records retention requirements, and data privacy and security mandates. The system should also align with industry best practices for public sector ERP implementations
- **Support & Maintenance**
  - Offer ongoing technical support post-implementation.
  - Provide recommendations for system updates, enhancements, or process refinements as MWDOC grows.

- **Reporting & Analytics**
  - Implement a reporting tool that enables staff to generate both standard and ad-hoc reports.
  - Assist with the development of financial statements, dashboards, and budget reports.
  - Enable data exports and visualizations for decision-making purposes.
- **Deployment & Accessibility**
  - Preference for a **cloud-based solution** that is accessible remotely and mobile-friendly.

SECTION 4 – PROPOSAL REQUIREMENTS

1. **Company Profile:** Provide a brief history of the company, its qualifications, and relevant experience with similar projects. Include information on the proposed project manager and key team members, highlighting their roles, qualifications, and relevant experience. Please clearly identify the use of any subconsultants and their role(s), if applicable. In a page or less, tell us why your firm should be selected to provide these services.
2. **Conflict of Interest**: Provide documentation that personal or organizational conflicts of interest that are prohibited by law do not exist.
3. **Implementation plan**: Timeline, methodology, and timing of key milestones.
4. **Client References:**
   a. List the most significant engagement (maximum of three) performed in the last four (4) years that are like the engagement described in this request for proposal. Indicate the scope of work, date, and name and telephone number of the principal client contact.
5. **Standard Agreement for Consultant Services**:
   a. A copy of MWDOC's Standard Agreement for Consultant Services is included as Exhibit A. Please review this agreement and identify any issues/concerns/edits your firm would need if selected for this work. Also indicate if you have cyber liability insurance coverage.
6. **Cost:** The firm must provide a detailed breakdown of all costs, including:
   a. Implementation and licensing fees.
   b. Annual subscription and/or maintenance costs.
   c. Cost for additional features or modules (if so recommend by proposer).
   d. Support and post implementation support fees.

SECTION 5 – SELECTION PROCESS

Proposals submitted will be evaluated by an evaluation committee. The committee will review each proposal for completeness and comprehensiveness, experience of the firm, professional qualifications and costs of services provided. During the Consultant selection process, the Committee members may contact either the recommended firm or a short list of firms to obtain additional information and may contact recent clients. Interviews, if needed, may be held per the project implementation schedule.

SECTION 6 – EVALUATION CRITERIA

Proposals will be evaluated based on the following criteria:

1. Overall value proposition (30%)
2. Implementation strategy and timeline (25%)
3. Vendor experience and references (20%)
4. Training and ongoing support (20%)
5. Public Sector and Water Industry Experience (5%)

Based on review of the proposals, staff will present a recommendation to the General Manager and the Board of Directors. Following notification of the firm selected, it is expected that an engagement agreement will be executed between both parties. The selected consultant must be able to begin work immediately upon award and must be able to maintain the required level of effort to perform the work on schedule and throughout the agreement term to achieve the February 2026 “go live” target date.

Proposing firms should note that the lowest bid will not necessarily be the deciding factor in MWDOC’s selection. This Request for Proposals does not commit MWDOC to retain any consultants, to pay costs incurred in the preparation of proposals, or to proceed with the project. MWDOC reserves the right to reject any or all proposals and to negotiate with any qualified applicant.

At the time of the opening of proposals, each Respondent shall be presumed to have read and be thoroughly familiar with the specifications and contract documents (including all attachments). Respondents must be capable of complying with all insurance requirements and Conflict of Interest Statements as stated in MWDOC’s standard agreement. Please review this agreement and note in your proposal if any modifications are needed in order to ensure compliance.

Item No. 6

ACTION ITEM
October 15, 2025

TO: **Board of Directors**

FROM: **Administration & Finance Committee**

Harvey De La Torre, General Manager

Staff Contact: Melissa Baum-Haley, Assistant General Manager
Hilary Chumpitazi, Director of Finance/IT
Steven Hung, Financial Analyst/Database Analyst

SUBJECT: **FY 2025–26 CHOICE PROGRAMS BUDGET REVISIONS**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve the MWDOC Annual Budget for Fiscal Year 2025-26 with the final Choice Programs Budget revisions.

COMMITTEE RECOMMENDATION

(To be determined at Committee Meeting)

REPORT

Concurrent with our Budget process, after approving the Fiscal Year (FY) 2025-26 Budget at the April 2025 Board Meeting, the Board was notified that the final Choice Programs Budget would return for further action if it deviated from the adopted FY 2025-26 Budget estimates based on final agency participation selection numbers.

After receiving the final participation selection numbers, the Choice Budget will be adjusted to reflect an increase in net impact of Choice revenue and expense of $26,868 compared to the initial FY 2025-26 Choice Budget assumptions. The initial Choice Budget revenue/expense approved was $2,343,088, and the revised amount for Board approval is $2,369,956.

Budgeted: ☒ Yes ☐ No ☐ N/A		Budgeted amount: $2,343,088
Core: ☐	Choice: ☒	Movement between funds: ☐ Yes ☒ No
Action item amount: Net impact of $26,868 (revised amount is $2,369,956)		

Key drivers resulting in the net increase to the Choice Budget are the following:

- **Water Loss Control:** An increase in Water Loss Control professional services from $50,000 to $83,270 to account for an additional requested meter accuracy test. The revenue and expenses will increase in tandem.
- **K-12 School Program:** Final agency selection decreased from $511,211 to $502,289. Since the administrative fee is calculated as a fixed percentage of program expenses, this year's allocation came in $2,520 below the budgeted amount. While program costs may fluctuate, the administrative effort remains consistent, which can result in variances like this.
- **Water Use Efficiency:** Revenue and expense assumptions stayed the same.

Based on the adjustments outlined above, staff recommends the Board of Directors select Option #1 to approve the MWDOC Annual Budget for Fiscal Year 2025–26 with the final Choice Programs Budget revisions.

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

☒ *Clarifying MWDOC's mission and role; defining functions and actions.*
☐ *Balance support for Metropolitan's regional mission and OC values and interests.*
☐ *Strengthen communication and coordination of messaging.*
☐ *Work with member agencies to develop water supply and demand objectives.*
☒ *Solicit input and feedback from member agencies.*
☐ *Invest in workforce development and succession planning.*

BOARD OPTIONS

Option #1: Approve the MWDOC Annual Budget for Fiscal Year 2025–26 with the final Choice Programs Budget revisions.

Fiscal Impact: Choice revenue and expenses will increase by $26,868 to $2,369,956.

Option #2: Do not approve the MWDOC Annual Budget for Fiscal Year 2025–26 with the final Choice Programs Budget revisions.

Fiscal Impact: Choice revenue and expenses remain unchanged at $2,343,088.

Attachments/Links:
Attachment 1: Annual Budget for FY 2025–26 – Final Budget with Revised Choice Programs (rev. 08/25/2025)

Annual Budget for Fiscal Year 2025-26

Final Budget with Revised Choice Programs

MWDOC's mission is:

To provide reliable, high-quality supplies from MWD and other sources to meet present and future needs, at an equitable and economical cost, and to promote water use efficiency for all of Orange County

Exhibit A2
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CORE FUND

	FY24/25 ADOPTED BUDGET	FY24/25 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY25/26 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
OPERATING EXPENSES:						
Salaries & Wages	$ 4,674,242	$ 4,398,133	$ (276,109)	$ 4,952,736	$ 554,603	$ 278,494
less for Sal & Benefits - Reimb	-	-	-	(33,000)	(33,000)	(33,000)
Employee Benefits	1,359,165	1,391,469	32,304	1,525,518	134,049	166,353
Director Compensation	275,041	264,236	(10,805)	281,917	17,681	6,876
Director Benefits	149,557	137,665	(11,893)	158,371	20,706	8,813
MWD Representation	157,166	152,670	(4,496)	161,096	8,426	3,929
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-
Overhead Reimbursement	(430,173)	(411,586)	18,587	(504,105)	(92,518)	(73,931)
Health Insurance Coverage for Retirees*	81,349	78,000	(3,349)	122,517	44,517	41,168
Audit Expense	36,500	27,000	(9,500)	37,445	10,445	945
Automotive & Toll Road Expenses	12,100	8,755	(3,345)	12,050	3,295	(50)
Conference Expense - Staff	40,002	32,172	(7,830)	42,497	10,325	2,495
Conference Expense - Directors	16,955	14,945	(2,010)	17,155	2,210	200
Outside Consulting Expense	293,000	335,100	42,100	570,000	234,900	277,000
Insurance Expense	198,000	197,500	(500)	233,950	36,450	35,950
Legal Expense - General	260,000	211,354	(48,646)	260,000	48,646	-
Maintenance Expense	348,680	348,680	-	156,000	(192,680)	(192,680)
Membership / Sponsorship	243,688	225,908	(17,780)	221,386	(4,522)	(22,302)
CDR Participation	67,789	67,789	-	72,650	4,861	4,861
Miscellaneous Expense	150,700	139,207	(11,493)	172,600	33,393	21,900
Postage / Mail Delivery	9,600	7,925	(1,675)	8,800	875	(800)
Professional Fees	1,101,750	906,535	(195,215)	914,200	7,665	(187,550)
Rents & Leases	1,200	1,072	(128)	1,125	53	(75)
Outside Printing, Subscription & Books	119,000	117,300	(1,700)	118,500	1,200	(500)
Office Supplies	30,000	26,000	(4,000)	28,000	2,000	(2,000)
Building Repair & Maintenance	30,200	45,000	14,800	57,200	12,200	27,000
Computer Maintenance	17,500	5,000	(12,500)	15,850	10,850	(1,650)
Business Expense	5,000	4,932	(68)	5,500	568	500
Software Support & Expense	86,188	154,483	68,295	289,311	134,828	203,123
Computers and Equipment	29,250	43,000	13,750	45,250	2,250	16,000

Exhibit A2
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CORE FUND

	FY24/25 ADOPTED BUDGET	FY24/25 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY25/26 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
Telecommunications Expense	43,006	48,991	5,985	47,474	(1,517)	4,468
Temporary Help Expense	5,000	-	(5,000)	5,000	5,000	-
Training Expense	40,000	38,000	(2,000)	82,445	44,445	42,445
Tuition Reimbursement	6,000	7,500	1,500	6,500	(1,000)	500
Travel & Accommodations - Staff	89,580	72,000	(17,580)	85,900	13,900	(3,680)
Travel & Accommodations - Directors	39,925	24,411	(15,514)	36,625	12,214	(3,300)
Depreciation Expense	-	62,568	62,568	-	(62,568)	-
MWDOC's Contribution to WEROC: Operations	300,808	296,290	(4,518)	353,149	56,859	52,341
Election Expense	-	140,815	140,815	-	(140,815)	-
Capital Acquisition (excluding building)	37,000	235,686	198,686	25,000	(210,686)	(12,000)
OPERATING EXPENSES	**$ 10,131,768**	**$ 10,063,504**	**$ (68,264)**	**$ 10,793,611**	**$ 730,107**	**$ 661,843**
MWDOC's Building Expense	$ 366,376	$ 222,686	$ (143,690)	$ 350,000	$ 127,314	$ (16,376)
Building Expense Prior Year Carryover Dr/(Cr)	$ (366,376)	$ (350,000)	$ 16,376	$ (350,000)	$ -	$ 16,376
Contribution to Election Reserve	$ 725,642	$ 725,642	$ -	$ 605,000	$ (120,642)	$ (120,642)
TOTAL EXPENSES	**$ 10,857,410**	**$ 10,661,832**	**$ (195,578)**	**$ 11,398,611**	**$ 736,779**	**$ 541,201**
REVENUES:						
Retail Meter Charge	$ 9,580,818	$ 9,580,818	$ -	$ 9,939,371	$ 358,552	$ 358,552
Ground Water Customer Charge	405,463	405,463	-	414,371	8,908	8,908
Reimb for OPEB Reserve Reimbursement	80,000	80,000	-	122,517	42,517	42,517
Interest Revenue	738,960	900,500	161,540	916,000	15,500	177,040
Miscellaneous Income	3,000	3,000	-	5,000	2,000	2,000
TOTAL REVENUES	**$ 10,808,241**	**$ 10,969,781**	**$ 161,540**	**$ 11,397,259**	**$ 427,477**	**$ 589,017**
EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	**$ (49,169)**	**$ 307,949**	**$ 357,118**	**$ (1,352)**	**$ (309,302)**	**$ 47,817**

*MWDOC will be using OPEB Designated reserves to pay for retiree healthcare benefit

Exhibit A3
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CHOICE FUNDS

	FY24/25 ADOPTED BUDGET	FY24/25 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY25/26 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
OPERATING EXPENSES:						
Salaries & Wages	$ 748,464	$ 734,356	$ (14,108)	$ 888,755	$ 154,399	$ 140,291
less for Sal & Benefits - Reimb	(65,000)	(40,000)	25,000	(15,000)	25,000	50,000
Employee Benefits	218,894	191,202	(27,692)	248,757	57,555	29,863
Director Compensation	-	-	-	-	-	-
Director Benefits	-	-	-	-	-	-
MWD Representation	-	-	-	-	-	-
Overhead Reimbursement	430,173	411,586	(18,587)	504,105	92,518	73,931
Health Insurance Coverage for Retirees	-	-	-	-	-	-
Audit Expense	-	-	-	-	-	-
Automotive & Toll Road Expenses	600	462	(138)	500	38	(100)
Vehicle Expense	12,000	9,718	(2,282)	10,000	282	(2,000)
Conference Expense - Staff	-	-	-	-	-	-
Conference Expense - Directors	-	-	-	-	-	-
Outside Consulting Expense	-	-	-	-	-	-
Insurance Expense	-	200	200	200	-	200
Legal Expense - General	-	-	-	-	-	-
Maintenance Expense	-	-	-	-	-	-
Membership / Sponsorship	-	-	-	-	-	-
Miscellaneous Expense	8,770	9,477	707	11,000	1,523	2,230
Postage / Mail Delivery	500	450	(50)	650	200	150
Professional Fees	663,714	491,362	(172,352)	710,458	219,096	46,744
Rents & Leases	-	-	-	-	-	-
Outside Printing, Subscription & Books	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Supplies - Water Loss Control	4,800	4,000	(800)	4,000	-	(800)
Computer Maintenance	-	-	-	-	-	-
Software Support & Expense	3,000	2,112	(888)	2,420	308	(580)
Telecommunications Expense	2,520	1,632	(888)	2,112	480	(408)
Computers and Equipment	-	-	-	-	-	-
Temporary Help Expense	-	-	-	-	-	-

Exhibit A3
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CHOICE FUNDS

	FY24/25 ADOPTED BUDGET	FY24/25 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY25/26 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
Training Expense	1,200	500	(700)	2,000	1,500	800
Tuition Reimbursement	-	-	-	-	-	-
Depreciation Expense	-	15,126	15,126	-	(15,126)	-
Capital Acquisition	15,000	15,000	-	-	(15,000)	(15,000)
Subtotal Expenses	$ 2,044,635	$ 1,847,183	$ (197,452)	$ 2,369,956	$ 522,774	$ 325,322
TOTAL EXPENSES	**$ 2,044,635**	**$ 1,847,183**	**$ (197,452)**	**$ 2,369,956**	**$ 522,774**	**$ 325,322**

REVENUES:						
Choice Revenue	$ 2,044,635	$ 1,847,183	$ (197,452)	$ 2,369,956	$ 522,774	$ 325,322
TOTAL REVENUES	**$ 2,044,635**	**$ 1,847,183**	**$ (197,452)**	**$ 2,369,956**	**$ 522,774**	**$ 325,322**

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY24/25 ADOPTED BUDGET	FY24/25 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY25/26 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
OPERATING EXPENSES:						
Salaries & Wages	$ 5,422,706	$ 5,132,489	$ (290,217)	$ 5,841,491	$ 709,002	$ 418,785
less for Sal & Benefits - Reimb	(65,000)	(40,000)	25,000	(48,000)	(8,000)	17,000
Employee Benefits	1,578,059	1,582,671	4,612	1,774,275	191,604	196,216
Director Compensation	275,041	264,236	(10,805)	281,917	17,681	6,876
Director Benefits	149,557	137,665	(11,893)	158,371	20,706	8,813
MWD Representation	157,166	152,670	(4,496)	161,096	8,426	3,929
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-
Overhead Reimbursement	-	-	-	-	-	-
Health Insurance Coverage for Retirees*	81,349	78,000	(3,349)	122,517	44,517	41,168
Audit Expense	36,500	27,000	(9,500)	37,445	10,445	945
Automotive & Toll Road Expenses	12,700	9,217	(3,483)	12,550	3,333	(150)
Vehicle Expense - Water Loss Control	12,000	9,718	(2,282)	10,000	282	(2,000)
Conference Expense - Staff	40,002	32,172	(7,830)	42,497	10,325	2,495
Conference Expense - Directors	16,955	14,945	(2,010)	17,155	2,210	200
Outside Consulting Expense	293,000	335,100	42,100	570,000	234,900	277,000
Insurance Expense	198,000	197,700	(300)	234,150	36,450	36,150
Legal Expense - General	260,000	211,354	(48,646)	260,000	48,646	-
Maintenance Expense	348,680	348,680	-	156,000	(192,680)	(192,680)
Membership / Sponsorship	243,688	225,908	(17,780)	221,386	(4,522)	(22,302)
CDR Participation	67,789	67,789	-	72,650	4,861	4,861
Miscellaneous Expense	159,470	148,684	(10,786)	183,600	34,916	24,130
Postage / Mail Delivery	10,100	8,375	(1,725)	9,450	1,075	(650)
Professional Fees	1,765,464	1,397,897	(367,567)	1,624,658	226,761	(140,806)
Rents & Leases	1,200	1,072	(128)	1,125	53	(75)
Outside Printing, Subscription & Books	119,000	117,300	(1,700)	118,500	1,200	(500)
Office Supplies	30,000	26,000	(4,000)	28,000	2,000	(2,000)
Supplies - Water Loss Control	4,800	4,000	(800)	4,000	-	(800)
Building Repair & Maintenance	30,200	45,000	14,800	57,200	12,200	27,000
Computer Maintenance	17,500	5,000	(12,500)	15,850	10,850	(1,650)
Business Expense	5,000	4,932	(68)	5,500	568	500
Software Support & Expense	89,188	156,595	67,407	291,731	135,136	202,543
Computers and Equipment	29,250	43,000	13,750	45,250	2,250	16,000
Telecommunications Expense	45,526	50,623	5,097	49,586	(1,037)	4,060

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY24/25 ADOPTED BUDGET	FY24/25 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY25/26 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
Temporary Help Expense	5,000	-	(5,000)	5,000	5,000	-
Training Expense	41,200	38,500	(2,700)	84,445	45,945	43,245
Tuition Reimbursement	6,000	7,500	1,500	6,500	(1,000)	500
Travel & Accommodations - Staff	89,580	72,000	(17,580)	85,900	13,900	(3,680)
Travel & Accommodations - Directors	39,925	24,411	(15,514)	36,625	12,214	(3,300)
Depreciation Expense	-	77,694	77,694	-	(77,694)	-
MWDOC's Contribution to WEROC: Operations	300,808	296,290	(4,518)	353,149	56,859	52,341
Election Expense	-	140,815	140,815	-	(140,815)	-
Capital Acquisition (excluding building)	52,000	250,686	198,686	25,000	(225,686)	(27,000)
OPERATING EXPENSES	**$ 12,176,403**	**$ 11,910,687**	**$ (265,716)**	**$ 13,163,567**	**$ 1,252,880**	**$ 987,164**
MWDOC's Building Expense	$ 366,376	$ 222,686	$ (143,690)	$ 350,000	$ 127,314	$ (16,376)
Building Expense Prior Year Carryover Dr/(Cr)	$ (366,376)	$ (350,000)	$ 16,376	$ (350,000)	$ -	$ 16,376
Contribution to Election Reserve	$ 725,642	$ 725,642	$ -	$ 605,000	$ (120,642)	$ (120,642)
TOTAL EXPENSES	**$ 12,902,045**	**$ 12,509,015**	**$ (393,030)**	**$ 13,768,567**	**$ 1,259,552**	**$ 866,522**
REVENUES:						
Retail Meter Charge	$ 9,580,818	$ 9,580,818	$ -	$ 9,939,371	$ 358,552	$ 358,552
Ground Water Customer Charge	405,463	405,463	-	414,371	8,908	8,908
Reimb for OPEB Reserve Reimbursement	80,000	80,000	-	122,517	42,517	42,517
Interest Revenue	738,960	900,500	161,540	916,000	15,500	177,040
Miscellaneous Income	3,000	3,000	-	5,000	2,000	2,000
Choice Revenue	2,044,635	1,847,183	(197,452)	2,369,956	522,774	325,322
TOTAL REVENUES	**$ 12,852,876**	**$ 12,816,964**	**$ (35,912)**	**$ 13,767,215**	**$ 950,251**	**$ 914,339**
EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	**$ (49,169)**	**$ 307,949**	**$ 357,118**	**$ (1,352)**	**$ (309,302)**	**$ 47,817**

*MWDOC will be using OPEB Designated reserves to pay for retiree healthcare benefit

Exhibit A5
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
WATER FUND

	FY 24-25 ADOPTED BUDGET	FY 24-25 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 25-26 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 24-25 BUDGET
Water Revenues						
Water Sales	$ 192,091,367	$ 132,908,631	$ (59,182,736)	$179,332,825(a)	$ 46,424,194	$ (12,758,542)
Local Resource Program Incentives	(4,661,958)	(3,491,433)	1,170,525	(3,840,576)	(349,143)	821,382
Readiness-To-Serve Charge	16,263,519	12,940,558	(3,322,961)	16,934,350	3,993,793	670,831
Capacity Charge	4,069,230	4,457,310	388,080	4,624,125	166,815	554,895
SCP/SAC Pipeline Surcharge	459,000	328,000	(131,000)	443,000	115,000	(16,000)
TOTAL WATER REVENUES	**$ 208,221,158**	**$ 147,143,065**	**$ (61,078,092)**	**$ 197,493,724**	**$ 50,350,659**	**$ (10,727,433)**
Water Expenses						
Water Purchases	$ 192,091,367	$ 132,908,631	$ (59,182,736)	$179,332,825(a)	$ 46,424,194	$ (12,758,542)
Local Resource Program Incentives	(4,661,958)	(3,491,433)	1,170,525	(3,840,576)	(349,143)	821,382
Readiness-To-Serve Charge	16,263,519	12,940,558	(3,322,961)	16,934,350	3,993,793	670,831
Capacity Charge	4,069,230	4,457,310	388,080	4,624,125	166,815	554,895
SCP/SAC Pipeline Surcharge	459,000	328,000	(131,000)	443,000	115,000	(16,000)
TOTAL WATER EXPENSES	**$ 208,221,158**	**$ 147,143,065**	**$ (61,078,092)**	**$ 197,493,724**	**$ 50,350,659**	**$ (10,727,433)**
Changes to Fund Balance:						
Tier 2 Contingency	$ -	$ -	$ -	$ -	$ -	$ -

(a)=FY 25-26 Proposed Budget amount is based on an estimated 120,747 AF

Exhibit A6
SUMMARY OF FUNDING AND EXPENSES
For All Water Use Efficiency Programs

	FY 2024-2025 ADOPTED BUDGET	FY 2024-2025 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2025-2026 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO ADOPTED BUDGET
Funding						
Metropolitan Water District	$ 7,743,000	$ 4,041,400	$ (3,701,600)	$ 5,861,960	$ 1,820,560	$ (1,881,040)
USBR	880,902	708,195	(172,706)	519,051	(189,144)	(361,850)
DWR	749,855	383,984	(365,871)	395,962	11,977	(353,893)
Member Agencies	1,498,286	1,171,873	(326,412)	1,572,525	400,652	74,239
TOTAL OUTSIDE FUNDING	**$ 10,872,042**	**$ 6,305,453**	**$ (4,566,590)**	**$ 8,349,498**	**$ 2,044,045**	**$ (2,522,545)**
Program Expenses Funded from Outside Sources						
Project Administration - Staff Time	$ 53,642	$ 15,361	$ (38,281)	$ -	$ (15,361)	$ (53,642)
Consultant Administration	-	-	-	$ 1,222,638	$ 1,222,638	1,222,638
Installation Verification	91,000	131,417	40,417	121,353	(10,065)	30,353
Rebate Incentives	10,159,400	5,680,081	(4,479,319)	6,935,507	1,255,426	(3,223,893)
Surveys and Audits	568,000	65,000	(503,000)	70,000	5,000	(498,000)
TOTAL PROGRAMS EXPENSES	**$ 10,872,042**	**$ 5,891,859**	**$ (4,980,183)**	**$ 8,349,498**	**$ 2,457,639**	**$ (2,522,545)**

Exhibit B
Expenditures by Cost Center

Cost Center	Cost Center Description	FY24/25 BUDGET FTE	FY25/26 BUDGET FTE	FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget	
11	Administrative - Board	1.88	2.74	$ 1,404,336	$ 1,424,293	$ 1,566,143	
12	Administrative - General	4.79	5.08	1,154,916	1,064,321	1,182,478	
13	Personnel / Staff Development	1.85	2.09	548,272	605,450	654,774	
19	Overhead	4.07	3.80	1,380,430	1,721,260	1,156,399	
21	Reliability Planning and Engineering	2.73	3.03	873,020	863,574	1,210,857	
23	Metropolitan Issues and Water Policy	2.10	2.07	654,565	481,421	584,129	
31	Governmental Affairs	0.90	0.89	626,265	624,589	670,546	
35	Water Use Efficiency (Core)	1.22	1.76	582,765	447,958	531,517	
32	Public Affairs	5.76	5.93	1,401,430	1,342,925	1,500,976	
41	Finance	3.54	3.41	745,868	733,437	900,773	
45	Information Technology	1.00	0.95	459,093	468,625	481,871	
25	MWDOC's Contribution to WEROC	3.00	3.19	300,808	296,290	353,149	(1)
	CORE TOTAL	**32.84**	**34.94**	**$ 10,131,768**	**$ 10,074,145**	**$ 10,793,611**	
62	Water Use Efficiency Program	6.29	5.99	989,455	1,098,625	1,183,382	
63	School Programs	0.06	0.05	496,062	367,429	504,809	
70	Water Loss Control	2.57	3.03	559,118	381,129	681,765	
	CHOICE TOTAL	**8.92**	**9.07**	**$ 2,044,635**	**$ 1,847,183**	**$ 2,369,956**	
	CORE & CHOICE TOTAL	**41.76**	**44.01**	**$ 12,176,403**	**$ 11,921,328**	**$ 13,163,567**	
Includes:	Full-time employees	34.08	37.84	(2)			
	Part-time employees	2.29	1.54				
	Interns	2.39	1.44				
	WEROC employees	3.00	3.19				

(1) Total Operational Costs of WEROC is allocated among MWDOC, OCWD, OCSD, Anaheim, Santa Ana, Fullerton and South Orange County Wastewater Authority. Capital Expenditures are provided by MWDOC. Dollars shown are MWDOC's share only.

(2) FTE's for 2024-2025 are calculated based on 2088 hours of work for the year. FTE's for 2025-2026 are calculated based on 2088 hours worked for the year. This corresponds to the actual working days for the fiscal year which varies year to year.

FY25/26 FISCAL MASTER PLAN PROJECTIONS

(in thousands)

	Projected ACTUALS FY24/25	BUDGET FY25/26	FISCAL MASTER PLAN PROJECTIONS [1] FY26/27	FY27/28	FY28/29	FY29/30	FY30/31
Beginning Designated Reserve Balance - MWDOC	$6,065	$ 6,151	$ 6,027	$ 5,985	$ 6,002	$ 6,080	6,225.62
less OPEB Reserve	297	297	297	297	297	297	297
Adjusted Reserve Balance	5,768	5,854	5,730	5,688	5,705	5,783	5,928
Revenues							
Water Rate Revenues:							
Retail Meter Agency Charge	9,581	**9,939**	10,301	10,665	11,032	11,401	11,772
Ground Water Customer Charge	405	**414**	428	442	457	472	487
Subtotal	9,986	**10,354**	10,729	11,107	11,488	11,872	12,259
Other Revenues:							
Choice Revenues	1,847	**2,370**	2,448	2,529	2,612	2,699	2,788
Interest Earnings	901	**916**	954	1,000	1,060	1,135	1,231
Misc./Reimbursements	3	**5**	5	5	6	6	6
Subtotal	2,751	**3,291**	3,407	3,535	3,677	3,839	4,025
Total Revenues	12,737	**13,645**	14,135	14,642	15,166	15,711	16,284
Expenses							
Core Expenses	9,828	**10,769**	11,124	11,491	11,870	12,262	12,667
Choice Expenses	1,847	**2,370**	2,448	2,529	2,612	2,699	2,788
Capital Acquisitions (not including building)	251	**25**	-	-	-	-	-
Total Expenses w/o Election	11,926	**13,164**	13,572	14,020	14,483	14,961	15,454
Revenue Over Expenses w/o Election	811	**481**	563	622	683	751	830
ELECTION Reserve Beginning Balance	1,710	1,570	2,175	1,351	1,956	656	1,261
Annual Election Reserve Contribution	726	605	605	605	605	605	605
Annual Election Expense	866	-	1,428	-	1,905	-	1,428
Election Reserve Ending Balance	1,570	2,175	1,351	1,956	656	1,261	438
MWDOC's Contribution to OPEB Trust Fund							
Ending General Fund & Designated Reserves	**$ 4,199**	**$ 3,555**	**$ 4,337**	**$ 3,749**	**$ 5,126**	**$ 4,667**	**$ 5,715**
Document does not reflect MWDOC's irrevocable trust towards OPEB Pension liability							
MWDOC Water Rates							
Total Retail Customer Meters	**649,547**	**651,762**	654,000	656,300	658,600	660,900	663,200
Connection Charge	**$ 14.75**	**$ 15.25**	**$ 15.75**	**$ 16.25**	**$ 16.75**	**$ 17.25**	**$ 17.75**
Fixed Charge %		100%	100%	100%	100%	100%	100%
Rate Increase Proposal:							
Connection Charge		**$ 0.50**	**$ 0.50**	**$ 0.50**	**$ 0.50**	**$ 0.50**	**$ 0.50**

1 Assumptions for FMP:

Projected Inflation rate: 3.30% per year

Rate of return on Investment of portfolio: 4.10% per year

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Summary of Conference/Meeting Budget
Proposed District Participation Costs
Fiscal Year 2025-26

*Includes all modes of travel (except automotive mileage), room accommodations, meals, and related misc. expenses.

			Exh D			Exh E		Exh F	
			Proposed District Participation Costs			Proposed Staff Registration & Travel Budget*		Proposed Board Registration & Travel Budget*	
Grouping	Conference / Meeting	Approval included in Budget Approval	Adopted Budget FY24/25	Projected Actuals FY24/25	Proposed Budget FY25/26	Registration	Travel	Registration	Travel
Board Related	Association of California Cities- Orange County (ACCOC)	√	-	-	-	-	-	500	800
	Association of California Water Agencies (ACWA)	√	-	-	-	-	-	7,075	9,725
	Cal Desal	√	-	-	-	-	-	780	-
	California Council for Environmental and Economic Balance (CCEEB)	√	-	-	-	-	-	-	4,500
	Colorado River Water Users Association (CRWUA)	√	-	-	-	-	-	1,800	3,000
	LAFCO	√	45,000	48,652	48,652	-	-	-	-
	Legislative Advocacy	√	-	-	-	-	-	-	9,000
	Orange County Business Council (OCBC)	√	-	-	-	-	-	1,600	2,000
	Urban Water Institute	√	-	-	-	-	-	3,600	5,100
	Miscellaneous	√	-	-	-	-	-	1,800	2,500
Board Related Total			**45,000**	**48,652**	**48,652**	**-**	**-**	**17,155**	**36,625**
Staff Related	(DWR)/State Water Resources Control Board (SWRCB)	√	-	-	-	-	1,800	-	-
	Alliance for Water Use Efficiency	New	-	-	-	600	1,500	-	-
	American Water Works Association (AWWA)	√	2,056	2,056	2,445	5,000	13,300	-	-
	Association of California Cities- Orange County (ACCOC)	√	5,200	5,000	5,150	500	800	-	-
	Association of California Water Agencies (ACWA)	√	25,641	27,150	27,965	10,097	14,100	-	-
	CA Chamber of Commerce (HR California)	√	950	950	979	-	-	-	-
	CA Water for all	√	10,000	10,000	10,000	-	-	-	-
	Cal Desal	√	5,200	5,000	5,150	260	-	-	-
	California Association of Public Information Officers (CAPIO)	√	982	825	1,150	1,100	2,800	-	-
	California Council for Environmental and Economic Balance (CCEEB)	√	29,000	29,000	29,000	-	4,500	-	-
	California Employees Public Retirement System(CalPERS)	√	-	-	-	1,500	2,400	-	-
	California Environmental Literacy Initiative	√	640	-	-	-	-	-	-
	California Municipal Treasurers Association (CMTA)	√	185	-	-	-	-	-	-
	California Municipal Utilities Association (CMUA)	√	10,520	10,725	11,047	560	1,200	-	-
	California Society of Municipal Finance Officers (CSMFO)	√	130	150	150	-	-	-	-
	California Special Districts Association (CSDA)	√	9,300	9,548	9,835	2,825	5,350	-	-
	California Water Efficiency Partnership (CalWEP)	√	6,459	6,332	6,300	-	12,000	-	-
	California Water, Energy and Education Alliance (CWEEA)	√	1,285	-	-	-	-	-	-
	Californina Data Collaboration	√	16,500	16,500	16,500	-	-	-	-
	Colorado River Water Users Association (CRWUA)	√	-	-	-	3,000	5,000	-	-
	Department of Water Resources Education Committee	√	1,600	-	-	500	600	-	-
	ESRI-GIS	√	-	-	-	2,625	3,600	-	-
	Festival of Butterflies Sponsorship	√	2,500	2,500	2,575	-	-	-	-
	Government Finance Officers Association (GFOA)	√	182	182	187	-	-	-	-
	Information Systems Audit and Control Association (ISACA)	√	150	150	155	-	-	-	-
	International Association of Business Communicators (IABC)	√	400	-	-	-	-	-	-
	League of California Cities	√	2,500	2,500	2,575	-	-	-	-
	Legislative Advocacy	√	-	-	-	-	9,000	-	-
	Liebert, Cassidy Whitmore	√	-	-	-	1,200	-	-	-
	Multi-State Salinity Coalition	√	-	-	-	800	1,200	-	-
	National Water Resources Assn., Mun. Caucus	√	557	557	574	-	-	-	-
	OC Chapter-Calif. Landscape Contractors Assoc.	√	2,400	2,250	2,250	-	-	-	-
	Orange County Business Council (OCBC)	√	5,150	5,000	5,150	1,600	2,000	-	-
	Orange County Public Affairs Association (OCPAA)	√	650	650	100	-	-	-	-
	Orange County Water Association (OCWA)	√	500	500	515	-	-	-	-
	Pilot MWDOC Ambassador Program + Outreach Tours	√	20,000	20,000	-	-	-	-	-
	Public Relations Society of America/O.C. (PRSA)	√	1,394	1,200	1,236	930	3,600	-	-
	Public Sector HR Assoc	√	64	64	66	-	-	-	-
	Radio and Television News Directors Association	√	75	75	77	-	-	-	-
	Society of Human Resources Management (SHRM)	√	245	245	252	-	-	-	-
	South OC Watershed Management Area Dues	√	9,300	8,700	9,100	-	-	-	-
	South Orange County Economic Coalition (SOCEC)	√	1,745	1,745	1,797	-	-	-	-
	Southern California Water Coalition (SCWC)	√	1,092	1,092	1,125	-	-	-	-
	Urban Water Institute	√	6,000	6,000	6,180	5,400	7,650	-	-
	Water Environment Federation	√	60	60	62	-	-	-	-
	WaterISAC (International Security And Network)	√	550	550	587	-	-	-	-
	Miscellaneous	√	-	-	12,500	4,000	5,500	-	-
Staff Related Total			**181,162**	**177,256**	**172,734**	**42,497**	**97,900**	**-**	**-**
WEROC	AWWA CA/NV Section	√	311	311	311	3,000	3,750	-	-
	AWWA National Conference	√	-	-	-	680	3,520	-	-
	California Emergency Services Association	√	239	239	239	1,950	7,650	-	-
	California Utilities Emergency Association (CUEA)	New	-	-	500	-	-	-	-
	International Association of Emergency Managers	√	400	400	400	800	2,850	-	-
WEROC Total			**950**	**950**	**1,450**	**6,430**	**17,770**	**-**	**-**
Grand Total			**227,112**	**226,858**	**222,836**	**48,927**	**115,670**	**17,155**	**36,625**

Exhibit J
Professional / Special Services Authorized
Core Fund

Department	Consultant	Service	Budget FY 24-25	Budget FY 25-26	* Approval included in Budget Approval
Outside Consulting Expense					
Planning & Operation (21)	CDR	Demographics analysis	$ 28,000	$ 30,000	√
	(To be determined)	MWDOC 2025 UWMP	$ -	$ 60,000	New
	(To be determined)	Water Quality Data Hub	$ -	$ 60,000	New
	(To be determined)	Real Time Water Quality Analyzer Pilot	$ -	$ 40,000	New
	(To be determined)	GIS Implementation Project	$ -	$ 130,000	New
	(To be determined)	Water Quality Workgroup Technical Support	$ -	$ 15,000	New
	(To be determined)	Supplemental Analysis of Water Supplies	$ 50,000	$ -	√
	(To be determined)	On Call Work	$ 25,000	$ 30,000	√
	Hazen	Demand Projections 2025 UWMP by Oct 2025	$ 65,000	$ 15,000	√
	Stetson Engineering	Consumer Confidence Report	$ -	$ 80,000	√
	Ed Means Consulting	EOCF#2 Pilot Project	$ 20,000	$ 10,000	√
Met Issues & Special Projects (23)	(To be determined)	Consulting on MET issues	$ -	$ 10,000	New
	(To be determined)	Financial & Rate Consulting	$ 25,000	$ -	√
	Dopudja & Wells Consulting- Paul Jones	MET and Reliability Planning (IRP & Delta)	$ 80,000	$ 90,000	√
		Total Outside Consulting Expense	**$ 293,000**	**$ 570,000**	
Legal Expenses					
Administration (11 & 13)	Best, Best & Krieger	General Legal Counsel Services	$ 219,000	$ 219,000	√
	Aleshire & Wynder	Legal Counsel Services Regarding San Diego CWA	$ 16,000	$ 16,000	√
	Best, Best & Krieger	Labor Counsel Services	$ 25,000	$ 25,000	√
		Total Legal Expenses	**$ 260,000**	**$ 260,000**	
Audit Expenses					
Finance (41)	Davis Farr, LLP	Annual Financial Audit and Federal Single Audit	$ 36,500	$ 32,445	√
	Davis Farr, LLP	WUE Grant Review	$ -	$ 5,000	√
Training					
Administration (11 & 13)	Cal State University Fullerton/Centre for Organization Effectiveness/Predict Success/ Knight leadership solution	Staff Development/Technical Training/Leadership Training	$ 40,000	$ 58,945	√
	(To be determined)	Various Lunch and learn+training	$ -	$ 6,000	√
	(To be determined)	Form 700 Workgroup Training	$ -	$ 2,500	New
Governmental Affairs (31)	(To be determined)	Grants Workshop Training	$ -	$ 15,000	New
Professional Services					
Administration (12 & 13 & 19)	Economic Group Pension Services (EGPS)	Pension Plan Administration	$ 4,500	$ 4,100	√
	HYAS Group	Advisor to assist with review of 401a and 457 Plans and investments	$ 25,000	$ 5,000	√
	(To be determined)	Various Lunch and learn+training	$ 6,000	$ -	√
	IGOE	Cafeteria Plan Administration	$ 795	$ 700	√
	Docusign	Docusign	$ 7,000	$ 7,000	√
	Gladwell Services	Records Management Consulting	$ 3,000	$ 1,000	√
	Health Equity	Health Equity	$ 205	$ 200	√
Governmental Affairs (31)	BBK Legislation	State Legislative Advocate	$ 96,000	$ -	√
	Syrus Devers Advocacy	Sacramento Lobbyist	$ -	$ 96,000	New
	Natural Resource Results	Federal Legislative Advocate	$ 96,000	$ 96,000	√
	Dopudja & Wells	Legislative and Local GA Assistance	$ 25,000	$ 25,000	√
	Whittingham Public Affairs Adv.	County Advocate	$ 90,000	$ 90,000	√
	Soto Services	Grant Research and Acquisition Assistance	$ 39,000	$ 39,000	√
	Ackerman	Legal and Regulatory	$ 42,000	$ 42,000	√
	Travel	Travel	$ 5,000	$ 6,000	√
Public Affairs (32)	Stetson Engineers	Consumer Confidence Report	$ 60,000	$ -	√
	Hashtag Pinpoint	Strategic Digital Consulting Services	$ 95,000	$ 95,000	√
	(To be determined)	Water Awareness Campaign	$ 30,000	$ 30,000	√
	LA Design	Website Maintenance	$ 5,000	$ 5,000	√
	(Various)	Special Events	$ 50,000	$ 50,000	√
	VoxCivic, SCNG, etc.	Advertising	$ 40,000	$ 40,000	√
WUE - Core (35)	(To be determined)	General WUE Research	$ 75,000	$ 25,000	√
	Environmental Incentive	WUE Work Group Support - Way of Life TAP	$ -	$ 50,000	New
	E Source	Water Loss Control Work Grp (WLC)	$ 55,000	$ 55,000	√
	E Source	WLC Business Plan Implementation	$ 35,000	$ 35,000	√
	OC Data Acquisition P/S (OCDAP)	Aerial Imagery and Landscape Measurement Project	$ 75,000	$ 50,000	√
Finance (41)	U.S. Bank	Custodial Bank fees	$ 10,000	$ 10,000	√
	CalPERS	CalPERS GASB 68 Report	$ 700	$ 700	√
	(To be determined)	OPEB Actuarial	$ 3,750	$ 1,000	√
	Tracker C2	Investment Tracking	$ 3,300	$ 3,500	√
IT (45)	(To be determined)	Managed Service Provider	$ 70,000	$ 65,000	√
	(To be determined)	IT Projects	$ 19,500	$ -	√
	CrowdStrike	Cybersecurity	$ 45,000	$ -	√
		Total Professional Fees	**$ 1,111,750**	**$ 927,200**	

Exhibit J1
Professional / Special Services Authorized
Choice Funds

Department	Consultant	Service	Budget FY 24-25	Budget FY 25-26	* Approval included in Budget Approval
Training					
Water Loss Control (70)	(To be determined)	Water loss training	$ 1,000	$ 2,000	√
Professional Fees					
Water Loss Control (70)	Westerley & McCall's	Meter Accuracy Testing	$ 55,000	$ 83,270	√
Water Use Efficiency (62)	Various Printers	Printing of marketing materials for all WUE programs	$ 40,000	$ 40,000	√
	ARC GIS	GIS	$ -	$ 2,030	√
	Droplet	Web Based Rebate Processing Platform (Turf & Drip)	$ 37,100	$ 47,500	√
	Mission Resource Cnsvr District	Residential Installation Verification Inspections	$ 50,000	$ 50,000	√
School Program (63)	Shows that teach/The OC Department of Education	Assemblies (Elementary School)	$ 283,642	$ 292,150	√
	The OC Department of Education	Assemblies (Middle School)	$ 123,845	$ 125,560	√
	The OC Department of Education	Assemblies (High School)	$ 74,127	$ 76,350	√
		Total Professional Fees	**$ 663,714**	**$ 716,860**	

* Approval of the budget constitutes authorization for spending within the policy guidelines set out in Chapter 8, Contracts section of the Administrative code including authorization limitations. A check mark indicates final board approval of the expenditure.

Total Core Expenses

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget
6010	Salaries & Wages - Admin	4,674,242	4,398,133	4,952,736
6090	Directors Compensation - MWDOC	275,041	264,236	281,917
6095	Directors Compensation - MWD	157,166	152,670	161,096
6105	Benefits - Admin	1,359,165	1,391,469	1,525,518
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
6111	Overhead Reimbursement	(430,173)	(411,586)	(504,105)
6115	Benefits - Directors	149,557	137,665	158,371
6120	Health Insurance Coverage for Retirees	81,349	78,000	122,517
6205	Training	40,000	38,000	82,445
6210	Tuition Reimbursement	6,000	7,500	6,500
6220	Temporary Help	5,000	-	5,000
7010	Outside Consulting Services	293,000	335,100	570,000
7020	Legal - General	260,000	211,354	260,000
7030	Audit	36,500	27,000	37,445
7040	Other Professional Fees	1,101,750	906,535	914,200
7110	Conference - Employee	40,002	32,172	42,497
7115	Conference - Directors	16,955	14,945	17,155
7150	Travel & Accommodations - Employee	89,580	72,000	85,900
7155	Travel & Accommodations - Director	39,925	24,411	36,625
7210	Membership / Sponsorship	243,688	225,908	221,386
7250	CDR Participation	67,789	67,789	72,650
7305	Business Expense	5,000	4,932	5,500
7310	Office Maintenance	348,680	348,680	156,000
7315	Building Repair & Maintenance	30,200	45,000	57,200
7320	Rents & Leases	1,200	1,072	1,125
7330	Office Supplies	30,000	26,000	28,000
7340	Postal / Mail Delivery	9,600	7,925	8,800
7350	Subscriptions / Books	10,000	9,500	10,000
7360	Reproduction Expense	109,000	107,800	108,500
7410	Computer & Peripherals Maint	17,500	5,000	15,850
7430	Software Purchase	81,540	104,298	269,311
7440	Software Support	4,648	50,185	20,000
7510	Site Maintenance	-	-	-
7450	Computers and Equipment	29,250	43,000	45,250
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	11,500	8,400	11,500
7615	Toll Road Charges	600	355	550
7620	Insurance Expense	198,000	197,500	233,950
7640	Utilities - Telephone	43,006	48,991	47,474
7650	Bank Fees	2,400	2,400	2,400
7670	Miscellaneous Expenses	148,300	136,807	170,200
8610	Depreciation Expense	-	62,568	-
8810	Capital Acquisition	37,000	38,892	25,000
	Total Expenditure	9,830,961	9,429,605	10,440,462
	MWDOC's Contribution to WEROC Oper	300,808	296,290	353,149
	MWDOC's Contribution to Election Rsrv	725,642	725,642	605,000
	MWDOC's Building Expense (8811)	366,376	222,686	350,000
	Building Prior Year Carryover Dr/(Cr)	(366,376)	(350,000)	(350,000)
	OPEB Designated Reserve	-	-	(122,517)
		10,857,410	10,324,223	11,276,094

Total Choice Revenue and Expense

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget
4215	Choice Revenue	2,044,635	1,165,607	2,055,116
4205	School Contracts	-	-	-
4305	Revenue from MWD	-	224,930	312,321
4705	Prior Year Carry Over	-	-	-
	Choice billing over/under	-	456,646	2,520
	Total Revenue	2,044,635	1,847,183	2,369,956

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget
6010	Salaries & Wages - Admin	748,464	734,356	888,755
	Sal & Benefits - Reimb	(65,000)	(40,000)	(15,000)
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	218,894	191,202	248,757
6111	Overhead Reimbursement	430,173	411,586	504,105
6115	Benefits - Directors	-	-	-
6120	Health Insurance Coverage for Retirees	-	-	-
6205	Training	1,200	500	2,000
6210	Tuition Reimbursement	-	-	-
6220	Temporary Help	-	-	-
7010	Outside Consulting Services	-	-	-
7020	Legal - General	-	-	-
7030	Audit	-	-	-
7040	Other Professional Fees	182,100	135,852	222,800
	Other Professional Fees - School Programs	481,614	355,510	487,658
7110	Conference - Employee	-	-	-
7115	Conference - Directors	-	-	-
7150	Travel & Accommodations - Employee	-	-	-
7155	Travel & Accommodations - Director	-	-	-
7210	Membership / Sponsorship	-	-	-
7220	CUWA Participation	-	-	-
7240	AWWARF Participation	-	-	-
7250	CDR Participation	-	-	-
7310	Office Maintenance	-	-	-
7320	Rents & Leases	-	-	-
7330	Office Supplies	-	-	-
7332	Supplies - Water Loss Control	4,800	4,000	4,000
7340	Postal / Mail Delivery	500	450	650
7350	Subscriptions/Books	-	-	-
7360	Reproduction Expense	-	-	-
7410	Computer & Peripherals Maint	-	-	-
7430	Software Purchase	3,000	2,112	2,420
7440	Software Support	-	-	-
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7450	Computers and Equipment	-	-	-
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	400	62	100
7612	Vehicle Expense	12,000	9,718	10,000
7615	Toll Road Charges	200	400	400
7620	Insurance Expense	-	200	200
7640	Utilities - Telephone	2,520	1,632	2,112
7650	Bank Fees	-	-	-
7670	Miscellaneous Expenses	8,770	9,477	11,000
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	15,126	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	15,000	15,000	-
	Total Expenditure	2,044,635	1,847,183	2,369,956

Total Core and Choice Expenses

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget
6010	Salaries & Wages - Admin	5,422,706	5,132,489	5,841,491
	Sal & Benefits - Reimb	(65,000)	(40,000)	(48,000)
6090	Directors Compensation - MWDOC	275,041	264,236	281,917
6095	Directors Compensation - MWD	157,166	152,670	161,096
6105	Benefits - Admin	1,578,059	1,582,671	1,774,275
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
6111	Overhead Reimbursement	-	-	-
6115	Benefits - Directors	149,557	137,665	158,371
6120	Health Insurance Coverage for Retirees	81,349	78,000	122,517
6205	Training	41,200	38,500	84,445
6210	Tuition Reimbursement	6,000	7,500	6,500
6220	Temporary Help	5,000	-	5,000
7010	Outside Consulting Services	293,000	335,100	570,000
7020	Legal - General	260,000	211,354	260,000
7030	Audit	36,500	27,000	37,445
7040	Other Professional Fees	1,283,850	1,042,387	1,137,000
	Other Professional Fees - School Programs	481,614	355,510	487,658
7110	Conference - Employee	40,002	32,172	42,497
7115	Conference - Directors	16,955	14,945	17,155
7150	Travel & Accommodations - Employee	89,580	72,000	85,900
7155	Travel & Accommodations - Director	39,925	24,411	36,625
7210	Membership / Sponsorship	243,688	225,908	221,386
7250	CDR Participation	67,789	67,789	72,650
7305	Business Expense	5,000	4,932	5,500
7310	Office Maintenance	348,680	348,680	156,000
7315	Building Repair & Maintenance	30,200	45,000	57,200
7320	Rents & Leases	1,200	1,072	1,125
7330	Office Supplies	30,000	26,000	28,000
7332	Supplies - Water Loss Control	4,800	4,000	4,000
7340	Postal / Mail Delivery	10,100	8,375	9,450
7350	Subscriptions / Books	10,000	9,500	10,000
7360	Reproduction Expense	109,000	107,800	108,500
7410	Computer & Peripherals Maint	17,500	5,000	15,850
7430	Software Purchase	84,540	106,410	271,731
7440	Software Support	4,648	50,185	20,000
7450	Computers and Equipment	29,250	43,000	45,250
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	11,900	8,462	11,600
7612	Vehicle Expense	12,000	9,718	10,000
7615	Toll Road Charges	800	755	950
7620	Insurance Expense	198,000	197,700	234,150
7640	Utilities - Telephone	45,526	50,623	49,586
7650	Bank Fees	2,400	2,400	2,400
7670	Miscellaneous Expenses	157,070	146,284	181,200
8610	Depreciation Expense	-	77,694	-
8810	Capital Acquisition	52,000	53,892	25,000
	Total Expenditure	11,875,595	11,276,788	12,810,419
	MWDOC's Contribution to WEROC Oper	300,808	296,290	353,149
	MWDOC's Contribution to Election Rsrv	725,642	725,642	605,000
	MWDOC's Building Expense (8811)	366,376	222,686	350,000
	Building Prior Year Carryover Dr/(Cr)	(366,376)	(350,000)	(350,000)
	OPEB Designated Reserve	-	-	(122,517)
		12,902,045	12,171,406	13,646,050

Administrative - Board
11

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget		
6010	Salaries & Wages - Admin	373,108	336,960	468,708		
6090	Directors Compensation - MWDOC	275,041	264,236	281,917		
6095	Directors Compensation - MWD	157,166	152,670	161,096		
6105	Benefits - Admin	93,283	100,679	136,820		
6115	Benefits - Directors	149,557	137,665	158,371		
6120	Health Insurance Coverage for Retirees					
6205	Training			2,500	1	1) See Exhibit J
6210	Tuition Reimbursement					
6220	Temporary Help					
7010	Outside Consulting Services					
7020	Legal - General	235,000	186,354	235,000	1	
7030	Audit					
7040	Other Professional Fees					
7110	Conference - Employee					
7115	Conference - Directors	16,955	14,945	17,155	2	2) See Exhibit F
7150	Travel & Accommodations - Employee					
7155	Travel & Accommodations - Director	39,925	24,411	36,625	2	
7210	Membership / Sponsorship	45,000	48,652	48,652	3	3) See Exhibit D
7250	CDR Participation					
7310	Office Maintenance					
7320	Rents & Leases					
7330	Office Supplies					
7340	Postal / Mail Delivery	6,000	5,325	6,000		
7350	Subscriptions / Books					
7360	Reproduction Expense					
7410	Computers & Peripherals Maint					
7430	Software Purchase					
7440	Software Support					
7450	Computers and Equipment					
7580	Maintenance Expense					
7610	Automotive / Mileage	7,000	5,600	7,000		
7615	Toll Road Charges	300	225	300		
7620	Insurance Expense					
7640	Utilities - Telephone					
7650	Bank Fees					
7670	Miscellaneous Expenses	6,000	5,757	6,000		
8410	Overhead Reimbursement					
8610	Depreciation Expense					
8710	Election Expenses	-	140,815	-	4	4) Will be paid w/ Election Reserve
8810	Capital Acquisition					
	Total Expenditure	1,404,336	1,424,293	1,566,143		
	MWDOC's Contribution to Election Reserve	725,642	725,642	605,000		
		2,129,978	2,149,935	2,171,143		

Administrative - General
12

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget		
6010	Salaries & Wages - Admin	519,308	504,941	573,603		
6090	Directors Compensation - MWDOC					
6095	Directors Compensation - MWD					
6105	Benefits - Admin	200,775	188,633	221,094		
6115	Benefits - Directors					
6120	Health Insurance Coverage for Retirees					
6205	Training			6,000	1	1) See Exhibit J
6210	Tuition Reimbursement					
6220	Temporary Help	5,000	-	5,000		
7010	Outside Consulting Services					
7020	Legal - General					
7030	Audit					
7040	Other Professional Fees	25,000	10,250	-	1	1) See Exhibit J
7110	Conference - Employee	40,002	32,172	42,497	2	2) See Exhibit E
7115	Conference - Directors					
7150	Travel & Accommodations - Employee	89,580	72,000	85,900	2	
7155	Travel & Accommodations - Director					
7210	Membership / Sponsorship	181,162	168,674	151,684	3	3) See Exhibit D
7250	CDR Participation	67,789	67,789	72,650		
7305	Business Expense	5,000	4,932	5,500		
7310	Office Maintenance					
7320	Rents & Leases					
7330	Office Supplies					
7340	Postal / Mail Delivery					
7350	Subscriptions / Books	10,000	9,500	10,000		
7360	Reproduction Expense					
7410	Computer & Peripherals Maint					
7430	Software Purchase					
7440	Software Support					
7450	Computers and Equipment					
7580	Maintenance Expense					
7610	Automotive / Mileage	4,500	2,800	4,500		
7615	Toll Road Charges	300	130	250		
7620	Insurance Expense					
7640	Utilities - Telephone					
7650	Bank Fees					
7670	Miscellaneous Expenses	6,500	2,500	3,800		
8810	Capital Acquisition					
	Total Expenditure	1,154,916	1,064,321	1,182,478		

Personnel / Staff Development
13

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget	
6010	Salaries & Wages - Admin	347,729	367,678	406,292	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	90,744	109,787	122,537	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training	40,000	38,000	58,945	[1]
6210	Tuition Reimbursement	6,000	7,500	6,500	
6220	Temporary Help				
7010	Outside Consulting Services				
7020	Legal - General	25,000	25,000	25,000	[1]
7030	Audit				
7040	Other Professional Fees	6,000	29,485	-	
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	32,800	28,000	35,500	
8810	Capital Acquisition				
	Total Expenditure	548,272	605,450	654,774	

1) See Exhibit J

Overhead
19

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget	
6010	Salaries & Wages - Admin	644,599	663,916	605,102	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	177,075	201,648	180,486	
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000	
6111	Overhead Reimbursement from Choice	(430,173)	(411,586)	(504,105)	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees	81,349	78,000	122,517	1
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Outside Consulting Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	5,500	4,800	5,000	2
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7220	CUWA Participation				
7240	AWWARF Participation				
7250	CDR Participation				
7310	Office Maintenance	348,680	348,680	156,000	3
7315	Building Repair & Maintenance	30,200	45,000	57,200	
7320	Rents & Leases	1,200	1,072	1,125	
7330	Office Supplies	30,000	26,000	28,000	
7340	Postal / Mail Delivery	3,600	2,600	2,800	
7350	Subscriptions / Books				
7360	Reproduction Expense	9,000	7,800	8,500	
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense	198,000	197,500	233,950	
7640	Utilities - Telephone	42,000	48,535	46,924	
7650	Bank Fees	2,400	2,400	2,400	
7670	Miscellaneous Expenses	5,000	2,000	3,500	
8410	Overhead Reimbursement				
8610	Depreciation Expense		62,568		
8810	Capital Acquisition	25,000	25,892		
	Total Expenditure	1,380,430	1,721,260	1,156,399	
	MWDOC's Building Expense (8811)	366,376	222,686	350,000	4
	Building Exp. Prior Year Carryover Dr/(Cr)	(366,376)	(350,000)	(350,000)	
	OPEB Designated Reserve	-	-	(122,517)	1
		1,380,430	1,593,946	1,033,882	

1) MWDOC will be using OPEB Designated reserves to pay for retiree healthcare benefit

2) See Exhibit J

3)

Binding machine	$	800
Atrium/Landscape	$	14,400
Window Cleaning	$	2,000
Carpet Cleaning	$	2,000
Interior Plant Service	$	5,000
Extra Deep cleaning in office	$	3,000
Furniture cleaning	$	2,800
OCWD monthly & Receptionist	$	126,000
	$	156,000

4) Roofing Project $ 350,000

Reliability Planning and Engineering
21

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget	
6010	Salaries & Wages - Admin	538,294	472,658	567,060	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	140,726	133,816	161,397	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Outside Consulting Services	188,000	230,100	470,000	1
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees		22,000		
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase			4,900	
7440	Software Support				
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone	-	-	-	
7650	Bank Fees				
7670	Miscellaneous Expenses	6,000	5,000	7,500	
8810	Capital Acquisition				
	Total Expenditure	873,020	863,574	1,210,857	

1) See Exhibit J

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget	
6010	Salaries & Wages - Admin	434,306	288,768	377,920	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	113,804	86,654	104,709	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Outside Consulting Services	105,000	105,000	100,000	1
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees				
7045	Other Professional Fees - MET				
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone	456			
7650	Bank Fees				
7670	Miscellaneous Expenses	1,000	1,000	1,500	
8810	Capital Acquisition				
	Total Expenditure	654,565	481,421	584,129	

1) See Exhibit J

Government Affairs
31

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget	
6010	Salaries & Wages - Admin	181,762	171,628	187,335	
6090	Directors Compensation - MWDOC				1) See Exhibit J
6095	Directors Compensation - MWD				
6105	Benefits - Admin	50,003	57,661	60,211	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training			15,000	1
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Outside Consulting Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	393,000	385,000	394,000	1
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship			12,500	
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	1,500	10,300	1,500	
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
	Total Expenditure	626,265	624,589	670,546	

Public Affairs
32

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget	
6010	Salaries & Wages - Admin	725,661	668,447	851,284	1
	Sal & Benefits - Reimb			(33,000)	1
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	214,719	219,022	259,741	1
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Outside Consulting Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	280,000	275,000	220,000	2
7047	Prof Service-Grant Recovery				
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7220	CUWA Participation				
7240	AWWARF Participation				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense	100,000	100,000	100,000	
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone	550	456	550	
7650	Bank Fees				
7670	Miscellaneous Expenses	80,500	80,000	102,400	3
8810	Capital Acquisition				
	Total Expenditure	1,401,430	1,342,925	1,500,976	

1) 40% of 1 FTE's effort will be reimbursed split evenly between MWDOC and outside funding

2) See Exhibit J

3)

Sponsorship Fund	$	6,000
Member Agency Workshops & Meetings (PAW)	$	6,000
Storage Facility	$	8,900
MWDOC Attendance @ WPD/OCWS	$	9,000
Wyland Mayors Challenge	$	10,000
Scouts Programs	$	7,500
Education Initatives	$	35,000
Pilot MWDOC Ambassador Program + Outreach Tours	$	20,000
	$	102,400

Water Use Efficiency
(Core)
35

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget
6010	Salaries & Wages - Admin	248,008	290,727	232,533
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	71,231	97,184	69,434
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	240,000	51,215	215,000 [1]
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	17,526	8,582	8,550
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	250	6,000
8810	Capital Acquisition			
	Total Expenditure	582,765	447,958	531,517

1) See Exhibit J

General Finance
41

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget	
6010	Salaries & Wages - Admin	528,507	507,170	547,774	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	162,111	154,292	164,353	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Outside Consulting Services				
7020	Legal - General				
7030	Audit	36,500	27,000	37,445	1
7040	Other Professional Fees	17,750	43,975	15,200	2
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase			120,000	3
7440	Software Support			15,000	4
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	1,000	1,000	1,000	
8810	Capital Acquisition				
	Total Expenditure	745,868	733,437	900,773	

1) See Exhibit J

2) See Exhibit J

3) New ERP system Implementatior

4) New ERP Annual Dues

Information Technology
45

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget	
6010	Salaries & Wages - Admin	132,962	125,240	135,124	
6090	Directors Compensation - MWDOC				1) See Exhibit J
6095	Directors Compensation - MWD				
6105	Benefits - Admin	44,693	42,092	44,736	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Outside Consulting Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	134,500	84,810	65,000	1
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7220	CUWA Participation				
7240	AWWARF Participation				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computers & Peripherals Maint	17,500	5,000	15,850	
7430	Software Purchase	81,540	104,298	144,411	
7440	Software Support	4,648	50,185	5,000	
7510	Site Maintenance				
7450	Computers and Equipment	29,250	43,000	45,250	
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	2,000	1,000	1,500	
8810	Capital Acquisition	12,000	13,000	25,000	
	Total Expenditure	459,093	468,625	481,871	

Water Use Efficiency
(choice)
62

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget
4215	Choice Revenue	989,455	803,364	1,183,382
4705	Prior Year Carry over			
	Choice billing over/under	-	295,261	-
	Total Revenue	989,455	1,098,625	1,183,382

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget	
6010	Salaries & Wages - Admin	506,978	567,354	579,177	
6012	Sal & Benefits - Reimb	(65,000)	(40,000)	(15,000)	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	130,429	150,395	149,585	
6111	Overhead Reimbursement	283,448	319,176	322,961	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Outside Consulting Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	127,100	96,750	139,530	[1] 1) See Exhibit J
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accomodations - Employee				
7155	Travel & Accomodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery	500	450	650	
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone			480	
7650	Bank Fees				
7670	Miscellaneous Expenses	6,000	4,500	6,000	
8810	Capital Acquisition				
	Total Expenditure	989,455	1,098,625	1,183,382	

School Program
(choice)
63

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget
4215	Choice Revenue	496,062	96,173	502,289
4205	School Contracts			
4705	Prior Year Carry over			
	Choice billing over/under	-	271,257	2,520
	Total Revenue	496,062	367,429	504,809

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget	
6010	Salaries & Wages - Admin	7,314	6,255	8,815	
	Sal & Benefits - Reimb		-	-	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	2,687	1,996	3,069	
6111	Overhead Reimbursement	4,447	3,669	5,267	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Outside Consulting Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees				
7040	Other Professional Fees - School Programs	481,614	355,510	487,658	1
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses				
8810	Capital Acquisition				
	Total Expenditure	496,062	367,429	504,809	

1) • Elementary Schools $ 276,557
• Middle Schools $ 117,879
• High Schools $ 93,222
$ 487,658

Water Loss Control
(choice)
70

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget
4215	Choice Revenue	559,118	266,070	369,445
4305	Revenue from MWD		224,930	312,321
4705	Prior Year Carry over			
	Choice billing over/under	-	(109,871)	-
	Total Revenue	559,118	381,129	681,765

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget	
6010	Salaries & Wages - Admin	234,172	160,748	300,763	
6012	Sal & Benefits - Reimb				
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	85,778	38,811	96,104	
6111	Overhead Reimbursement	142,278	88,742	175,877	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training	1,200	500	2,000	
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Outside Consulting Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	55,000	39,102	83,270	[1] 1) See Exhibit J
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accomodations - Employee				
7155	Travel & Accomodations - Director				
7210	Membership / Sponsorship				
7220	CUWA Participation				
7240	AAWARF Participation				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7332	Supplies - Water Loss Control	4,800	4,000	4,000	
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase	3,000	2,112	2,420	
7440	Software Support				
7450	Computers and Equipment				
7510	Site Maintenance				
7580	Maintenance Expense				
7610	Automotive / Mileage	400	62	100	
7612	Vehicle Expense	12,000	9,718	10,000	
7615	Toll Road Charges	200	400	400	
7620	Insurance Expense		200	200	
7640	Utilities - Telephone	2,520	1,632	1,632	
7650	Bank Fees				
7670	Miscellaneous Expenses	2,770	4,977	5,000	
8410	Overhead Reimbursement				
8610	Depreciation Expense		15,126		
8710	Election Expenses				
8810	Capital Acquisition	15,000	15,000		
	Total Expenditure	559,118	381,129	681,765	

WEROC
25

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget
4320	MWDOC Contribution to Operations	300,808	296,290	353,149
4210	WEROC Contracts	300,808	269,651	353,149
4205				
4230	Reimbursements			
4240				
4410				
4805				
	TOTAL WEROC Revenue	**601,615**	**565,941**	**706,297**

1) OCSD $ 69,217
SOCWA $ 26,839
OCWD $ 176,574
3 Cities @$26,839 $ 80,518
$ 353,149

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget
6010	Salaries & Wages - Admin	412,741	403,000	492,542
6012	Sal & Benefits - Reimb		-	-
6090	Directors Compensation - MWDOC		-	-
6095	Directors Compensation - MWD		-	-
6105	Benefits - Admin	135,674	132,650	153,705
6115	Benefits - Directors		-	-
6120	Health Insurance Coverage for Retirees		-	-
6205	Training	6,000	6,800	6,000
7040	Other Professional Fees		22,920	-
7110	Conference - Employee	2,000	4,900	6,430
7115	Conference - Directors		-	-
7150	Travel & Accomodations - Employee	6,200	7,323	17,770
7155	Travel & Accomodations - Director		-	-
7210	Membership / Sponsorship	950	950	1,450
7330	Office & Radio Supplies	1,000	295	750
7340	Postal / Mail Delivery		-	-
7350	Subscriptions / Books		-	-
7360	Reproduction Expense		-	-
7410	Computer & Peripherals Maint	4,000	4,064	2,000
7430	Software Purchase		-	-
7440	Software Support	12,000	11,220	12,000
7510	Site Maintenance	350	350	350
7580	Maintenance - Generators	1,000	-	1,000
7581	Maintenance - Radios	3,000	2,986	3,000
7582	Maintenance - EOC's	2,200	1,200	1,500
7610	Automotive / Mileage	1,500	510	500
7640	Utilities - Telephone	8,000	5,200	6,000
7650	Bank Fees		-	-
7670	Miscellaneous Expenses	3,000	3,128	4,000
7671	Miscellaneous Training	2,000	4,290	2,000
8610	Depreciation Expense		3,879	
	Operations Expenditure	**601,615**	**611,786**	**710,997**
	Contribution (Draw) from WEROC Reserves			(4,700)
	Total Operations Budget	**601,615**	**611,786**	**706,297**
	Capital Expenditures			
	Total Expenditures	**601,615**	**611,786**	**706,297**

2) Cert Meetings Exercises
3) See Exhibit J
4) See Exhibit E
5) See Exhibit D

AMP Proceeds Agreement Administration
61

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget
4020	Interest Revenue			
4050	O & M Maintenance Deposit			
4230	Reimbursement	1,906	(0)	(0)
4680	Miscellaneous Income			
	Prior Year Carryover		298	944
	Total Revenue	1,906	298	944

		FY 2024-2025 Budget	FY 2024-2025 Projected Actuals	FY 2025-2026 Proposed Budget
6010	Salaries & Wages - Admin	1,491	235	745
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	415	63	199
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Outside Consulting Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8810	Capital Acquisition			
	Total Expenditure	1,906	298	944

Municipal Water District of Orange County

FY25/26 Consolidated Budget Summary

	Core & Choice	Water Fund	WUE Grants and Outside Funding	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers	Less Inter-Fund Transfers	Consolidated Budget Total
Revenues:								
Water Sales		$ 201,334,301				**$ 201,334,301**		**$ 201,334,301**
Local Resource Program Incentives		(3,840,576)				**(3,840,576)**		**(3,840,576)**
Retail Meter Charge	9,939,371					**9,939,371**		**9,939,371**
Ground Water Customer Charge	414,371					**414,371**		**414,371**
Reimb for PARS OPEB Trust Reimbursement	122,517					**122,517**		**122,517**
Interest Revenue	916,000	-				**916,000**		**916,000**
MWDOC's Contribution				353,149		**353,149**	(353,149)	**-**
Outside Fundings	-		8,349,498	353,149	944	**8,703,590**		**8,703,590**
Choice Revenue	2,369,956					**2,369,956**		**2,369,956**
Miscellaneous Income	5,000					**5,000**		**5,000**
Total Revenues	**13,767,215**	**197,493,724**	**8,349,498**	**706,297**	**944**	**220,317,678**	**(353,149)**	**219,964,530**
Expenses:								
Water Purchases	-	197,493,724				**197,493,724**		**197,493,724**
Salaries & Wages	5,841,491			492,542	745	**6,334,777**		**6,334,777**
less S & W Reimb. DSC or Recov from Grants	(48,000)			-		**(48,000)**		**(48,000)**
Employee Benefits	1,981,275			153,705	199	**2,135,179**		**2,135,179**
Outside Consulting Expense	570,000					**570,000**		**570,000**
Professional Fees	1,624,658		8,349,498	-		**9,974,156**	-	**9,974,156**
Contribution to Election Reserve	605,000					**605,000**		**605,000**
Legal Expense - General	260,000			-	-	**260,000**		**260,000**
Maintenance Expense	213,200			4,350		**217,550**		**217,550**
Insurance Expense	234,150			-		**234,150**		**234,150**
Membership / Sponsorship	221,386			1,450		**222,836**		**222,836**
Director Compensation	281,917					**281,917**		**281,917**
MWDOC Contribution to WEROC Operations	353,149					**353,149**	(353,149)	**-**
Others:								
MWD Representation	161,096					**161,096**		**161,096**
Director Benefits	158,371					**158,371**		**158,371**
Health Insurance Coverage for Retirees	122,517				-	**122,517**		**122,517**
Audit Expense	37,445				-	**37,445**		**37,445**
Automotive & Toll Road Expenses	22,550			500		**23,050**		**23,050**
Conference Expense - Staff	42,497			6,430		**48,927**		**48,927**
Conference Expense - Directors	17,155					**17,155**		**17,155**
CDR Participation	72,650					**72,650**		**72,650**
Business Expense	5,500					**5,500**		**5,500**
Miscellaneous Expense	183,600			7,500	-	**191,100**		**191,100**
Postage / Mail Delivery	9,450					**9,450**		**9,450**
Rents & Leases	1,125			-		**1,125**		**1,125**
Outside Printing, Subscription & Books	118,500			-		**118,500**		**118,500**
Office Supplies	32,000			750		**32,750**		**32,750**
Computer Maintenance	15,850			2,000		**17,850**		**17,850**
Software Support & Expense	291,731			12,000		**303,731**		**303,731**
Computers and Equipment	45,250			-		**45,250**		**45,250**
Telecommunications Expense	49,586			6,000		**55,586**		**55,586**
Temporary Help Expense	5,000					**5,000**		**5,000**
Training Expense	84,445			6,000		**90,445**		**90,445**
Tuition Reimbursement	6,500					**6,500**		**6,500**
Travel & Accommodations - Staff	85,900			17,770		**103,670**		**103,670**
Travel & Accommodations - Directors	36,625					**36,625**		**36,625**
Depreciation Expense (annualized)	-					**-**		**-**
Overhead Reimbursement	-				-	**-**		**-**
MWDOC Building Expense	-					**-**		**-**
Capital Acquisition	25,000			-		**25,000**		**25,000**
All Other Expenses	1,630,342	-	-	54,250	-	**1,684,592**	-	**1,684,592**
Total Expenses	**13,768,567**	**197,493,724**	**8,349,498**	**706,297**	**944**	**220,319,030**	**(353,149)**	**219,965,881**
EFFECT ON RESERVES / FUND BALANCE	**$ (1,352)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (1,352)**	**$ -**	**$ (1,351)**

Municipal Water District of Orange County

FY24/25 Consolidated Budget Summary

	Core & Choice	Water Fund	WUE Grants and Outside Funding	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers	Less Inter-Fund Transfers	Consolidated Budget Total
Revenues:								
Water Sales		$ 212,883,116				**$ 212,883,116**		**$ 212,883,116**
Local Resource Program Incentives		(4,661,958)				**(4,661,958)**		**(4,661,958)**
Retail Meter Charge	9,580,818					**9,580,818**		**9,580,818**
Ground Water Customer Charge	405,463					**405,463**		**405,463**
Reimb for PARS OPEB Trust Reimbursement	80,000					**80,000**		**80,000**
Interest Revenue	738,960					**738,960**		**738,960**
MWDOC's Contribution				300,808		**300,808**	(300,808)	**-**
Outside Fundings	-		10,872,042	300,808	1,906	**11,174,756**		**11,174,756**
Choice Revenue	2,044,635					**2,044,635**		**2,044,635**
Miscellaneous Income	3,000					**3,000**		**3,000**
Total Revenues	**12,852,876**	**208,221,158**	**10,872,042**	**601,615**	**1,906**	**232,549,597**	**(300,808)**	**232,248,789**
Expenses:								
Water Purchases	-	208,221,158				**208,221,158**		**208,221,158**
Salaries & Wages	5,422,706			412,741	1,491	**5,836,938**		**5,836,938**
less S & W Reimb. DSC or Recov from Grants	(65,000)			-		**(65,000)**		**(65,000)**
Employee Benefits	1,785,059			135,674	415	**1,921,147**		**1,921,147**
Outside Consulting Expense	293,000					**293,000**		**293,000**
Professional Fees	1,765,464		10,872,042	-		**12,637,506**		**12,637,506**
Contribution to Election Reserve	725,642					**725,642**		**725,642**
Legal Expense - General	260,000			-		**260,000**		**260,000**
Maintenance Expense	378,880			4,350		**383,230**		**383,230**
Insurance Expense	198,000			-		**198,000**		**198,000**
Membership / Sponsorship	243,688			950		**244,638**		**244,638**
Director Compensation	275,041					**275,041**		**275,041**
MWDOC Contribution to WEROC Operations	300,808					**300,808**	(300,808)	**-**
Others:								
MWD Representation	157,166					**157,166**		**157,166**
Director Benefits	149,557					**149,557**		**149,557**
Health Insurance Coverage for Retirees	81,349					**81,349**		**81,349**
Audit Expense	36,500					**36,500**		**36,500**
Automotive & Toll Road Expenses	24,700			1,500		**26,200**		**26,200**
Conference Expense - Staff	40,002			2,000		**42,002**		**42,002**
Conference Expense - Directors	16,955					**16,955**		**16,955**
CDR Participation	67,789					**67,789**		**67,789**
Business Expense	5,000					**5,000**		**5,000**
Miscellaneous Expense	159,470			7,200		**166,670**		**166,670**
Postage / Mail Delivery	10,100					**10,100**		**10,100**
Rents & Leases	1,200			-		**1,200**		**1,200**
Outside Printing, Subscription & Books	119,000			-		**119,000**		**119,000**
Office Supplies	34,800			1,000		**35,800**		**35,800**
Computer Maintenance	17,500			4,000		**21,500**		**21,500**
Software Support & Expense	89,188			12,000		**101,188**		**101,188**
Computers and Equipment	29,250			-		**29,250**		**29,250**
Telecommunications Expense	45,526			8,000		**53,526**		**53,526**
Temporary Help Expense	5,000					**5,000**		**5,000**
Training Expense	41,200			6,000		**47,200**		**47,200**
Tuition Reimbursement	6,000					**6,000**		**6,000**
Travel & Accommodations - Staff	89,580			6,200		**95,780**		**95,780**
Travel & Accommodations - Directors	39,925					**39,925**		**39,925**
Depreciation Expense (annualized)	-					**-**		**-**
Overhead Reimbursement	-					**-**		**-**
MWDOC Building Expense	-					**-**		**-**
Capital Acquisition	52,000			-		**52,000**		**52,000**
All Other Expenses	1,318,758	-	-	47,900	-	**1,366,658**	-	**1,366,658**
Total Expenses	**12,902,045**	**208,221,158**	**10,872,042**	**601,615**	**1,906**	**232,598,766**	**(300,808)**	**232,297,958**
EFFECT ON RESERVES / FUND BALANCE	**$ (49,169)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (49,169)**	**$ -**	**$ (49,169)**

Item No. 7

ACTION ITEM
October 15, 2025

TO: **Board of Directors**

FROM: **Administration & Finance Committee**

Harvey De La Torre, General Manager

Staff Contact: Cathleen Harris, Director of HR and Administration
Katie Davanaugh, Sr. Human Resources Analyst

SUBJECT: **2026 HEALTH SAVINGS ACCOUNT CONTRIBUTIONS**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve an increase to the District's annual Health Savings Account (HSA) contribution amounts, made by the District, to the Kaiser and Anthem Consumer Driven Health Plans (CDHP) for the 2026 plan year, as follows:

	Employee Only	2-party	Family
Kaiser	$1,700	$3,400	$3,400
Anthem	$1,500	$3,000	$2,800

COMMITTEE RECOMMENDATION

(To be determined at Committee Meeting)

REPORT

Annually, at open enrollment, the Board of Directors reviews, establishes, and approves the District's contribution amounts to a Health Savings Account (HSA) for employees participating in a Consumer Driven Health Plan (CDHP). Calendar year 2026 will be the 11th year that the District has offered and participated in the Anthem PPO and Kaiser CDHPs.

Budgeted: ☒ Yes ☐ No ☐ N/A		Budgeted amount: $3,300
Core: ☒	Choice: ☐	Movement between funds: ☐ Yes ☒ No
Action item amount: $12,113		

The 2026 HSA contribution amounts, as compared to the 2025 amounts, are as follows:

	Employee Only	2-party	Family
2025 annual District contributions, by plan			
2025 Kaiser	$1,650	$3,300	$3,300
2025 Anthem	$1,450	$2,900	$2,700
2026 proposed annual District contributions, by plan			
2026 Kaiser	$1,700	$3,400	$3,400
2026 Anthem	$1,500	$3,000	$2,800
% Change from 2025 to 2026			
Kaiser	3.03%	3.03%	3.03%
Anthem	3.45%	3.45%	3.7%

Current enrollment, in 2025, is as follows for the CDHPs:

5 participants in the Kaiser CDHP (employee only coverage)
0 participants in the Anthem PPO CDHP

Full contributions are made effective with the first payroll in January for any employee enrolled in a CDHP effective January 1st for the start of a new plan year. Employees hired after January 1st and thereafter will receive a pro-rated contribution to their HSA, effective with their benefit eligibility date.

The District contributions are derived by calculating the difference in deductibles between the CDHP and the non-CDHP plans to ensure that CDHP participants do not incur higher deductible amounts than participants in the traditional plans.

The plan maximum limits, as set by the Internal Revenue Services (IRS), are as follows:

	2025	2026
HSA Contribution Limit	Self-Only: $4,300 Family: $8,550	Self-Only: $4,400 Family: $8,750
HSA Catch-Up Contributions (Age 55+)	$1,000	$1,000

Staff recommends the Board of Directors select Option #1 to approve an increase to the District's annual HSA contribution amounts, made by the District, to the Kaiser and Anthem CDHP for the 2026 plan year.

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

☐ *Clarifying MWDOC's mission and role; defining functions and actions.*
☐ *Balance support for Metropolitan's regional mission and OC values and interests.*
☐ *Strengthen communication and coordination of messaging.*
☐ *Work with member agencies to develop water supply and demand objectives.*
☐ *Solicit input and feedback from member agencies.*
☒ *Invest in workforce development and succession planning.*

BOARD OPTIONS

Option #1: Approve an increase to the District's annual Health Savings Account contribution amounts, made by the District, to the Kaiser and Anthem Consumer Driven Health Plans for the 2026 plan year, as follows:

	Employee Only	2-party	Family
Kaiser	$1,700	$3,400	$3,400
Anthem	$1,500	$3,000	$2,800

Fiscal Impact: An increase of $8,813 for a total of $12,113, based on existing enrollment with a trending increase in participation. Open enrollment will be in October, so participation rates may fluctuate during that time. It is anticipated that one additional new hire will elect one of the high-deductible plans.

Option #2: Do not approve an increase in the Health Savings Account contribution amounts.

Fiscal impact: The financial impact will vary based on plan participation. However, not increasing the District contribution amounts will likely discourage participation in the Consumer Driven Health Plans.

Attachments/Links:
N/A

Item No. 8

INFORMATION ITEM
October 8, 2025

TO: **Administration & Finance Committee**

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

Staff Contact: Hilary Chumpitazi, Director of Finance/IT
Therese Plaganas, Senior Accountant

SUBJECT: **FY 2024–25 INDIVIDUAL CHARGES DISCLOSURE REPORT**

STAFF RECOMMENDATION

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

REPORT

Purpose

This memorandum provides a high-level summary of the District's Individual Charges Disclosure Report for the fiscal year ending June 30, 2025. This report is prepared annually in compliance with California Government Code Section 53065.5.

Background

California Government Code Section 53065.5 mandates that all special districts, such as the Municipal Water District of Orange County, must publicly disclose any reimbursement or payment made to an employee or board member for an "individual charge" of $100 or more. The purpose of this law is to ensure transparency in the use of public funds. "Individual charges" include single payments for items such as one night of lodging, a meal, a flight, or a product or service.

Budgeted: ☐ Yes ☐ No ☒ N/A		Budgeted amount:
Core: ☐	Choice: ☐	Movement between funds: ☐ Yes ☐ No
Action item amount:		

Annual Report

The attached report for Fiscal Year 2024–25 lists all individual charges of $100 or more. The report documents a total of **$4,465.73** in reimbursements. This amount is broken down by position and event, providing a clear record of the specific costs incurred.

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

☒ *Clarifying MWDOC's mission and role; defining functions and actions.*
☐ *Balance support for Metropolitan's regional mission and OC values and interests.*
☐ *Strengthen communication and coordination of messaging.*
☐ *Work with member agencies to develop water supply and demand objectives.*
☐ *Solicit input and feedback from member agencies.*
☐ *Invest in workforce development and succession planning.*

Attachments/Links:
Attachment 1: FY 2024–25 Individual Charges Disclosure Report

Municipal Water District of Orange County
Individual Charges Disclosure
For the period of 07/1/2024 - 06/30/2025

POSITION:	VENDOR:	EVENT:	ITEM:	AMOUNT
Director of Water Use Efficiency	Reimbursement	Ink cartridge for remote work use 01/09/25	Office supplies	$ 154.07
	American Airlines	ACWA DC 2025 Conference in Washington D.C. from 02/25/25-02/27/25 - Roundtrip flight	Travel & Accommodations	$ 702.96
	Hilton	CalWEP Board meeting on 12/11/24 and Plenary meeting in Sacramento CA on 12/12/24	Travel & Accommodations	$ 234.26
			Director of Water Use Efficiency Total:	**$ 1,091.29**
Water Loss Control Programs Supervisor	CA-NV Section AWWA	Certification renewals - WUE Practioner 2 and Cross Connection Control Specialist	Certification	$ 250.00
			Water Loss Control Programs Supervisor	**$ 250.00**
Water Use Efficiency Programs Analyst II	CA-NV Section AWWA	Certification renewal - WUE Practitioner 1	Certification	$ 125.00
			Water Use Efficiency Programs Analyst II Total:	**$ 125.00**
Sr. Water Resource Analyst	Hilton	Colorado River User Association Conference on 12/04/24-12/06/24 in Las Vegas, NV	Travel & Accommodations	$ 600.00
			Sr. Water Resource Analyst Total:	**$ 600.00**
WEROC Specialist	The Broadmoor	International Association of Emergency Managers Conference 2024 in Colorado Springs, CO from 11/14/24-11/22/24	Travel & Accommodations	$ 1,987.68
			WEROC Specialist Total:	**$ 1,987.68**
WEROC Coordinator	The Anza	Palisades Fire in Pacific Palisades, CA from 01/13/25-01/15/25	Travel & Accommodations	$ 411.76
			WEROC Coordinator Total:	**$ 411.76**
			Grand Total	**$ 4,465.73**

Item No. 9

INFORMATION ITEM
October 8, 2025

TO: **Administration & Finance Committee**

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

Staff Contact: Hilary Chumpitazi, Director of Finance/IT
David Anderson, IT System Administrator

SUBJECT: **IT AGREEMENT WITH GOVCONNECTION, INC. FOR INFRASTRUCTURE MODERNIZATION**

STAFF RECOMMENDATION

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

REPORT

Summary

To mitigate risks posed by aging, unsupported server infrastructure, the District launched a phased modernization initiative to replace legacy systems with a secure, scalable, and future-ready environment. Pursuant to Administrative Code Section 8004, under the General Manager's authority, a competitive-based contract was awarded to GovConnection, Inc. for $18,489 with a 20% contingency for an amount not to exceed $22,186, and with anticipated software and licensing costs under $2,000.

Discussion

A portion of the District's server infrastructure reached end-of-life status and is no longer supported by vendors; thus, it has become increasingly difficult to maintain. This presents growing risks to system reliability, cybersecurity, and operational continuity.

Budgeted: ☐ Yes ☐ No ☒ N/A		Budgeted amount: $24,000 (roll-over IT funds from FY 2024-25)
Core: ☒	Choice: ☐	Movement between funds: ☐ Yes ☒ No
Action item amount: $22,186		

To address these concerns, the District initiated a phased modernization effort aimed at replacing legacy systems with a secure, scalable, and future-ready server environment. This initiative will also enhance support for hybrid and remote work, enabling staff to securely access resources from any location while maintaining performance and compliance.

Following an internal assessment to determine the scope of necessary system changes, a Statement of Work (SoW) was developed. The SoW has been designated confidential to protect the layout and design of the District's network because such an infrastructure is a foundational element of cybersecurity and resilience.

The SoW outlines the following modernization goals:

- **Server consolidation and reduction** to improve performance, simplify support, and maintain cost efficiencies;
- **Server upgrades** to safeguard against emerging threats, ensure access to ongoing vendor support, and leverage modern features that enhance scalability, reliability, and service delivery;
- **Backup modernization** to strengthen data resilience, support both on-premises and cloud-based workloads, streamline management, and reduce administrative overhead;
- **Workload migration to cloud-based servers** to improve scalability and security while minimizing hardware maintenance requirements; and
- **Establishing a future-ready infrastructure** capable of supporting evolving workforce needs, dynamic operational demands, and ongoing innovation.

Seven vendors were provided the confidential SoW, and a series of conference calls were initiated to discuss the District's project goals and objectives. The vendors were selected based on prior or current relationships with the District or recommendations for their experience in infrastructure modernization projects.

Six competitive proposals were received, and the Information Technology team thoroughly reviewed all the proposals. GovConnection, Inc. was selected as the top respondent based on its understanding of the project scope, phased implementation approach, competitive pricing, and strong reputation.

GovConnection, Inc. provided a time-and-materials quote of $18,489 for professional services, with a 20% contingency, for an amount not to exceed $22,186. No new hardware will be purchased as part of this project. The MWDOC Systems Administrator will participate in the project planning and implementation to help reduce billable hours. There is an anticipated cost of no more than $2,000 for expenses related to software and licensing.

Project funding will be sourced from Information Technology roll-over funds from Fiscal Year 2024–25.

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

☒ *Clarifying MWDOC's mission and role; defining functions and actions.*
☐ *Balance support for Metropolitan's regional mission and OC values and interests.*
☐ *Strengthen communication and coordination of messaging.*
☐ *Work with member agencies to develop water supply and demand objectives.*
☐ *Solicit input and feedback from member agencies.*
☐ *Invest in workforce development and succession planning.*

Attachments/Links:
N/A

Item No. 10

INFORMATION ITEM
October 8, 2025

TO: **Administration & Finance Committee**

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

Staff Contact: Hilary Chumpitazi, Director of Finance/IT

SUBJECT: **CALPERS ANNUAL VALUATION REPORT AS OF JUNE 30, 2024**

STAFF RECOMMENDATION

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

REPORT

Purpose

The purpose of the California Public Employees' Retirement System (CalPERS) annual valuation is to disclose the assets and accrued liabilities and determine the minimum required contribution for both the employer and the employee for the next fiscal year.

Background

Annually, the CalPERS actuaries prepare an actuarial valuation for MWDOC's rate plans in the Miscellaneous Risk Pool. Historically, there have been two different actuarial evaluations, one for our Classic plan and one for our PEPRA plan (all employees hired in 2013 and afterwards who are new to CalPERS are in this plan). Beginning with the June 30, 2024, actuarial valuations, CalPERS combined our Classic and PEPRA rate plans, hoping to give MWDOC a clearer picture of the pension plan's financial health and long-term costs.

The Classic Plan (Rate Plan 4054) was offered to MWDOC employees until 2013, when MWDOC adopted the PEPRA plan (Rate Plan 26684). The Classic Plan benefit is 2% at age 55, while the PEPRA Plan is 2% at age 62, making it less expensive for MWDOC to fund its share, and the employee contributes more to this plan.

Discussion

Summary of key valuation results, as shown on Page 4 of the CalPERS Actuarial Valuation Report as of June 30, 2024 (Attachment 1), are outlined below:

Classic Plan (Rate Plan 4054)

- MWDOC's Employer Normal Cost Rate is 12.58% for this fiscal year and will be reduced by .02% to 12.56% for Fiscal Year (FY) 2026-27. This rate represents the annual cost of service accrual for the upcoming fiscal year for active employees. It is shown as a percentage of payroll and paid as part of the payroll reporting process.

- Employees will continue to contribute 7% towards their retirement plan.

PEPRA Plan (Rate Plan 26684)

- MWDOC's Employer Normal Cost Rate is 7.96% for this fiscal year and will be reduced by .03% to 7.93% for FY 2026-27.

- Employees will continue to contribute 7.75% towards their retirement plan.

The Unfunded Accrued Liability (UAL) is an annual payment on the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and members entitled to deferred benefits, as of the valuation date. The UAL for both plans has been combined into one amount and can be billed monthly. However, MWDOC prepays it in full annually to save approximately 3.2%, or $11,083 for FY 2025-26. The annual UAL prepayment total for this fiscal year is $331,443 and will increase by 16.2% to $385,297 for FY 2026-27.

The Projected Employer Contributions assume all actuarial assumptions will not change, including a 6.8% return over the next five years. MWDOC's UAL payment will vary but can increase as much as 19%.

MWDOC's funded status as of June 30, 2024, is 82.3% with a UAL of $4,211,995, which is a reduction of $611,613 from last year, primarily due to our additional $500,000 payment and higher interest returns. Subtracting the balance of our PARS Section 115 Pension Trust as of June 30, 2025, of $2,404,382, we have a UAL of $1,807,613, which increases our funded status to 92.4%.

MWDOC's active member count decreased by two, while the number of retired members remained the same. The Annual Covered Payroll increased by 10.5%.

Additional Information

CalPERS announced a return on investments of 9.3% for June 2024 and a preliminary 11.6% return for June 2025. CalPERS needs a 4.5% Real Return (Return less Inflation) to break even.

CalPERS will conduct an Asset Liability Management (ALM) review in November 2025 to assess the capital market assumptions and the Total Fund Investment Policy, determining if a change in the discount rate is warranted. The Actuarial Office is conducting an Experience Study to review economic and demographic assumptions to modify actuarial assumptions, where appropriate (as people are living longer). Any changes will be reflected in next year's June 30, 2025, actuarial valuations.

MWDOC made its 8th annual deposit of $207,000 for FY 2025-26 to the PARS 115 Pension Trust. Thus, we have completed eight out of a ten-year payment plan to become fully funded (pending external factors).

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

- ☒ *Clarifying MWDOC's mission and role; defining functions and actions.*
- ☐ *Balance support for Metropolitan's regional mission and OC values and interests.*
- ☐ *Strengthen communication and coordination of messaging.*
- ☐ *Work with member agencies to develop water supply and demand objectives.*
- ☐ *Solicit input and feedback from member agencies.*
- ☐ *Invest in workforce development and succession planning.*

Attachments/Links:
Attachment 1: CalPERS Actuarial Valuation Report as of June 30, 2024

California Public Employees' Retirement System
Actuarial Office
400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or **888**-225-7377) | TTY: (877) 249-7442 | **www.calpers.ca.gov**

July 2025

All Rate Plans of the Municipal Water District of Orange County in the Miscellaneous Risk Pool (CalPERS ID: 6497938438)
Annual Valuation Report as of June 30, 2024

Dear Employer,

Attached to this letter is Section 1 of the June 30, 2024, actuarial valuation report for the plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2026-27**. In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the following rate plan(s) including the development of the current and projected employer contributions.
  - 4054, Miscellaneous Plan
  - 26684, PEPRA Miscellaneous Plan
- Section 2 contains the Miscellaneous Risk Pool information as of June 30, 2024.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to *"Forms & Publications"* and select *"View All"*. In the search box, enter *"Risk Pool"* and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2024.

Required Contributions

The table below shows the minimum required employer contributions and member contribution rates for FY 2026-27 along with an estimate of the required employer UAL contribution for FY 2027-28. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Rate Plan	Employer Normal Cost Rate	Member Contribution Rate
2026-27	4054	12.56%	7.00%
	26684	7.93%	7.75%

Fiscal Year	Employer Amortization of Unfunded Accrued Liability
2026-27	$398,182
	Projected (Estimated)
2027-28	*$417,000*

The actual investment return for FY 2024-25 was not known at the time this report was prepared. The projected UAL payment above assumes the investment return for that year would be 6.8%. To the extent the actual investment return for FY 2024-25 differs from 6.8%, the actual UAL contribution requirement for FY 2027-28 will differ from that shown above. For additional information on future contribution requirements, please refer to Projected Employer Contributions. This section also contains projected required contributions through FY 2031-32.

PEPRA Member Contribution Rate

The employee contribution rate for PEPRA members can change based on the results of the actuarial valuation. See Member Contribution Rates for more information.

Report Navigation Features

The valuation report has a number of features to ease navigation and allow the reader to find specific information more quickly. The tables of contents are "clickable." This is true for the main table of contents that follows the title page and the intermediate tables of contents at the beginning of sections. The Adobe navigation pane on the left can also be used to skip to specific exhibits.

There are a number of links throughout the document in blue text. Links that are internal to the document are not underlined, while underlined links will take you to the CalPERS website. Examples are shown below.

Internal Bookmarks	CalPERS Website Links
Required Employer Contributions	Required Employer Contribution Search Tool
Member Contribution Rates	Public Agency PEPRA Member Contribution Rates
Summary of Key Valuation Results	Pension Outlook Overview
Funded Status – Funding Policy Basis	Interactive Summary of Public Agency Valuation Results
Projected Employer Contributions	Public Agency Actuarial Valuation Reports

Report Enhancements

Effective with the June 30, 2024, actuarial valuation, separate amortization schedules for each tier of benefits are no longer necessary. Multiple amortization schedules, and thus multiple Section 1 reports, have been combined. We believe this gives the employer a clearer picture of the pension plan's financial health and long-term costs.

Further descriptions of general changes are included in the Highlights and Executive Summary section and in Appendix A - Actuarial Methods and Assumptions in Section 2.

Questions

A CalPERS actuary is available to answer questions about this report. Other questions may be directed to the Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Sincerely,



Kerry J. Worgan, MAAA, FSA, FCIA
Supervising Actuary, CalPERS



Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS



Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

California Public Employees' Retirement System

Actuarial Valuation for the Rate Plans of the Municipal Water District of Orange County in the Miscellaneous Risk Pool

as of June 30, 2024

(CalPERS ID: 6497938438)
(Rate Plan IDs: 4054, 26684)

Required Contributions for Fiscal Year

July 1, 2026 — June 30, 2027

CalPERS

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Section 2 – Miscellaneous Risk Pool Actuarial Information

Section 1

California Public Employees' Retirement System

Employer Specific Information for the Rate Plans of the Municipal Water District of Orange County in the Miscellaneous Risk Pool

(CalPERS ID: 6497938438)
(Rate Plan IDs: 4054, 26684)

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Actuarial Certification

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.



Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS



Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the rate plans of the Municipal Water District of Orange County in the Miscellaneous Risk Pool and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2024, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Municipal Water District of Orange County, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.



Kerry J. Worgan, MAAA, FSA, FCIA
Supervising Actuary, CalPERS

Highlights and Executive Summary

- **Introduction** 3
- **Purpose of Section 1** 3
- **Summary of Key Valuation Results** 4
- **Changes Since the Prior Year's Valuation** 5
- **Subsequent Events** 5

Introduction

This report presents the results of the June 30, 2024, actuarial valuation of the rate plans of the Municipal Water District of Orange County in the Miscellaneous Risk Pool of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the minimum required contributions for fiscal year (FY) 2026-27.

Purpose of Section 1

This Section 1 report for the rate plans of the Municipal Water District of Orange County in the Miscellaneous Risk Pool of CalPERS was prepared by the Actuarial Office using data as of June 30, 2024. This report contains actuarial information for the following rate plan(s).

- 4054, Miscellaneous Plan
- 26684, PEPRA Miscellaneous Plan

The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of these rate plans as of June 30, 2024;
- Determine the minimum required employer contributions for these rate plans for FY July 1, 2026, through June 30, 2027;
- Determine the required member contribution rate for FY July 1, 2026, through June 30, 2027, for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2024, to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of the Actuarial Standards of Practice:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.
- The funded status on a termination basis.
- A low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date.

Summary of Key Valuation Results

Below is a brief summary of key valuation results along with page references where more detailed information can be found.

Required Employer Contributions — page 8

	Fiscal Year 2025-26	Fiscal Year 2026-27
Employer Normal Cost Rates		
Rate Plan 4054	12.58%	12.56%
Rate Plan 26684	7.96%	7.93%
Unfunded Accrued Liability (UAL) Contribution Amount	$342,526	$398,182
Paid either as		
Option 1) 12 Monthly Payments of	$28,543.84	$33,181.83
Option 2) Annual Prepayment in July	$331,443	$385,297

Member Contribution Rates — page 9

	Fiscal Year 2025-26	Fiscal Year 2026-27
Rate Plan 4054	7.00%	7.00%
Rate Plan 26684	7.75%	7.75%

Projected Employer Contributions — page 13

Fiscal Year	Normal Cost (% of payroll) Rate Plan 4054	Normal Cost (% of payroll) Rate Plan 26684	Annual UAL Payment
2027-28	12.6%	7.9%	$417,000
2028-29	12.6%	7.9%	$473,000
2029-30	12.6%	7.9%	$471,000
2030-31	12.6%	7.9%	$467,000
2031-32	12.6%	7.9%	$474,000

Funded Status — Funding Policy Basis — page 11

	June 30, 2023	June 30, 2024
Entry Age Accrued Liability (AL)	$21,350,261	$23,741,003
Market Value of Assets (MVA)	16,526,653	19,529,008
Unfunded Accrued Liability (UAL) [AL – MVA]	$4,823,608	$4,211,995
Funded Ratio [MVA ÷ AL]	77.4%	82.3%

Summary of Valuation Data — Page 28

	June 30, 2023	June 30, 2024
Active Member Count	38	36
Annual Covered Payroll	$4,425,426	$4,891,348
Transferred Member Count	20	21
Separated Member Count	23	24
Retired Members and Beneficiaries Count	17	17

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. For pooled rate plans, voluntary benefit changes by plan amendment are generally included in the first valuation with a valuation date on or after the effective date of the amendment.

Please refer to the Plan's Major Benefit Options in this report and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Board Policy

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the Future Investment Return Scenarios exhibit in this report, which includes returns high enough to trigger a board discussion, does not reflect any change in the discount rate.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2024, actuarial valuation.

Report Enhancements

Effective with the June 30, 2024, Actuarial Valuation, separate amortization schedules for each tier of benefits are no longer necessary. Multiple amortization schedules, and thus multiple Section 1 reports, will be combined. We believe this gives the employer a clearer picture of the pension plan's financial health and long-term costs.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2024, as well as statutory changes, regulatory changes and board actions through January 2025.

CalPERS will be completing an Asset Liability Management (ALM) review process in November 2025 that will review the capital market assumptions and the CalPERS Total Fund Investment Policy and ascertain whether a change in the discount is warranted. In addition, the Actuarial Office will be presenting the findings of its Experience Study which reviews economic assumptions other than the discount rate as well as all demographic assumptions and makes recommendations to modify actuarial assumptions where appropriate. Any changes in actuarial assumptions will be reflected in the June 30, 2025, actuarial valuations.

The 2024 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2025 limits, determined in October 2024, are not reflected.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.

Liabilities and Contributions

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Determination of Required Contributions

Contributions to fund the plan are determined by an actuarial valuation performed each year. The valuation employs complex calculations based on a set of actuarial assumptions and methods. See Appendix A in Section 2 for information on the assumptions and methods used in this valuation. The valuation incorporates all plan experience through the valuation date and sets required contributions for the fiscal year that begins two years after the valuation date.

Contribution Components

Two components comprise required contributions:

- Normal Cost — expressed as a percentage of pensionable payroll
- Unfunded Accrued Liability (UAL) Contribution — expressed as a dollar amount

Normal Cost represents the value of benefits allocated to the upcoming year for active employees. If all plan experience exactly matched the actuarial assumptions, normal cost would be sufficient to fully fund all benefits. The employer and employees each pay a share of the normal cost with contributions payable as part of the regular payroll reporting process. The contribution rate for Classic members is set by statute based on benefit formula whereas for PEPRA members it is based on 50% of the total normal cost.

When plan experience differs from the actuarial assumptions, UAL emerges. The new UAL may be positive or negative. If the total UAL is positive (i.e., accrued liability exceeds assets), the employer is required to make contributions to pay off the UAL over time. This is called the UAL Contribution component. There is an option to prepay this amount during July of each fiscal year, otherwise it is paid monthly.

In measuring the UAL each year, plan experience is split by source. Common sources of UAL include investment experience different than expected, non-investment experience different than expected, assumption changes and benefit changes. Each source of UAL (positive or negative) forms a base that is amortized, or paid off, over a specified period of time in accordance with the CalPERS Actuarial Amortization Policy. The UAL Contribution is the sum of the payments on all bases. See the Schedule of Amortization Bases section of this report for an inventory of existing bases and Appendix A in Section 2 for more information on the amortization policy.

Required Employer Contributions

The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees. For employee contribution rates, see Member Contribution Rates.

Required Employer Contributions	Fiscal Year 2026-27
Employer Normal Cost Rate	
Classic Rate Plan 4054	**12.56%**
PEPRA Rate Plan 26684	**7.93%**
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount†	**$398,182**
Paid either as	
1) Monthly Payment	**$33,181.83**
Or	
2) Annual Prepayment Option‡	**$385,297**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) and the Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

†The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2025.

‡Only the UAL portion of the employer contribution can be prepaid **(which must be received in full no later than July 31)**.

Development of Normal Cost as a Percentage of Payroll

	Fiscal Year 2025-26	Fiscal Year 2026-27
Classic Rate Plan 4054		
Base Total Normal Cost for Formula	18.87%	18.85%
Surcharge for Class 1 Benefits[1]	0.64%	0.64%
Plan's Total Normal Cost	19.51%	19.49%
Offset Due to Employee Contributions[2]	(6.93%)	(6.93%)
Employer Normal Cost for Rate Plan 4054	12.58%	12.56%
PEPRA Rate Plan 26684		
Base Total Normal Cost for Formula	15.71%	15.68%
Surcharge for Class 1 Benefits[1]	0.00%	0.00%
Plan's Total Normal Cost	15.71%	15.68%
Offset Due to Employee Contributions[2]	(7.75%)	(7.75%)
Employer Normal Cost for Rate Plan 26684	7.96%	7.93%

[1] See Surcharge for Class 1 Benefits in the supplementary information section of this report.

[2] This is the expected employee contributions, taking into account individual benefit formula and any offset from the use of a modified formula, divided by projected annual payroll. For member contribution rates above the breakpoint for each benefit formula, see Member Contribution Rates.

Member Contribution Rates

The required member contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

Classic Members

Each member contributes toward their retirement based upon the retirement formula. The standard Classic member contribution rate above the breakpoint, if any, is as described below.

Benefit Formula	Percent Contributed above the Breakpoint
Miscellaneous, 1.5% at age 65	2%
Miscellaneous, 2% at age 60	7%
Miscellaneous, 2% at age 55	7%
Miscellaneous, 2.5% at age 55	8%
Miscellaneous, 2.7% at age 55	8%
Miscellaneous, 3% at age 60	8%

Auxiliary organizations of the CSU system may elect reduced contribution rates for Miscellaneous members, in which case the contribution rate above the breakpoint is 6% if members are not covered by Social Security and 5% if they are.

PEPRA Members

The California Public Employees' Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), "new members … shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate for the plan is dependent on the benefit levels, actuarial assumptions and demographics of the risk pool, particularly members' entry age. Should the total normal cost rate of the plan change by more than 1% from the base total normal cost rate established for the plan, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2026, based on 50% of the total normal cost rate as of the June 30, 2024, valuation.

		Basis for Current Rate		Rates Effective July 1, 2026			
Rate Plan Identifier	Benefit Group Name	Total Normal Cost	Member Rate	Total Normal Cost	Change in Normal Cost	Adj. Needed	Member Rate
26684	PEPRA Miscellaneous Plan	15.43%	7.75%	15.68%	0.25%	No	7.75%

Breakdown of Entry Age Accrued Liability

Active Members	$12,999,354
Transferred Members	1,970,145
Separated Members	1,002,039
Members and Beneficiaries Receiving Payments	7,769,465
Total	$23,741,003

Allocation of Plan's Share of Pool's Experience

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$23,741,003
2.	Projected UAL Balance at 6/30/2024	4,396,055
3.	Other UAL Adjustments (Golden Handshake, Prior Service Purchase, etc.)	0
4.	Adjusted UAL Balance at 6/30/2024 for Asset Share	4,674,309
5.	Pool's Accrued Liability[1]	24,701,567,178
6.	Sum of Pool's Individual Plan UAL Balances at 6/30/2024[1]	5,686,499,631
7.	Pool's 2023-24 Investment (Gain)/Loss[1]	(476,088,386)
8.	Pool's 2023-24 Non-Investment (Gain)/Loss[1]	305,188,638
9.	Plan's Share of Pool's Investment (Gain)/Loss: [(1) - (4)] ÷ [(5) - (6)] × (7)	(477,381)
10.	Plan's Share of Pool's Non-Investment (Gain)/Loss: (1) ÷ (5) × (8)	293,321
11.	Plan's New (Gain)/Loss as of 6/30/2024: (9) + (10)	(184,060)
12.	Increase in Pool's Accrued Liability due to Change in Assumptions[1]	0
13.	Plan's Share of Pool's Change in Assumptions: (1) ÷ (5) × (12)	0
14.	Increase in Pool's Accrued Liability due to Funding Risk Mitigation[1]	0
15.	Plan's Share of Pool's Change due to Funding Risk Mitigation: (1) ÷ (5) × (14)	0
16.	Offset due to Funding Risk Mitigation	0
17.	Plan's Investment (Gain)/Loss: (9) – (16)	(477,381)

[1] Does not include plans that transferred to the pool on the valuation date.

Development of the Plan's Share of Pool's Assets

18.	Plan's UAL: (2) + (3) + (11) + (13) + (15)	$4,211,995
19.	Plan's Share of Pool's Market Value of Assets (MVA): (1) - (18)	$19,529,008

For a reconciliation of the pool's Market Value of Assets (MVA), information on the fund's asset allocation and a history of CalPERS investment returns, see Section 2, which can be found on the CalPERS website (www.calpers.ca.gov).

Funded Status – Funding Policy Basis

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (**Present Value of Benefits**) to individual years of service (the **Normal Cost**). The value of the projected benefit that is not allocated to future service is referred to as the Accrued Liability and is the plan's funding target on the valuation date. The **Unfunded Accrued Liability** (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The **Funded Ratio** equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	June 30, 2023	June 30, 2024
1. Present Value of Benefits	$28,122,887	$30,865,295
2. Entry Age Accrued Liability	21,350,261	23,741,003
3. Market Value of Assets (MVA)	16,526,653	19,529,008
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	$4,823,608	$4,211,995
5. Funded Ratio [(3) ÷ (2)]	77.4%	82.3%

A funded ratio of 100% (UAL of $0) implies that the funding of the plan is on target and that future contributions equal to the normal cost of the active plan members will be sufficient to fully fund all retirement benefits if future experience matches the actuarial assumptions. A funded ratio of less than 100% (positive UAL) implies that in addition to normal costs, payments toward the UAL will be required. Plans with a funded ratio greater than 100% have a negative UAL (or surplus) but are required under current law to continue contributing the normal cost in most cases, preserving the surplus for future contingencies.

Calculations for the funding target reflect the expected long-term investment return of 6.8%. If it were known on the valuation date that future investment returns will average something greater/less than the expected return, calculated normal costs and accrued liabilities provided in this report would be less/greater than the results shown. Therefore, for example, if actual average future returns are less than the expected return, calculated normal costs and UAL contributions will not be sufficient to fully fund all retirement benefits. Under this scenario, required future normal cost contributions will need to increase from those provided in this report, and the plan will develop unfunded liabilities that will also add to required future contributions. For illustrative purposes, funded statuses based on a 1% lower and higher average future investment return (discount rate) are as follows:

	1% Lower Average Return	Current Assumption	1% Higher Average Return
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	$27,242,594	$23,741,003	$20,879,657
2. Market Value of Assets (MVA)	19,529,008	19,529,008	19,529,008
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	$7,713,586	$4,211,995	$1,350,649
4. Funded Ratio [(2) ÷ (1)]	71.7%	82.3%	93.5%

The Risk Analysis section of the report provides additional information regarding the sensitivity of valuation results to the expected investment return and other factors. Also provided in that section are measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities.

Additional Employer Contributions

The CalPERS amortization policy provides a systematic methodology for paying down a plan's unfunded accrued liability (UAL) over a reasonable period of years. The projected schedule of required payments for this plan under the amortization policy is provided in Amortization Schedule and Alternatives. Certain aspects of the policy such as 1) layered amortization bases (positive and negative) with different remaining payoff periods, and 2) the phase-in of required payments toward investment gains and losses, can result in volatility in year-to-year projected UAL payments. Provided below is information on how an Additional Discretionary Payment (ADP), together with your required UAL payment of $398,182 for FY 2026-27, may better accomplish your agency's specific objectives with regard to either smoothing out projected future payments or achieving a greater reduction in UAL than would otherwise occur when making only the minimum required payment. Such additional payments are allowed at any time and can also result in significant long-term savings.

Fiscal Year 2026-27 Employer Contribution Versus Agency Funding Objectives

The interest-to-payment ratio for the FY 2026-27 minimum required UAL payment is 68%, which means the required payment of $398,182 includes $269,015 of interest cost and results in a $129,167 reduction in the UAL, as can be seen in Amortization Schedule and Alternatives (see columns labelled Current Amortization Schedule). If the interest-to-payment ratio is close to 100%, and the reduction in the UAL is small, it may indicate that required contributions will be increasing in the coming years, which would be shown in Projected Employer Contributions. Another measure that can be used to evaluate how well the FY 2026-27 required UAL payment meets the agency's specific funding objectives is the number of years required to pay off the existing UAL if the annual payment were held constant in future years. With an annual payment of $398,182 it would take 17.6 years to pay off the current UAL. A result that is longer than the agency's target funding period suggests that the option of supplementing the minimum payment with an ADP should be weighed against the agency's budget constraints.

Provided below are select ADP options for consideration. Making such an ADP during FY 2026-27 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see Amortization Schedule and Alternatives. Agencies considering making an ADP should contact CalPERS for additional information.

Fiscal Year 2026-27 Employer Contributions — Illustrative Scenarios

If the Annual UAL Payment Each Year Were…	The Current UAL Would be Paid Off in…	This Would Require an ADP[1] in FY 2026-27 of…	Plus the Estimated Normal Cost of…	Estimated Total Contribution
$398,182	17.6 years	$0	$534,629	$932,811
435,550	15 years	37,368	534,629	970,179
566,732	10 years	168,550	534,629	1,101,361
974,602	5 years	576,420	534,629	1,509,231

[1] The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

The calculations above are based on the projected UAL as of June 30, 2026, as determined in the June 30, 2024, actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Additional Discretionary Payment History

The following table provides a recent history of actual ADPs made to the plan through April 30, 2025.

Fiscal Year	ADP	Fiscal Year	ADP
2019-20	$0	2022-23	$0
2020-21	0	2023-24	500,000
2021-22	0	2024-25	0

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2024-25 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

The normal cost rates for each rate plan are assumed to remain constant. However, the employer contribution amounts will vary due to changes in payroll. The actuarial valuation does not include payroll beyond the valuation date. For the most realistic projections, the employer should apply projected payroll amounts to the rates below based on the most recent information available, such as current payroll as well as any plans to fill vacancies or add or remove positions.

Rate Plan Identifier	Covered Payroll June 30, 2024	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2024-25 and Beyond)				
		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
		Normal Cost Rates (Percentage of Payroll)					
4054	$2,682,284	12.56%	12.6%	12.6%	12.6%	12.6%	12.6%
26684	2,209,064	7.93%	7.9%	7.9%	7.9%	7.9%	7.9%
	UAL Payment	$398,182	$417,000	$473,000	$471,000	$467,000	$474,000

Unlike the normal cost rates, the required UAL payments are expected to vary significantly from the projections above due to experience, particularly investment experience. For projected contributions under alternate investment return scenarios, please see the Future Investment Return Scenarios exhibit. Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

For ongoing plans, investment gains and losses are amortized using an initial 5-year ramp. For more information, please see Amortization of Unfunded Actuarial Accrued Liability in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large investment loss, the relatively small amortization payments during the initial ramp period could result in contributions that are less than interest on the UAL (i.e. negative amortization) while the contribution impact of the increase in the UAL is phased in.

Schedule of Amortization Bases

Below is the schedule of the plan's amortization bases. Note that there is a two-year lag between the valuation date and the start of the contribution year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date: June 30, 2024.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2026-27.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for FY 2024-25 is based on the actuarial valuation two years ago, adjusted for additional discretionary payments made on or before April 30, 2025, if necessary, and the expected payment for FY 2025-26 is based on the actuarial valuation one year ago.

Reason for Base	Date Est.	Ramp Level 2026-27	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Expected Payment 2025-26	Balance 6/30/26	Minimum Required Payment 2026-27
Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	19	969,890	72,879	960,526	74,919	948,417	77,017
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Dn	2.80%	19	(9,324)	(701)	(9,234)	(720)	(9,118)	(740)
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.80%	11	499,952	49,467	482,828	50,853	463,107	52,276
Assumption Change	6/30/14	100%	Up/Dn	2.80%	10	416,697	50,988	392,339	52,415	364,850	53,883
Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	20	(808,007)	(58,647)	(802,343)	(60,289)	(794,597)	(61,977)
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Dn	2.80%	20	857	62	851	64	843	66
Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	21	511,571	35,952	509,204	36,959	505,635	37,994
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Dn	2.80%	21	(40,110)	(2,819)	(39,924)	(2,898)	(39,644)	(2,979)
Assumption Change	6/30/16	100%	Up/Dn	2.80%	12	193,850	20,468	185,879	21,041	176,774	21,630
Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	22	179,728	12,257	179,283	12,600	178,453	12,953
Non-Investment (Gain)/Loss	6/30/16	100%	Up/Dn	2.80%	22	(82,110)	(5,600)	(81,906)	(5,756)	(81,527)	(5,917)
Assumption Change	6/30/17	100%	Up/Dn	2.80%	13	256,244	25,412	247,407	26,123	237,234	26,854
Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	23	(393,658)	(26,101)	(393,453)	(26,832)	(392,479)	(27,583)
Non-Investment (Gain)/Loss	6/30/17	100%	Up/Dn	2.80%	23	(19,189)	(1,272)	(19,179)	(1,308)	(19,131)	(1,344)
Assumption Change	6/30/18	100%	Up/Dn	2.80%	14	443,863	41,585	431,070	42,749	416,204	43,946
Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	24	(133,159)	(8,599)	(133,327)	(8,840)	(133,258)	(9,088)
Method Change	6/30/18	100%	Up/Dn	2.80%	14	117,597	11,017	114,208	11,326	110,269	11,643
Non-Investment (Gain)/Loss	6/30/18	100%	Up/Dn	2.80%	24	62,248	4,020	62,326	4,132	62,294	4,248
Investment (Gain)/Loss	6/30/19	100%	Up Only	0.00%	15	64,170	5,114	63,249	6,393	60,943	6,393
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	15	54,396	5,317	52,600	5,317	50,682	5,317

Schedule of Amortization Bases (continued)

Reason for Base	Date Est.	Ramp Level 2026-27	Ramp Shape	Escala-tion Rate	Amort. Period	Balance 6/30/24	Expected Payment 2024-25	Balance 6/30/25	Expected Payment 2025-26	Balance 6/30/26	Minimum Required Payment 2026-27
Investment (Gain)/Loss	6/30/20	100%	Up Only	0.00%	16	327,265	19,677	329,184	26,236	324,455	32,796
Non-Investment (Gain)/Loss	6/30/20	No Ramp		0.00%	16	49,168	4,662	47,694	4,662	46,119	4,662
Assumption Change	6/30/21	No Ramp		0.00%	17	94,814	8,744	92,225	8,744	89,460	8,744
Net Investment (Gain)	6/30/21	80%	Up Only	0.00%	17	(1,782,067)	(73,256)	(1,827,542)	(109,884)	(1,838,256)	(146,512)
Non-Investment (Gain)/Loss	6/30/21	No Ramp		0.00%	17	(74,697)	(6,889)	(72,657)	(6,889)	(70,478)	(6,889)
Investment (Gain)/Loss	6/30/22	60%	Up Only	0.00%	18	2,482,963	53,371	2,596,649	106,741	2,662,911	160,112
Non-Investment (Gain)/Loss	6/30/22	No Ramp		0.00%	18	314,501	28,281	306,660	28,281	298,286	28,281
Partial Fresh Start	6/30/22	60%	Up Only	0.00%	18	232,113	4,989	242,741	9,978	248,936	14,968
Investment (Gain)/Loss	6/30/23	40%	Up Only	0.00%	19	114,821	0	122,629	2,636	128,244	5,272
Non-Investment (Gain)/Loss	6/30/23	No Ramp		0.00%	19	351,668	0	375,581	33,773	366,218	33,774
Investment (Gain)/Loss	6/30/24	20%	Up Only	0.00%	20	(477,381)	0	(509,843)	0	(544,512)	(11,704)
Non-Investment (Gain)/Loss	6/30/24	No Ramp		0.00%	20	293,321	0	313,267	0	334,569	30,086
Total						**4,211,995**	**270,378**	**4,218,992**	**342,526**	**4,151,903**	**398,182**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in Allocation of Plan's Share of Pool's Experience earlier in this report. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Each year, many agencies express a desire for a more stable pattern of payments or indicate interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a fresh start, please contact a CalPERS actuary.

The current amortization schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The current amortization schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS Actuarial Amortization Policy.

Amortization Schedule and Alternatives (continued)

	Current Amortization Schedule		Alternative Schedules			
			15 Year Amortization		10 Year Amortization	
Date	Balance	Payment	Balance	Payment	Balance	Payment
6/30/2026	4,151,903	398,182	4,151,903	435,550	4,151,903	566,732
6/30/2027	4,022,736	417,365	3,984,117	435,550	3,848,548	566,732
6/30/2028	3,864,958	473,356	3,804,922	435,550	3,524,565	566,732
6/30/2029	3,638,592	471,185	3,613,542	435,550	3,178,551	566,732
6/30/2030	3,399,075	466,557	3,409,148	435,550	2,809,008	566,732
6/30/2031	3,148,053	473,842	3,190,855	435,550	2,414,337	566,733
6/30/2032	2,872,433	468,610	2,957,718	435,550	1,992,827	566,732
6/30/2033	2,583,474	462,874	2,708,728	435,550	1,542,655	566,732
6/30/2034	2,280,798	451,219	2,442,806	435,550	1,061,872	566,733
6/30/2035	1,969,584	431,819	2,158,802	435,550	548,394	566,733
6/30/2036	1,657,257	396,493	1,855,485	435,550		
6/30/2037	1,360,199	302,778	1,531,543	435,550		
6/30/2038	1,139,790	276,481	1,185,573	435,550		
6/30/2039	931,571	254,832	816,077	435,549		
6/30/2040	731,563	239,822	421,456	435,550		
6/30/2041	533,468	205,960				
6/30/2042	356,897	164,349				
6/30/2043	211,322	218,389				
6/30/2044						
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
Total	**6,574,113**		**6,533,249**		**5,667,323**	
Interest Paid	**2,422,210**		**2,381,346**		**1,515,420**	
Estimated Savings			**40,864**		**906,790**	

Employer Contribution History

The table below provides a recent history of the employer contribution requirements for the plan, as determined by the annual actuarial valuation. Changes due to prepayments or plan amendments after the valuation report was finalized are not reflected.

Valuation Date	Contribution Year	Employer Normal Cost Rate		Unfunded Liability Payment
		Rate Plan 4054	Rate Plan 26684	
06/30/2015	2017-18	8.921%	6.533%	$83,410
06/30/2016	2018-19	9.409%	6.842%	114,962
06/30/2017	2019-20	10.221%	6.985%	146,840
06/30/2018	2020-21	11.031%	7.732%	176,975
06/30/2019	2021-22	10.88%	7.59%	215,562
06/30/2020	2022-23	10.87%	7.47%	255,889
06/30/2021	2023-24	12.47%	7.68%	231,436
06/30/2022	2024-25	12.52%	7.87%	305,592
06/30/2023	2025-26	12.58%	7.96%	342,526
06/30/2024	2026-27	12.56%	7.93%	398,182

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2015	$8,683,648	$7,169,049	$1,514,599	82.6%	$2,537,273
06/30/2016	9,842,856	7,629,192	2,213,664	77.5%	2,772,172
06/30/2017	11,229,213	9,047,574	2,181,639	80.6%	3,230,632
06/30/2018	12,989,646	10,320,457	2,669,189	79.5%	3,292,936
06/30/2019	14,130,090	11,232,027	2,898,063	79.5%	3,470,396
06/30/2020	15,510,957	12,198,918	3,312,039	78.6%	4,073,775
06/30/2021	18,000,314	16,344,720	1,655,594	90.8%	4,130,376
06/30/2022	19,619,264	15,327,032	4,292,232	78.1%	4,049,609
06/30/2023	21,350,261	16,526,653	4,823,608	77.4%	4,425,426
06/30/2024	23,741,003	19,529,008	4,211,995	82.3%	4,891,348

Risk Analysis

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Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer UAL contributions. The CalPERS Funding Risk Mitigation Policy stipulates that when the investment return exceeds the discount rate by at least 2% the board will consider adjustments to the discount rate. The projections below use a discount rate of 6.8% for all scenarios even though an annual return of 10.8% is high enough to trigger a board discussion on the discount rate. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The employer normal cost rates are not affected by Investment returns, and since no future assumption changes are being reflected, the projected employer normal cost rates for every future investment return scenario are the same as those shown earlier in this report. See Projected Employer Contributions for more information on projecting the employer normal cost.

The first table shows projected UAL contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2044.

Assumed Annual Return FY 2024-25 through FY 2043-44	Projected Employer UAL Contributions				
	2027-28	2028-29	2029-30	2030-31	2031-32
3.0% (5th percentile)	$436,000	$528,000	$582,000	$653,000	$756,000
10.8% (95th percentile)	$398,000	$414,000	$348,000	$0	$0

Required UAL contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of one and two standard deviation investment losses in FY 2024-25 on the FY 2027-28 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2027-28.

Assumed Annual Return for Fiscal Year 2024-25	Required Employer UAL Contributions	Projected Employer UAL Contributions
	2026-27	2027-28
(17.2%) (2 standard deviation loss)	$398,182	$532,000
(5.2%) (1 standard deviation loss)	$398,182	$475,000

- Without investment gains (returns higher than 6.8%) in FY 2025-26 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2024-25.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2027-28 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2024, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Discount Rate Due to Varying the Real Rate of Return Assumption

As of June 30, 2024	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost			
Rate Plan 4054	24.53%	19.49%	15.66%
Rate Plan 26684	19.63%	15.68%	12.68%
b) Accrued Liability	$27,242,594	$23,741,003	$20,879,657
c) Market Value of Assets	$19,529,008	$19,529,008	$19,529,008
d) Unfunded Liability/(Surplus) [(b) - (c)]	$7,713,586	$4,211,995	$1,350,649
e) Funded Ratio	71.7%	82.3%	93.5%

Sensitivity to the Discount Rate Due to Varying the Price Inflation Assumption

As of June 30, 2024	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost			
Rate Plan 4054	20.43%	19.49%	17.79%
Rate Plan 26684	16.54%	15.68%	14.26%
b) Accrued Liability	$24,588,594	$23,741,003	$21,972,849
c) Market Value of Assets	$19,529,008	$19,529,008	$19,529,008
d) Unfunded Liability/(Surplus) [(b) - (c)]	$5,059,586	$4,211,995	$2,443,841
e) Funded Ratio	79.4%	82.3%	88.9%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2024, plan costs and funded status under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2024	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost			
Rate Plan 4054	19.82%	19.49%	19.18%
Rate Plan 26684	15.95%	15.68%	15.43%
b) Accrued Liability	$24,250,287	$23,741,003	$23,273,451
c) Market Value of Assets	$19,529,008	$19,529,008	$19,529,008
d) Unfunded Liability/(Surplus) [(b) - (c)]	$4,721,279	$4,211,995	$3,744,443
e) Funded Ratio	80.5%	82.3%	83.9%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions.

Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures include only the rate plans covered in this report. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2023	June 30, 2024
1. Retiree Accrued Liability	$7,839,227	$7,769,465
2. Total Accrued Liability	$21,350,261	$23,741,003
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	37%	33%

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2023, was 0.78 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2023	June 30, 2024
1. Number of Actives	38	36
2. Number of Retirees	17	17
3. Support Ratio [(1) ÷ (2)]	2.24	2.12

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary increases, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have a higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with an LVR of 8 is expected to have twice the contribution volatility of a plan with an LVR of 4 when there is a change in accrued liability, such as when there is a change in actuarial assumptions. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2023	June 30, 2024
1. Market Value of Assets	$16,526,653	$19,529,008
2. Payroll	$4,425,426	$4,891,348
3. Asset Volatility Ratio (AVR) [(1) ÷ (2)]	3.7	4.0
4. Accrued Liability	$21,350,261	$23,741,003
5. Liability Volatility Ratio (LVR) [(4) ÷ (2)]	4.8	4.9

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	29%	3.67	2.8	3.5
06/30/2018	30%	3.30	3.1	3.9
06/30/2019	27%	3.40	3.2	4.1
06/30/2020	27%	3.55	3.0	3.8
06/30/2021	35%	2.53	4.0	4.4
06/30/2022	36%	2.19	3.8	4.8
06/30/2023	37%	2.24	3.7	4.8
06/30/2024	33%	2.12	4.0	4.9

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimated range for the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2024. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as demonstrated below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%
06/30/2019	2.31%	06/30/2024	4.61%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.61% Price Inflation: 2.45%	Discount Rate: 5.61% Price Inflation: 2.45%
1. Termination Liability[1]	$35,769,408	$26,552,535
2. Market Value of Assets (MVA)	19,529,008	19,529,008
3. Unfunded Termination Liability [(1) – (2)]	$16,240,400	$7,023,527
4. Funded Ratio [(2) ÷ (1)]	54.6%	73.5%

[1] The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A of the Section 2 report.

In order to terminate, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow a CalPERS actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan's assets and liabilities. Before beginning this process, please consult with a CalPERS actuary.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of "benefit entitlements" calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 5.35%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2024.

Selected Measures on a Low-Default-Risk Basis	**June 30, 2024**
Discount Rate	5.35%
1. Accrued Liability – Low-Default-Risk Basis (LDROM)	
a) Active Members	$16,350,601
b) Transferred Members	2,628,096
c) Separated Members	1,239,722
d) Members and Beneficiaries Receiving Payments	8,854,460
e) Total	$29,072,879
2. Market Value of Assets (MVA)	19,529,008
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$9,543,871
4. Unfunded Accrued Liability – Funding Policy Basis	4,211,995
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$5,331,876

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan's benefit obligations (see Funded Status – Termination Basis), nor is it appropriate for assessing the need for future contributions (see Funded Status – Funding Policy Basis).

[1] This index is based on a yield curve of hypothetical AA-rated zero-coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees' Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

Supplementary Information

- **Normal Cost by Benefit Group** **27**
- **Summary of Valuation Data** **28**
- **Status of PEPRA Transition** **29**
- **Surcharge for Class 1 Benefits** **29**
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Normal Cost by Benefit Group

The table below displays the Total Normal Cost broken out by benefit group as of the valuation date, June 30, 2024. The Total Normal Cost is the annual cost of service accrual for the fiscal year for active employees and can be viewed as the long-term contribution rate for the benefits contracted. Generally, the normal cost for a benefit group subject to more generous benefit provisions will exceed the normal cost for a group with less generous benefits. Future measurements of the Total Normal Cost for each group may differ significantly from the current values due to such factors as: changes in economic and demographic assumptions, changes in plan benefits or applicable law.

Rate Plan Identifier	Benefit Group Name	Total Normal Cost as of June 30, 2024	Offset due to Employee Contributions as of June 30, 2024	Employer Normal Cost as of June 30, 2024	Number of Actives	Payroll on 6/30/2024
4054	Miscellaneous Plan	19.49%	6.93%	12.56%	15	$2,682,284
26684	PEPRA Miscellaneous Plan	15.68%	7.75%	7.93%	21	2,209,064
	Hypothetical Plan Totals[1]	*17.77%*	*7.30%*	*10.47%*	36	$4,891,348

[1] The hypothetical employer normal cost and contribution rates for the total plan are provided for illustrative purposes only and are based on the payroll as of the valuation date. This snapshot of the cost of providing benefits can be compared from one valuation date to the next as members retire from older tiers and are replaced by members in new tiers. The employer normal cost rate for contribution purposes varies by rate plan and applies to the covered payroll of members in each respective rate plan.

Note that if a Benefit Group above has multiple bargaining units, each of which has separately contracted for different benefits such as Employer Paid Member Contributions, then the Normal Cost shown for the respective benefit level does not reflect those differences.

Summary of Valuation Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2023	June 30, 2024
Active Members		
Counts	38	36
Average Attained Age	N/A	45.8
Average Entry Age to Rate Plan	N/A	36.9
Average Years of Credited Service	N/A	8.9
Average Annual Covered Pay	$116,459	$135,871
Annual Covered Payroll	$4,425,426	$4,891,348
Present Value of Future Payroll	$39,527,758	$42,496,514
Transferred Members		
Counts	20	21
Separated Members		
Counts	23	24
Retired Members and Beneficiaries*		
Counts	17	17
Average Annual Benefits	$39,688	$40,483
Total Annual Benefits	$674,703	$688,207

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

Status of PEPRA Transition

The California Public Employees' Pension Reform Act of 2013 (PEPRA), which took effect in January 2013, changed CalPERS retirement benefits and placed compensation limits on new members joining CalPERS on or after January 1, 2013. One of the objectives of PEPRA was to improve the ability of employers to manage the costs of retirement benefits for their members. While such changes can reduce future benefit costs in a meaningful way, the full impact on employer contributions will not occur until all active members are subject to the rules and provisions of PEPRA. The table below illustrates the status of this transition as of June 30, 2024.

	Classic	PEPRA	PEPRA as a Percent of Total
Active Members			
Count	15	21	58.3%
Average Attained Age	53.3	40.4	
Average Entry Age	38.8	35.6	
Average Years of Credited Service	14.8	4.7	
Average Annual Covered Payroll	$178,819	$105,194	
Annual Covered Payroll	$2,682,284	$2,209,064	45.2%
Present Value of Future Payroll	$18,810,062	$23,686,452	55.7%
Transferred Members			
Count	11	10	47.6%
Separated Members			
Count	16	8	33.3%
Retired Members and Beneficiaries Receiving Payments			
Count	17	0	0.0%
Average Annual Benefit	$40,483	$0	
Total Annual Benefits	$688,207	$0	0.0%
Accrued Liabilities			
Active Members	$10,896,631	$2,102,723	16.2%
Transferred Members	1,740,726	229,419	11.6%
Separated Members	947,745	54,294	5.4%
Retired Members and Beneficiaries	7,769,465	0	0.0%
Total	$21,354,567	$2,386,436	10.1%

Surcharge for Class 1 Benefits

This plan has the following Class 1 benefit provisions which result in the surcharges indicated:

Class 1 benefit provisions	Rate Plan 4054	Rate Plan 26684
One Year Final Compensation (FAC 1)	0.64%	N/A
Surcharge for Class 1 Benefits	0.64%	0.00%

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

Rate Plan 4054	Benefit Group		
Member Category	**Misc**	**Misc**	
Demographics			
Actives	Yes	No	
Transfers/Separated	Yes	No	
Receiving	Yes	Yes	
Benefit Provision			
Benefit Formula	2% @ 55		
Social Security Coverage	No		
Full/Modified	Full		
Employee Contribution Rate	7.00%		
Final Average Compensation Period	One Year		
Sick Leave Credit	Yes		
Non-Industrial Disability	Standard		
Industrial Disability	No		
Pre-Retirement Death Benefits			
Optional Settlement 2	Yes		
1959 Survivor Benefit Level	Level 4		
Special	No		
Alternate (firefighters)	No		
Post-Retirement Death Benefits			
Lump Sum	$2,000	$2,000	
Survivor Allowance (PRSA)	No	No	
COLA	2%	2%	

Plan's Major Benefit Options (Continued)

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal stand ard and optional plan provisions is in Section 2.

Rate Plan 26684	Benefit Group	
Member Category	**Misc**	
Demographics		
Actives	Yes	
Transfers/Separated	Yes	
Receiving	No	
Benefit Provision		
Benefit Formula	2% @ 62	
Social Security Coverage	No	
Full/Modified	Full	
Employee Contribution Rate	7.75%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level	Level 4	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	$2,000	
Survivor Allowance (PRSA)	No	
COLA	2%	

Section 2

California Public Employees' Retirement System

Risk Pool Actuarial Valuation Information

Section 2 may be found on the
CalPERS website (www.calpers.ca.gov)
in the Forms & Publications section

Item No. 11

INFORMATION ITEM
October 8, 2025

TO: **Administration & Finance Committee**

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

Staff Contact: Hilary Chumpitazi, Director of Finance/IT
Therese Plaganas, Senior Accountant

SUBJECT: **OPEB ACTUARIAL REPORT AS OF JUNE 30, 2025**

STAFF RECOMMENDATION

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

REPORT

Purpose

The purpose of this report is to provide a summary of the District's recent actuarial valuation as required by the Governmental Accounting Standards Board (GASB) Statement No. 75, which addresses Other Post-Employment Benefits (OPEB).

Background

GASB is the organization that establishes accounting and financial reporting standards for U.S. state and local governments. GASB Statement No. 75 specifically dictates how government entities must report on their OPEB liabilities. OPEB refers to benefits, other than pensions, that an employee receives after they retire. For the District, this includes retiree health care benefits. This report outlines the financial health of our OPEB plan, which is funded through an irrevocable trust and a designated reserve.

Summary and Key Financial Concepts

The report states that the OPEB plan remains in a strong financial position and is fully funded. The "Net OPEB Liability" is a key metric, representing the difference between

Budgeted: ☐ Yes ☐ No ☒ N/A		Budgeted amount: N/A
Core: ☐	Choice: ☐	Movement between funds: ☐ Yes ☐ No
Action item amount: N/A		

the benefits we owe to retirees and the assets we have set aside to pay for them. Below are the key financial elements of the District's OPEB plan, along with a brief description of each:

- **Discount Rate (6.00%):** The discount rate used in valuing the OPEB liabilities for the District's funded plan remains at 6.00% as of the measurement date. This rate is based on the long-term expected rate of return of the OPEB trust's investments. This rate is a key assumption that converts future benefit payments into a present-day value, directly impacting the calculated liability.

- **Funded Status:** The plan is currently **130.00% funded**. This is a positive indicator, meaning we have more assets in the OPEB trust than the total amount of benefits we are projected to owe. This ratio decreased slightly from 138.60% in the prior year, primarily due to updated actuarial assumptions, such as higher healthcare cost projections.

- **OPEB Trust Asset Net Position:** The value of the District's OPEB Section 115 trust increased to **$3.13 million** as of June 30, 2025, from $2.86 million the previous year. This growth is a result of employer contributions and strong investment returns.

- **Total OPEB Liability:** The total OPEB liability is $2.41 million as of June 30, 2025, an increase from $2.06 million the previous year. This covers 13 retirees and 6 active employees who are eligible to receive benefits in the future.

- **Net OPEB Liability:** This year's report shows a negative liability of **($723,792)**, which represents a strong financial position. A negative liability means we have a net OPEB asset, indicating the trust is overfunded by this amount.

- **OPEB Reserve fund:** As of June 30, 2025, the reserve fund balance on the balance sheet is $297,147. This further increases the District's funding status to 142.40%, and it is designated to support the District's irrevocable trust by reimbursing the District for retiree expenses, which were $77,332 in fiscal year 2024-25.

- **Overfunded status**: With a funded status of over 100%, per the General Manager, fiscal year 2024-25 will be the first year in which the District begins using the OPEB reserve fund to offset retiree expenses. Thus, as part of the accounting department's year-end entries, funds from the OPEB reserve fund will be used to offset retiree expenses.

This report is for financial reporting purposes to ensure the District is in compliance with accounting standards. The next actuarial evaluation will be completed as of June 30, 2026.

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

☒ *Clarifying MWDOC's mission and role; defining functions and actions.*
☐ *Balance support for Metropolitan's regional mission and OC values and interests.*
☐ *Strengthen communication and coordination of messaging.*
☐ *Work with member agencies to develop water supply and demand objectives.*
☐ *Solicit input and feedback from member agencies.*
☐ *Invest in workforce development and succession planning.*

Attachments/Links:
Attachment 1: GASB 75 Interim Actuarial Valuation Report

nyhart
part of FuturePlan by Ascensus®

GASB 75 INTERIM ACTUARIAL VALUATION

Fiscal Year Ending June 30, 2025

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

CONTACT
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General (317) 845-3500

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September 3, 2025

Hilary Chumpitazi
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708

This report summarizes the interim GASB actuarial valuation for the Municipal Water District of Orange County 2024/25 fiscal year . To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statement No. 75 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions). This report may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above . Failure to do so may result in misrepresentation or misinterpretation of this report.

The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information furnished to us by the Plan Sponsor. Asset information has been provided to us by the Plan Sponsor. We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based . When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement . We are not aware of any significant issues with and have relied on the data provided.

The discount rate, expected return on assets, other economic assumptions, and demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice . Note that the evaulation of the reasonability of the expected asset return assumption was considered outside the scope of our assignment .

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following :

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement .

Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

Should you have any questions please do not hesitate to contact us.



Tina Liu, EA, MAAA, FCA
Actuary



Cody Kocher, FSA, MAAA
Actuary

Executive Summary

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

Summary of Results

Presented below is the summary of GASB 75 results for the fiscal year ending June 30, 2025 compared to the prior fiscal year as shown in the District's Notes to Financial Statement.

	As of June 30, 2024	As of June 30, 2025
Total OPEB Liability	$ 2,064,826	$ 2,409,211
Actuarial Value of Assets	$ (2,861,970)	$ (3,133,003)
Net OPEB Liability	$ (797,144)	$ (723,792)
Funded Ratio	138.6%	130.0%

	FY 2023/24	FY 2024/25
OPEB Expense	$ (247,136)	$ (90,451)
Annual Employer Contributions	$ 85,085	$ 86,917

	As of June 30, 2024	As of June 30, 2025
Discount Rate	6.00%	6.00%
Expected Return on Assets	6.00%	6.00%

	As of June 30, 2025
Total Active Participants	6
Total Retiree Participants	13

The active participants' number above may include active employees who currently have no health care coverage.

* The FY 2024/25 headcounts are as provided by the District and as of June 30, 2025. They are not used as the basis of the OPEB liability.
** The FY 2023/24 results are consistent with the Foster & Foster GASB 75 Valuation Report for the fiscal year ending June 30, 2024.

GASB Disclosures

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

Schedule of Changes in Net OPEB Liability and Related Ratios

OPEB Liability	FY 2024/25	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21
Total OPEB Liability					
Total OPEB Liability - beginning of year	$ 2,064,826	$ 2,371,670	$ 2,304,315	$ 2,691,904	$ 2,602,083
Service cost	28,194	14,595	17,857	15,920	32,103
Interest	123,012	140,661	136,751	159,271	155,170
Change of benefit terms	0	0	0	0	0
Changes in assumptions	139,122	12,493	0	155,101	0
Differences between expected and actual experience	140,974	(389,508)	0	(609,684)	0
Benefit payments	(86,917)	(85,085)	(87,253)	(108,197)	(97,452)
Net change in total OPEB liability	$ 344,385	$ (306,844)	$ 67,355	$ (387,589)	$ 89,821
Total OPEB Liability - end of year	$ 2,409,211	$ 2,064,826	$ 2,371,670	$ 2,304,315	$ 2,691,904
Plan Fiduciary Net Position					
Plan fiduciary net position - beginning of year	$ 2,861,970	$ 2,574,618	$ 2,408,599	$ 2,781,100	$ 2,286,083
Contributions - employer	86,917	85,085	87,253	108,197	97,452
Contributions - active employees	0	0	0	0	0
Net investment income	288,467	302,856	180,315	(356,249)	509,846
Benefit payments	(86,917)	(85,085)	(87,253)	(108,197)	(97,452)
Trust administrative expenses	(17,434)	(15,504)	(14,296)	(16,252)	(14,829)
Net change in plan fiduciary net position	$ 271,033	$ 287,352	$ 166,019	$ (372,501)	$ 495,017
Plan fiduciary net position - end of year	$ 3,133,003	$ 2,861,970	$ 2,574,618	$ 2,408,599	$ 2,781,100
Net OPEB Liability - end of year	**$ (723,792)**	**$ (797,144)**	**$ (202,948)**	**$ (104,284)**	**$ (89,196)**
Plan fiduciary net position as % of total OPEB liability	130.0%	138.6%	108.6%	104.5%	103.3%
Covered employee payroll	$ 1,559,083	$ 1,466,095	$ 1,379,093	$ 1,351,622	$ 1,889,365
Net OPEB liability as % of covered payroll	-46.4%	-54.4%	-14.7%	-7.7%	-4.7%

* FY 2024/25 covered employee payroll includes overtime and all other compensation for all employees (including employees terminated during the year) covered by the OPEB plan.
** Prior year results are consistent with the Foster & Foster GASB 75 Valuation Report for fiscal year ending June 30, 2024.
*** FY 2024/25 employer contributions and benefit payments include $75,165 in actual benefit payments plus estimated implicit subsidy benefit payments of $11,752. The difference between the expected and actual benefit payments are included in the experience gain/loss.

GASB Disclosures

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

Schedule of Changes in Net OPEB Liability and Related Ratios (Continued)

OPEB Liability	FY 2019/20	FY 2018/19	FY 2017/18
Total OPEB Liability			
Total OPEB Liability - beginning of year	$ 2,478,646	$ 2,374,867	$ 2,267,077
Service cost	30,118	34,408	33,406
Interest	148,417	140,392	134,254
Change of benefit terms	0	0	0
Changes in assumptions	102,437	0	0
Differences between expected and actual experience	(86,201)	0	0
Benefit payments	(71,334)	(71,021)	(59,870)
Net change in total OPEB liability	$ 123,437	$ 103,779	$ 107,790
Total OPEB Liability - end of year	$ 2,602,083	$ 2,478,646	$ 2,374,867
Plan Fiduciary Net Position			
Plan fiduciary net position - beginning of year	$ 2,212,237	$ 2,077,720	$ 1,960,367
Contributions - employer	71,334	71,021	59,870
Contributions - active employees	0	0	0
Net investment income	85,732	140,186	128,809
Benefit payments	(71,334)	(71,021)	(59,870)
Trust administrative expenses	(11,886)	(5,669)	(11,456)
Net change in plan fiduciary net position	$ 73,846	$ 134,517	$ 117,353
Plan fiduciary net position - end of year	$ 2,286,083	$ 2,212,237	$ 2,077,720
Net OPEB Liability - end of year	**$ 316,000**	**$ 266,409**	**$ 297,147**
Plan fiduciary net position as % of total OPEB liability	87.9%	89.3%	87.5%
Covered employee payroll	$ 1,975,686	$ 1,956,477	$ 1,933,612
Net OPEB liability as % of covered payroll	16.0%	13.6%	15.4%

* Historical payrolls were estimated when actuals were not available.

GASB Disclosures

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

Schedule of Employer Contributions

The Actuarially Determined Contributions (ADC) shown below are based on the Annual Required Contribution (ARC) calculated in prior GASB 45 actuarial valuations as shown in the District's financial statements.

	FY 2024/25	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21
Actuarially Determined Contribution (ADC)	$ 0	$ 13,516	$ 13,122	$ 51,962	$ 50,448
Contributions in relation to the ADC	86,917	85,085	87,253	108,197	97,452
Contribution deficiency/(excess)	$ (86,917)	$ (71,569)	$ (74,131)	$ (56,235)	$ (47,004)
Covered employee payroll	$ 1,559,083	$ 1,466,095	$ 1,379,093	$ 1,351,622	$ 1,889,365
Contribution as a % of covered payroll	5.6%	5.8%	6.3%	8.0%	5.2%

	FY 2019/20	FY 2018/19	FY 2017/18
Actuarially Determined Contribution (ADC)	$ 46,537	$ 49,847	$ 48,878
Contributions in relation to the ADC	71,334	71,021	59,870
Contribution deficiency/(excess)	$ (24,797)	$ (21,174)	$ (10,992)
Covered employee payroll	$ 1,975,686	$ 1,956,477	$ 1,933,612
Contribution as a % of covered payroll	3.6%	3.6%	3.1%

* Prior contributions shown are consistent with the results from the Foster & Foster GASB 75 Valuation Report as of June 30, 2024.

GASB Disclosures

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

OPEB Expense

OPEB Expense		FY 2024/25		FY 2023/24
Discount Rate				
Beginning of year		6.00%		6.00%
End of year		6.00%		6.00%
Service cost	$	28,194	$	14,595
Interest		123,012		140,661
Change of benefit terms		0		0
Projected earnings on OPEB plan investments		(171,203)		(154,019)
Reduction for contributions from active employees		0		0
OPEB plan administrative expenses		17,434		15,504
Current period recognition of deferred outflows / (inflows) of resources				
Differences between expected and actual experience	$	(115,304)	$	(320,361)
Changes in assumptions		51,579		45,416
Net difference between projected and actual earnings on OPEB plan investments		(24,163)		11,068
Total current period recognition	$	(87,888)	$	(263,877)
Total OPEB expense	$	(90,451)	$	(247,136)

Deferred Outflows / (Inflows) of Resources

Deferred Outflows / (Inflows) of Resources represents the following items that have not been recognized in the OPEB Expense:

1. Differences between expected and actual experience of the OPEB plan
2. Changes of assumptions
3. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)

The initial amortization period for the first two items noted above is based on expected future service lives while the difference between the projected and actual earnings in OPEB plan investment is amortized over five years. All balances are amortized linearly on a principal only basis and new bases will be created annually for each of the items above.

Differences between expected and actual experience for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2025
June 30, 2018	$ 0	N/A	$ 0	$ 0
June 30, 2019	$ 0	N/A	$ 0	$ 0
June 30, 2020	$ (86,201)	2.9	$ 0	$ 0
June 30, 2021	$ 0	N/A	$ 0	$ 0
June 30, 2022	$ (609,684)	2.7	$ 0	$ 0
June 30, 2023	$ 0	N/A	$ 0	$ 0
June 30, 2024	$ (389,508)	2.4	$ (162,295)	$ (64,918)
June 30, 2025	$ 140,974	3.0	$ 46,991	$ 93,983

Deferred Outflows / (Inflows) of Resources (Continued)

Changes in assumptions for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2025
June 30, 2018	$ 0	N/A	$ 0	$ 0
June 30, 2019	$ 0	N/A	$ 0	$ 0
June 30, 2020	$ 102,437	2.9	$ 0	$ 0
June 30, 2021	$ 0	N/A	$ 0	$ 0
June 30, 2022	$ 155,101	2.7	$ 0	$ 0
June 30, 2023	$ 0	N/A	$ 0	$ 0
June 30, 2024	$ 12,493	2.4	$ 5,205	$ 2,083
June 30, 2025	$ 139,122	3.0	$ 46,374	$ 92,748

Net Difference between projected and actual earnings in OPEB plan investments for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2025
June 30, 2021	$ (357,852)	5	$ (71,572)	$ 0
June 30, 2022	$ 539,367	5	$ 107,873	$ 107,875
June 30, 2023	$ (36,222)	5	$ (7,244)	$ (14,490)
June 30, 2024	$ (148,837)	5	$ (29,767)	$ (89,303)
June 30, 2025	$ (117,264)	5	$ (23,453)	$ (93,811)

Deferred Outflows / (Inflows) of Resources (Continued)

As of fiscal year ending June 30, 2025	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 93,983	$ (64,918)
Changes in assumptions	94,831	0
Net difference between projected and actual earnings in OPEB plan investments	0	(89,729)
Total	**$ 188,814**	**$ (154,647)**

Annual Amortization of Deferred Outflows / (Inflows)

The balances as of June 30, 2025 of the deferred outflows / (inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below.

FYE	Balance
2026	$ 77,941
2027	$ 32,900
2028	$ (53,222)
2029	$ (23,452)
2030	$ 0
Thereafter	$ 0

GASB Disclosures

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

Sensitivity Results

The following presents the Net OPEB Liability as of June 30, 2025, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 6.00%.
- The 1% decrease in discount rate would be 5.00%.
- The 1% increase in discount rate would be 7.00%.

As of June 30, 2025	Net OPEB Liability	
1% Decrease	$	(437,262)
Current Discount Rate	$	(723,792)
1% Increase	$	(964,812)

The following presents the Net OPEB Liability as of June 30, 2025, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 8.00%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 7.00%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 9.00%, decreasing to an ultimate rate of 5.50%.

As of June 30, 2025	Net OPEB Liability	
1% Decrease	$	(981,367)
Current Trend Rates	$	(723,792)
1% Increase	$	(412,888)

* Health care trend rates also include the impact of increases or decreases to post-65 medical/rx, Part B, and dental/vision trend rates. The current trend rates for post-65 benefits are an initial rate of 6.50% decreasing by 0.25% per year to an ultimate rate of 4.50%. The Part B trend rates start at an initial rate of 5.50% decreasing to an ultimate rate of 4.50%. The current trend rates for dental/vision benefits are 4.00%/3.00%.

GASB Disclosures

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

Asset Information

Asset Breakdown	FY 2023/24	FY 2024/25
Assets		
Cash and deposits	$ 0	$ 0
Securities lending cash collateral	0	0
Total cash	$ 0	$ 0
Receivables		
Contributions	$ 0	$ 0
Accrued interest	0	0
Total receivables	$ 0	$ 0
Investments		
Fixed income	$ 0	$ 0
Equities	0	0
Mutual Funds	2,861,970	3,133,003
Total investments	$ 2,861,970	$ 3,133,003
Total Assets	$ 2,861,970	$ 3,133,003
Liabilities		
Payables		
Investment management fees	$ 0	$ 0
Securities lending expense	0	0
Total liabilities	$ 0	$ 0
Net Position Restricted to OPEB	**$ 2,861,970**	**$ 3,133,003**

* FY 2024/25 assets are consistent with the PARS Asset Statement as of June 30, 2025.
** FY 2023/24 assets are consistent with the Foster & Foster GASB 75 Valuation as of June 30, 2024.

GASB Disclosures

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

Asset Information (Continued)

Asset Reconciliation	FY 2023/24	FY 2024/25
Additions		
Contributions Received		
Employer	$ 85,085	$ 86,917
Active employees	0	0
Total contributions	$ 85,085	$ 86,917
Investment Income		
Net increase in fair value of investments	$ 302,856	$ 288,467
Interest and dividends	0	0
Investment expense, other than from securities lending	0	0
Securities lending income	0	0
Securities lending expense	0	0
Net investment income	$ 302,856	$ 288,467
Total additions	$ 387,941	$ 375,384
Deductions		
Benefit payments	$ 85,085	$ 86,917
Administrative expenses	15,504	17,434
Other	0	0
Total deductions	$ 100,589	$ 104,351
Net increase in net position	$ 287,352	$ 271,033
Net position restricted to OPEB		
Beginning of year	$ 2,574,618	$ 2,861,970
End of year	$ 2,861,970	$ 3,133,003

* FY 2024/25 assets are consistent with the PARS Asset Statement as of June 30, 2025.
** FY 2023/24 assets are consistent with the Foster & Foster GASB 75 Valuation as of June 30, 2024.

Projection of GASB Disclosures

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

The Total OPEB Liability (TOL) is expected to change on an annual basis as a result of expected and unexpected events. Under normal circumstances, it is generally expected to have a net increase each year. Below is a list of the most common events affecting the total OPEB liability and whether they increase or decrease the liability.

Expected Events

- Increases in TOL due to additional benefit accruals as employees continue to earn service each year
- Increases in TOL due to interest as the employees and retirees age
- Decreases in TOL due to benefit payments

Unexpected Events

- Increases in TOL when actual health care costs increase more than expected. A liability decrease occurs when the reverse happens.
- Increases in TOL when more new retirements occur than expected or fewer terminations occur than anticipated. Liability decreases occur when the opposite outcomes happen.
- Increases or decreases in TOL depending on whether benefits are improved or reduced.

Projection of Total OPEB Liability (TOL)	FY 2024/25	FY 2025/26
TOL as of beginning of year	$ 2,064,826	$ 2,409,211
Normal cost as of beginning of year	28,194	37,538
Exp. benefit payments during the year	(86,917)	(124,770)
Interest adjustment to end of year	123,012	143,116
Exp. TOL as of end of year	$ 2,129,115	$ 2,465,095
Actuarial Loss / (Gain)	280,096	TBD
Actual TOL as of end of year	**$ 2,409,211**	**$ TBD**
Discount rate as of beginning of year	6.00%	6.00%
Discount rate as of end of year	6.00%	TBD

Projection of Actuarial Value of Assets (AVA)	FY 2024/25	FY 2025/26
AVA as of beginning of year	$ 2,861,970	$ 3,133,003
Exp. employer contributions during the year	86,917	124,770
Exp. benefit payments during the year	(86,917)	(124,770)
Expected investment income	171,203	187,416
Exp. Trust administrative expenses	(17,434)	(19,085)
Exp. AVA as of end of year	$ 3,015,739	$ 3,301,334
Differences between expected and actual experience	117,264	TBD
AVA as of end of year	**$ 3,133,003**	**$ TBD**
Expected asset return as of beginning of year	6.00%	6.00%
Expected asset return as of end of year	6.00%	TBD

* FY 2025/26 assets are consistent with the PARS Asset Statement as of June 30, 2025, projected to June 30, 2026 assuming a 6.00% investment return.

Discussion of Discount Rates

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

Under GASB 74, the discount rate used in valuing OPEB liabilities for funded plans as of the Measurement Date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that (a) they are sufficient to pay for the projected benefit payments and (b) the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA /Aa or higher (or equivalent quality on another rating scale) must be used.

For the current valuation:

1. The plan is identified as an Agent Multiple-Employer Defined Benefit OPEB Plan. The long-term expected rate of return on OPEB plan investment is assumed to be 6.00%. The District is invested with the PARS Trust in the Moderate-Strategic Blend portfolio. The Plan's 2025 target asset allocation is summarized in the following table. The long-term expected rate of return is selected by the District with Nyhart's concurrence.

Asset Class	Target Allocation	L/T Expected Real ROR
Equity	50%	N/A
Fixed Income	50%	N/A
Total	100%	6.0%

2. The discount rate used when the OPEB plan investments are insufficient to pay for future benefit payments are selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.

Yield as of	June 30, 2024	June 30, 2025
Bond Buyer Go 20-Bond Municipal Bond Index	3.93%	5.20%
S&P Municipal Bond 20-Year High Grade Rate Index	4.21%	4.81%
Fidelity 20-Year Go Municipal Bond Index	3.86%	4.71%
Bond Index Range	3.86% - 4.21%	4.71% - 5.20%

3. The final equivalent single discount rate used for this year's valuation is 6.00%. The discount rate assumes that the District will not be making any additional contributions to the Trust and has not started to reimburse itself for its benefit payments through the Trust.

Summary of Key Actuarial Assumptions

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

For a complete summary of actuarial methods and assumptions, refer to the Foster & Foster GASB 75 actuarial valuation report for the fiscal year ending June 30, 2024.

Measurement Date	For the Fiscal Year Ending June 30, 2025, a June 30, 2025 measurement date was used.
Actuarial Valuation Date	June 30, 2024 Liabilities for FY 2024/25 are based on an actuarial valuation date of June 30, 2024 projected to June 30, 2025 reflecting actual premiums, trend rates, and discount rate changes. Liabilities for FY 2023/24 are based on an actuarial valuation date of June 30, 2024 with no adjustments to get to the June 30, 2024 measurement date.
Discount Rate	6.00% as of June 30, 2025 (for FY 2024/25) and June 30, 2024 (for FY 2023/24) for accounting disclosure purposes Refer to the Discussion of Discount Rates section for more information on selection of the discount rate. The discount rate was chosen by the plan sponsor based on the information provided in the "Discussion of Discount Rates" section above
Payroll Growth	3.00% per year
Cost Method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: • Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and • Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.

Summary of Key Actuarial Assumptions

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

Health Care Trend Rates

	Pre-65	Post-65
2024/25	Actual*	Actual*
2025/26	8.00%	6.50%
2026/27	7.75%	6.25%
2027/28	7.50%	6.00%
2028/29	7.25%	5.75%
2029/30	7.00%	5.50%
2030/31	6.75%	5.25%
2031/32	6.50%	5.00%
2032/33	6.25%	4.75%
2033/34	6.00%	4.50%
2034/35	5.75%	4.50%
2035/36	5.50%	4.50%
2036/37	5.25%	4.50%
2037/38	5.00%	4.50%
2038/39	4.75%	4.50%
2039/40+	4.50%	4.50%

The initial trend rate combined employer history, national trends, professional judgment, and data published by government agencies, while medical trends blend short-term and long-term expectations.

The post-65 trends accounted for the potential impact of Medicare Payments Reform and the Inflation Reduction Act of 2022 (IRA) on Medicare Advantage plans, which will take effect in 2026, based on the April 7, 2025, Center for Medicare & Medicaid Services (CMS) release of the final policies are projected to increase MA payments to plans in CY 2026 by 5.06% which should help stabilize 2026 premium increases. Pharmaceutical tariffs are under discussion but not yet implemented, while they could increase costs beyond assumed trends, these potential costs are not in this valuation. Due to the lack of data and the evolving nature of these policies, it is challenging to accurately quantify their potential effects at this time. Nyhart will continue to monitor CMS payment policies and adjust future trends as needed.

Rising GLP-1 drug (diabetic/weight loss drug) usage is driving increased pre-65 trends. The initial trend rate considered employer history, national trends, professional judgment, and data from government agencies. Healthcare cost trend rates integrated these factors and additionally incorporated both short-term and long-term expectations.

* Reflects actual premium rate increases for 2024/25.

Summary of Key Actuarial Assumptions

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

Dental / Vision Trend Rates

	Dental	Vision
2024/25	Actual**	Actual**
2025/26+	4.00%	3.00%

** Reflects actual dental and vision rate changes for 2024/25.

Medicare Part B Trend Rates

	Part B
2024/25	5.50%
2025/26	5.25%
2026/27	5.00%
2027/28	4.75%
2028/29+	4.50%

Models

ProVal

Valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing postretirement medical valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weakness or limitations in the software and have determined it is appropriate for performing this valuation.

Actuary's Notes

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

Detailed Actuary's Notes

There have been no substantive plan provision changes since the last full valuation, which was for the fiscal year ending June 30, 2024.

Interim year valuation results have been projected from the prior year's valuation with adjustments for:

1. Reflecting updated premium rates for 2024/25. This update led to an increase in liabilities, primarily due to higher-than-expected UHC Medicare Advantage premiums.

2. We have updated pre-65 and post-65 healthcare trend rates with initial rates of 8.00% and 6.50%, respectively, decreasing annually by 0.25% to an ultimate rate of 4.50%. We have updated Medicare Part B trend rates with an initial rate of 5.50% decreasing annually by 0.25% to an ultimate rate of 4.50%. We have also updated dental trend rates to 4.00% per year. These changes caused an increase in liabilities.

Premium Rates

2024 Health Insurance Rates Pre-65	Kaiser CDHP	Anthem PPO CDHP	Kaiser Traditional	Anthem PPO (Classic)	Anthem HMO (CalCare)
Retiree Only	$ 535.53	$ 657.96	$ 740.13	$ 822.46	$ 1,029.75
Retiree plus Spouse	$ 1,071.05	$ 1,315.92	$ 1,480.26	$ 1,644.92	$ 2,059.50

2024 Health Insurance Rates Post-65	Kaiser Sr. Advantage	UHC Medicare Advantage
Retiree Only	$ 184.04	$ 412.45
Retiree plus Spouse	$ 368.08	$ 824.90

2024 Dental / Vision Rates	Dental	Vision VSP
Retiree Only	$ 51.50	$ 14.76
Retiree plus Spouse	$ 86.73	$ 23.46

Premium Rates (cont.)

2025 Health Insurance Rates Pre-65	Kaiser CDHP	Anthem PPO CDHP	Kaiser Traditional	Anthem PPO (Classic)	Anthem HMO (CalCare)
Retiree Only	$ 564.52	$ 723.76	$ 780.19	$ 904.70	$ 1,080.50
Retiree plus Spouse	$ 1,129.04	$ 1,447.52	$ 1,560.38	$ 1,809.40	$ 2,161.00

2025 Health Insurance Rates Post-65	Kaiser Sr. Advantage	UHC Medicare Advantage
Retiree Only	$ 197.12	$ 512.45
Retiree plus Spouse	$ 394.24	$ 1,024.90

2025 Dental / Vision Rates	Dental	Vision VSP
Retiree Only	$ 53.46	$ 14.76
Retiree plus Spouse	$ 89.92	$ 23.46

Appendix

Municipal Water District of Orange County Interim GASB 75 Valuation for Fiscal Year Ending June 30, 2025

Valuation Results Summary

Below is the summary of the GASB results for Fiscal Year Ending June 30, 2025 based on the Entry Age Normal Level % of Pay cost method with a discount rate of 6.00%.

Present Value of Future Benefits	Explicit	Implicit	Total
Active	$ 1,134,151	$ 440,666	$ 1,574,817
Retirees	$ 1,086,841	$ 21,320	$ 1,108,161
Total	**$ 2,220,992**	**$ 461,986**	**$ 2,682,978**

Total (Accrued) OPEB Liability	Explicit	Implicit	Total
Active	$ 936,990	$ 364,060	$ 1,301,050
Retirees	$ 1,086,841	$ 21,320	$ 1,108,161
Total	**$ 2,023,831**	**$ 385,380**	**$ 2,409,211**

Projected Benefit Payments - FYE	Explicit	Implicit	Total
2026	$ 116,886	$ 7,884	$ 124,770
2027	$ 120,711	$ 6,712	$ 127,423
2028	$ 133,029	$ 9,163	$ 142,192
2029	$ 145,841	$ 16,042	$ 161,883
2030	$ 148,053	$ 16,743	$ 164,796
2031	$ 151,263	$ 14,102	$ 165,365
2032	$ 159,979	$ 20,724	$ 180,703
2033	$ 157,169	$ 18,326	$ 175,495
2034	$ 156,340	$ 15,045	$ 171,385
2035	$ 157,782	$ 19,894	$ 177,676

Designated OPEB Reserve Summary

The District has adopted a designated OPEB reserve to support the District's irrevocable trust. The District's designated OPEB reserve is not administered through a qualifying trust under GASB 75, paragraph 4, and therefore cannot be used to offset OPEB liabilities. For illustrative purposes only, a summary of the Liabilities / Assets including and excluding the designated reserve is provided below. The current balance of the designated OPEB reserve is $297,147.

As of June 30, 2025	Irrevocable OPEB Trust Only	Irrevocable OPEB Trust and OPEB Reserve
Total OPEB Liability	$ 2,409,211	$ 2,409,211
Allocated Assets	$ 3,133,003	$ 3,430,150
Allocated Assets as Percentage of Total OPEB Liability	130.0%	142.4%
Dollar Amount Exceeding 100% Funded Status	$ 723,792	$ 1,020,939

Administration, Board Support & Human Resources Activities

September 4, 2025 – October 1, 2025

Activity	Summary
Board Support	• Attended all Board and Committee Meetings, as well as preparation for these meetings, including packet preparation, meeting setup/take-down, Zoom coordination, etc. • Registered staff and directors for various conferences and training, made travel accommodations, processed business expenses, and updated the travel budget spreadsheet. • Reviewed RFPs, contracts, and agreements for content and consistency with the Administrative Code. • Reviewed, coordinated, and responded to 3 Public Records requests. • Met with OCWD IT and staff regarding updates on the joint Boardroom Audio Visual project. • HR and Board Support staff participated with the 75th anniversary staff committee to discuss early planning. • Board Support updated Board memos to be Title II ADA compliant. • Completed modules 5 - 8 of Generative AI for Beginners and met with staff to discuss key takeaways and insights. • Staff completed NIMS ICS-100 and ICS-700 Training and an ACWA JPIA risk management seminar. • District Secretary attended a 6-hour California Notary Course.
Administrative projects and activities **Administrative projects and**	• Assisted with WACO on Meetings via Zoom, PowerPoint presentations, preparing for hybrid meetings, various correspondence, note-taking, coordinating with the WACO president and speakers, and updating the WACO information on the website. • Assisted the Finance Department with filing, processing invoices, purchase requisitions, business expense reports, and credit card reconciliations. • Updated and paid membership accounts, as needed. • Prepared agreements and solicited updated scopes of work and rates. • Hosted the ISDOC Executive Meeting. • Planned activities for Water Professionals Appreciation Celebration • Assisted with updates to the Urban Water Management Plan spreadsheet. • Followed up with agencies that have not provided their signed Urban Water Management Plan Cost Sharing Agreements and sent fully executed Urban Water Management Plan Cost Sharing Agreements to agencies. • Assisted with meeting invites and logistics for the Emergency Water Supplies to So. Orange County – Stakeholder meeting. • Coordinating the purchase of MWDOC apparel for staff during the month of September.

activities (continued)	• Cross-training of the admin. The team is underway with preparations for Leah's impending retirement in December. • Staff is working with various contractors on receiving quotes to repair and replace tiles by the MWDOC entry doors. • HR, GM, and AGM met to review and discuss office workspaces and the reassignment of workspaces. • The all-staff meeting was held on September 11. • HR participated in initial interviews for the Accounting Technician and Water Loss Control Intern positions. • The Admin Team participated in a Zoom training hosted by OCWD regarding the implementation of their new process and online system for campus visitors.
HR Activities	• Working with the District's Financial Investment Advisor, Morgan Stanley Institutional Investment Advisors LLC, on the transition of the 401a VOYA Plan to a new EMPOWER 401a Plan. • HR is looking at resources and costs to perform an employee benefits study. • HR held its quarterly HR group meeting, which was hosted at MNWD on 10/25/2025. • Leah Frazier, Sr. Administrative Assistant, has announced her retirement as of December 9, 2025.
Recruitment / Departures	• Final Interviews for the Accounting Technician are scheduled for 10/2/25. • Final Interviews for the Water Loss Control Intern are scheduled for 10/3/25. • The WEROC Coordinator/Specialist position is open for recruitment, and applications are being reviewed.
Health and Welfare Benefits	• Staff participated in a JPIA Open Enrollment Seminar on September 10. • A review of Health Benefits is scheduled for 10/2, and representatives from JPIA will provide a summary of vision and medical plans available to staff. • Open enrollment materials will be distributed to all eligible employees by 10/3, with Open Enrollment being held from 10/6 - 10/17. This is the time of year to review and make changes to your dental, vision, and health plans.
Records Management	• Continue to review incoming mail and log necessary documents into the Laserfiche system. • Staff continues to review documents and update information in Laserfiche. • Continued training staff in more detailed Laserfiche procedures. • Reviewed annual invoice for Laserfiche licenses and support and was able to reduce the annual cost by approximately $4,000.

Training	• Held a meeting with the Lunch and Learn Committee to review and discuss future topics for the 25/26 year, which include: o A training session for late October with Cal State Fullerton on "Organizational Dynamics," which is geared towards helping different departments and teams to work together for the good of the agency, while also finding ways to shine and stand out. o Additional training sessions for SharePoint and preparing staff reports are also being developed. • MWDOC has scheduled a mandatory Workplace Violence Prevention Training (Active Shooter training) on October 14. Several MWDOC staff members participated in the OCWD active shooter training on September 18, as they are unable to attend the upcoming MWDOC training. • HR is in the process of scheduling a 2nd Supervisor training to be made available to Member agencies in January 2026. This will be coordinated with The Center for Organizational Effectiveness, like the 2025 training session, which was well-received by all. This item was presented to the recent HR group meeting and was received with enthusiasm. MWDOC plans to host all five sessions, starting in January.

Item No. 12b

INFORMATION ITEM
October 8, 2025

TO: **Administration & Finance Committee**

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

Staff Contact: Steven Hung, Financial Analyst/Database Analyst

SUBJECT: **FINANCE AND INFORMATION TECHNOLOGY**

STAFF RECOMMENDATION

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

REPORT

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

Finance

Accounting	Rebate Program(s)	Currently holding five rebate check(s) awaiting W-9 form(s).
Accounting	RFP	Possible new custodian for long-term investments.
Finance	RFP	FIN0825-001-ERP system Architecture and Configuration has been posted to our website on 8/5/2025. Closed on 9/5/2025. Decision made, please see the related board item.
Finance	Budget	Biennial Budget Study and mock setup.
Finance	Other	Ongoing process improvements.

Budgeted: ☐ Yes ☐ No ☒ N/A		Budgeted amount:
Core: ☐	Choice: ☐	Movement between funds: ☐ Yes ☐ No
Action item amount:		

Information Technology (IT)

Security	Backups	A review of backup reports indicates that systems are consistently and securely backed up according to schedule and stored in multiple backup locations using immutable storage.
	Email	An email defense system protects against malware, impersonation, and fraud detection. Of the 42K inbound emails, 32% were rejected due to unsafe content. The District sent over 11K emails, and nine email incidents required District IT assessment and mitigation.
	Managed Security Service Provider (MSSP)	Onboarded our new MSSP and began review and tuning of systems. No threat cases were opened in the month.
Services	Email Signatures	Deployed a solution to standardize email signatures in Outlook; MWDOC, WEROC, WEEA.
	Server Replacement	In final negotiations with a vendor to begin the modernization of the server/infrastructure environment.
	Support Tickets	92 created tickets: 88 tickets resolved, 23 new, 14 open, 9 waiting/monitoring, and 29 backlogged.
	Vulnerability Scanning	Weekly external vulnerability scans conducted by DHS-CISA have identified no exposures or weaknesses.
	Writing Assistant Tool	Deployed a tool to assist with offering suggestions for tone, style, and clarity of written documents and emails.
Training	Artificial Intelligence	Systems Administrator participated in a Government AI Collation meeting. Also participated in a 45-minute virtual course from Microsoft on AI Models and tuning. Co-lead a lunch-and-learn team meeting with MWDOC staff.
	Cybersecurity	The Systems Administrator participated in a one-hour training session with our Managed Security Services Provider (MSSP) on cyber investigations and threat hunting and analysis.

Item No. 13

INFORMATION ITEM
October 8, 2025

TO: **Administration & Finance Committee**

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

Staff Contact: Kevin Hostert, Senior Water Resources Analyst

SUBJECT: **MONTHLY WATER USAGE DATA AND WATER SUPPLY INFORMATION**

STAFF RECOMMENDATION

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

REPORT

Summary

The attached figures show the recent trend of water consumption in Orange County (OC), an estimate of Imported Water Sales for MWDOC, and selected water supply information. This information is also presented utilizing the following link: MWDOC A&F Monthly Water Usage Data and Water Supply Information (https://tinyurl.com/ys35tsvy).

- OC Water Usage, Monthly by Supply - OCWD Groundwater was the main supply in August.
- Estimated OC Water Usage, Monthly, Comparison to Previous Years - Water usage in August 2025 was slightly above average compared to the last 5 years. Water usage for Fiscal Year (FY) 2025-26 is projected to be slightly below average compared to FY 2024-25.
- Historical OC Water Consumption - Orange County M&I water consumption is projected to be 515,000 AF for FY 2025-26 (this includes ~9 TAF of agricultural usage and non-retail water agency usage). This is about 9,000 AF less than FY 2024-25 and is about 45,000 AF more than FY 2023-24. Water usage per person

Budgeted: ☐ Yes ☐ No ☒ N/A		Budgeted amount:
Core: ☐	Choice: ☐	Movement between funds: ☐ Yes ☐ No
Action item amount:		

is projected to be at 145 gallons per day in FY 2025-26 for Orange County (this includes recycled water usage). Although the OC population has increased 20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is mainly attributed to Water Use Efficiency (water conservation) efforts. OC Water Usage has declined significantly since the end of FY 2013-14. Since the start of FY 2014-15, the average OC Annual Water usage is 522,500 AF, a decline of 99,000 AF since FY 2013-14. FY 2023-24 Orange County M&I water consumption was the lowest since FY 1978-79 (45 Years).

- Water Supply Information includes data on Rainfall in OC; the OCWD Basin overdraft; Northern California and Colorado River Basin hydrologic data; the State Water Project (SWP) Allocation, and regional storage volumes. The data have implications for the magnitude of supplies from the three watersheds that are the principal sources of water for OC. Note that a hydrologic year is defined as the period from October 1 to September 30.

- Orange County's accumulated precipitation through *late September was well below average* for this period. Water year-to-date rainfall in Orange County is 6.42 inches, which is 50% of normal.

- Northern California accumulated precipitation through late *September was 113% of normal for this period*. Water Year 2024 was 96% of normal, while Water Year 2023 was 133% of normal. As of April 4, 2025, the Northern California snowpack was 112% of normal*. As of late September, 39.56%* of California is experiencing *moderate drought conditions*. *23.00%* of California is experiencing *severe to exceptional drought conditions.* The State Water Project Contractors Table A Allocation was increased to 50% as of June for WY 2025.

- Colorado River Basin accumulated precipitation through *late September was 83% of normal* for this period. The *Upper Colorado Basin snowpack was 73% of normal* as of April 15, 2025*. Lake Mead and Lake Powell* combined have approximately *43% of their average storage volume* for this time of year and are at 29*.8% of their total capacity*. Lake Mead's *levels have been below the "trigger" limit of 1,075 ft. since the start of CY 2022*. The US Bureau of Reclamation (USBR) has declared a shortage at Lake Mead, impacting Colorado River water deliveries to the Lower Basin states. Lake Mead, as of late September, *was 18.31' BELOW the "trigger" limit*. The USBR has declared a *shortage on the Colorado River, which began on January 1, 2022*. *There is a 100% chance of shortage continuing in 2026, 93% in 2027, and 97% in 2028.* Lake Mead as of *late September was 11.69' ABOVE the State of California "trigger" limit*. *There is a 0% chance of mandatory cutbacks for California in 2026, 0% in 2027, and 13% in 2028.*

- Lake Powell current water levels as of September 23rd stood at approximately 3,545.4 feet above sea level, which is about 154.6 ft below full pool (3,700 ft).

Water storage remains critically low, at around 28.0% of full capacity. Year-to-date, inflows are just 50% of average. The Bureau of Reclamation projects that Lake Powell may dip near dead pool levels (below ~3,500 ft), putting hydropower generation at risk by December 2026. However, although the lake is hovering around 28% capacity, past lows (especially in 2021) did not quite reach dead pool levels, suggesting it may still be avoidable with management efforts.

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

- ☒ *Clarifying MWDOC's mission and role; defining functions and actions.*
- ☐ *Balance support for Metropolitan's regional mission and OC values and interests.*
- ☐ *Strengthen communication and coordination of messaging.*
- ☐ *Work with member agencies to develop water supply and demand objectives.*
- ☐ *Solicit input and feedback from member agencies.*
- ☐ *Invest in workforce development and succession planning.*

Attachments/Links:
Attachment 1: Monthly Water Usage Data and Water Supply Figures Link 1: MWDOC A&F Monthly Water Usage Data and Water Supply Information (https://tinyurl.com/ys35tsvy)

Fig. 1 OC Water Usage, Monthly by Supply with Projection to End of Fiscal Year

Chart Info.

FY 2025-26

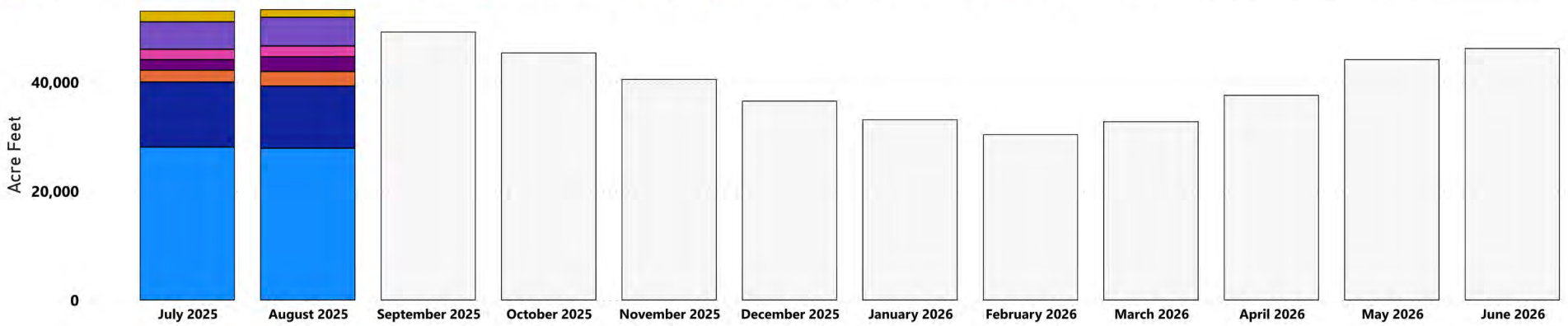


Fig. 2 OC Monthly Water Usage: Compared to Last 4 Fiscal Years

FY: Multiple selecti...

Month: August

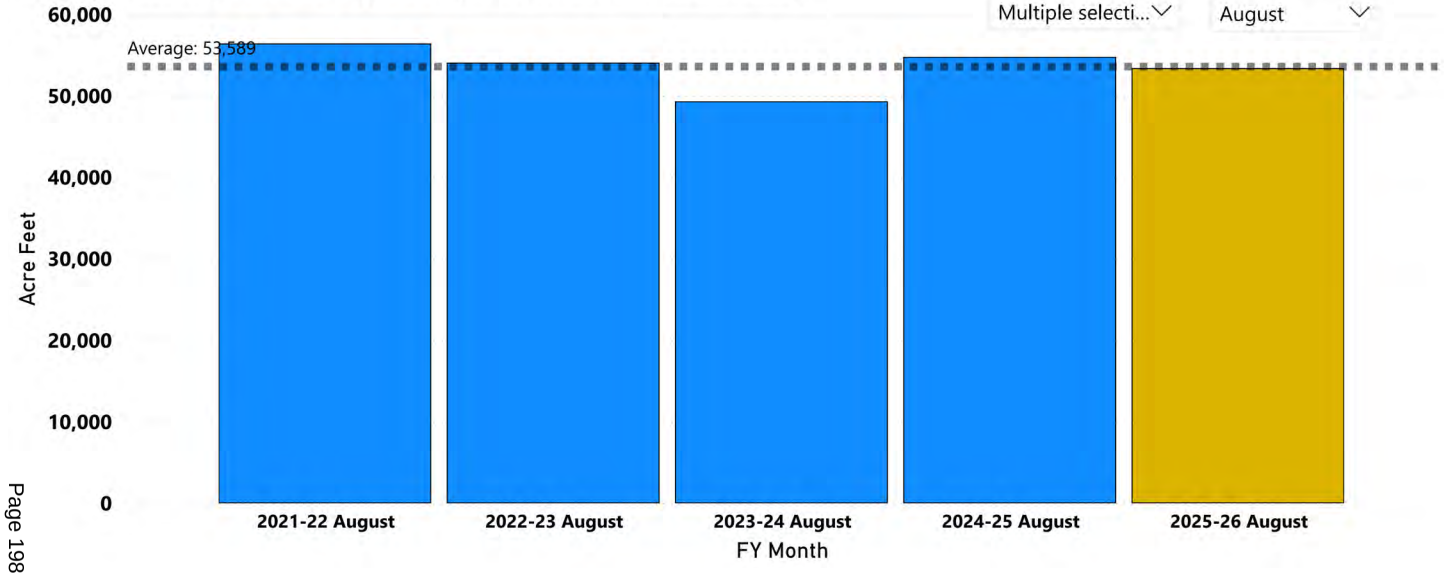


Fig. 2A Partial Year Subtotals

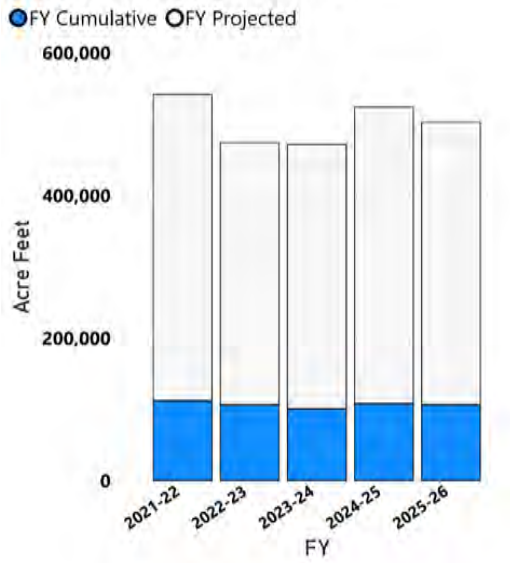


Fig. 3 OC Water Usage Last 3 Years

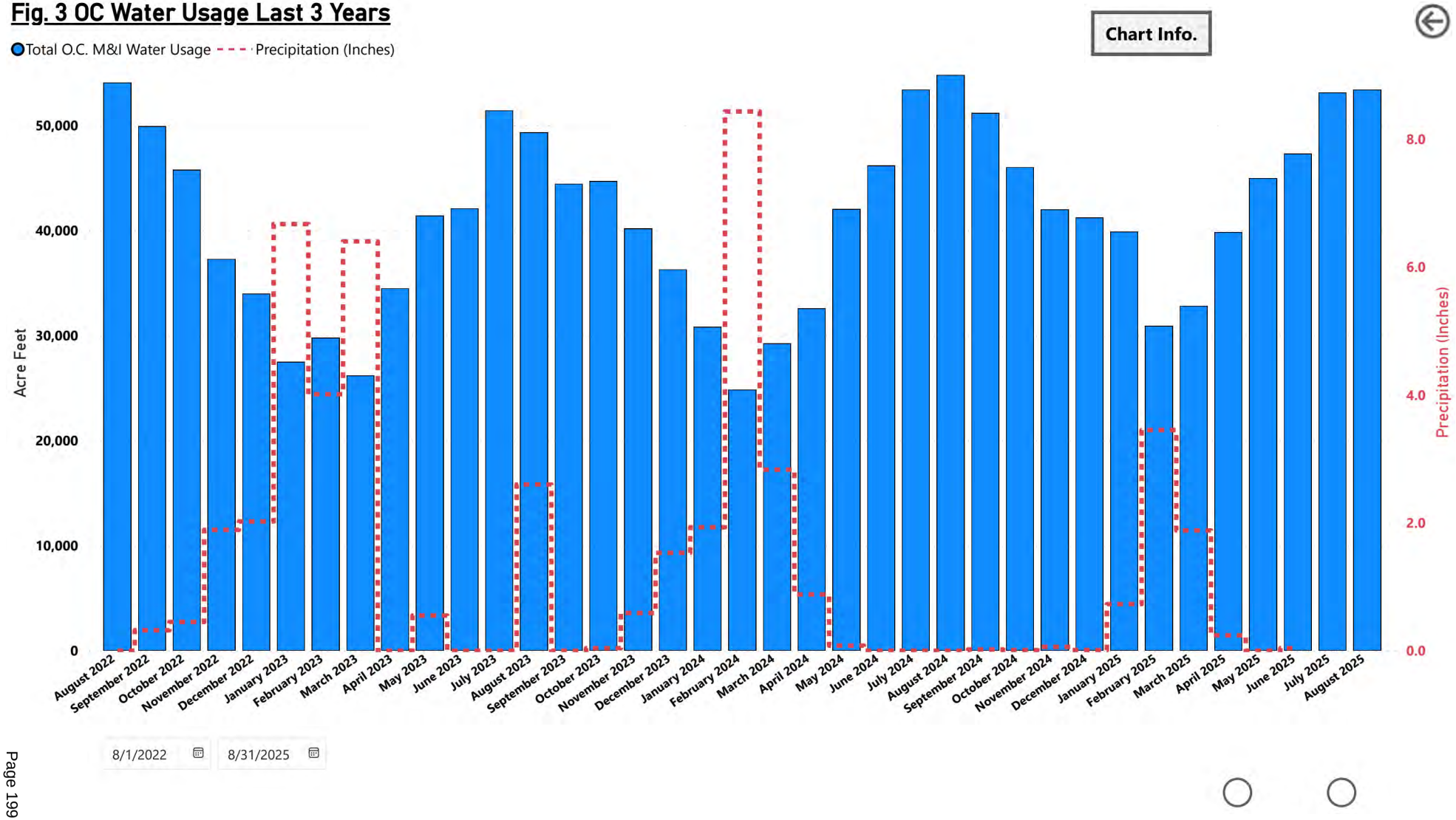


Fig. 4 Orange County Cumulative Rainfall vs. Average

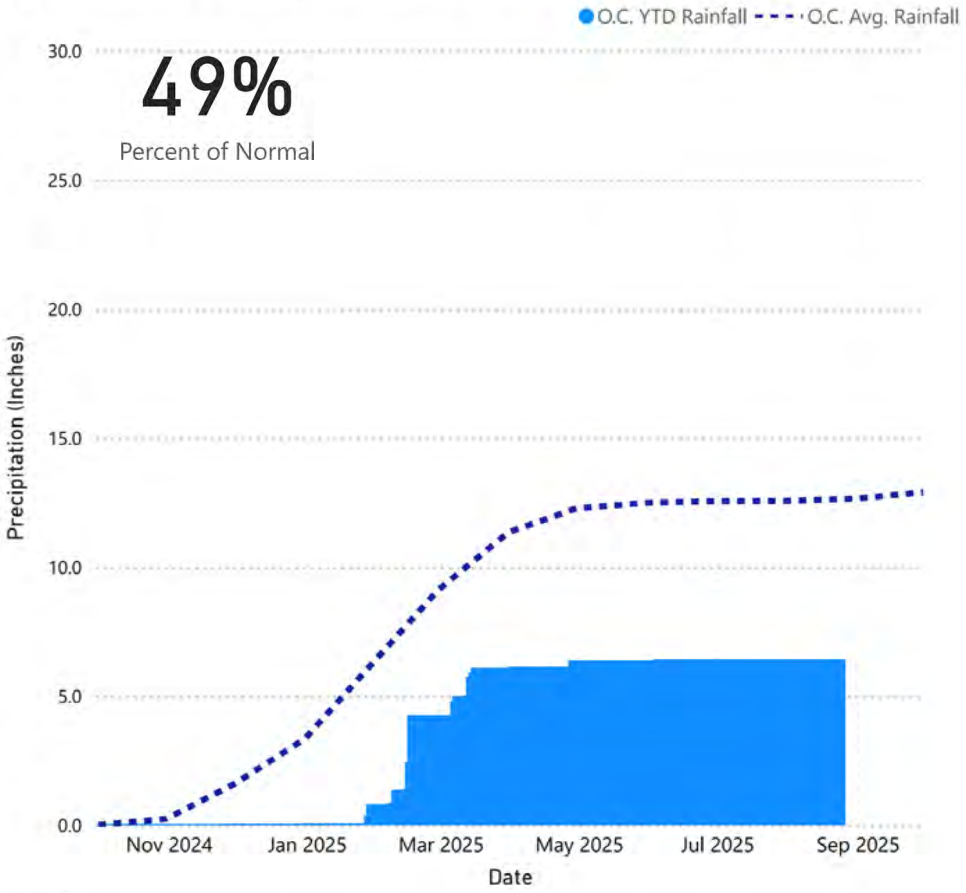
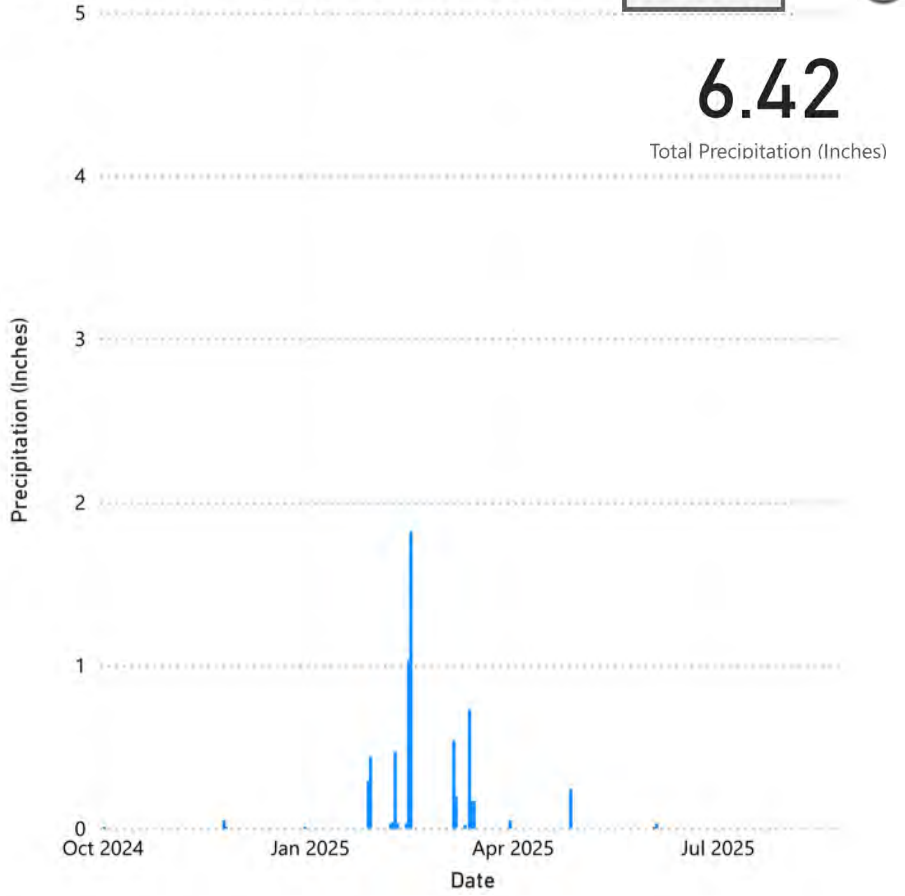


Fig. 4A Orange County Daily Rainfall

Chart Info.



Water Year

2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11

Fig. 5 The 8 Station Index Cumulative Rainfall vs. Average

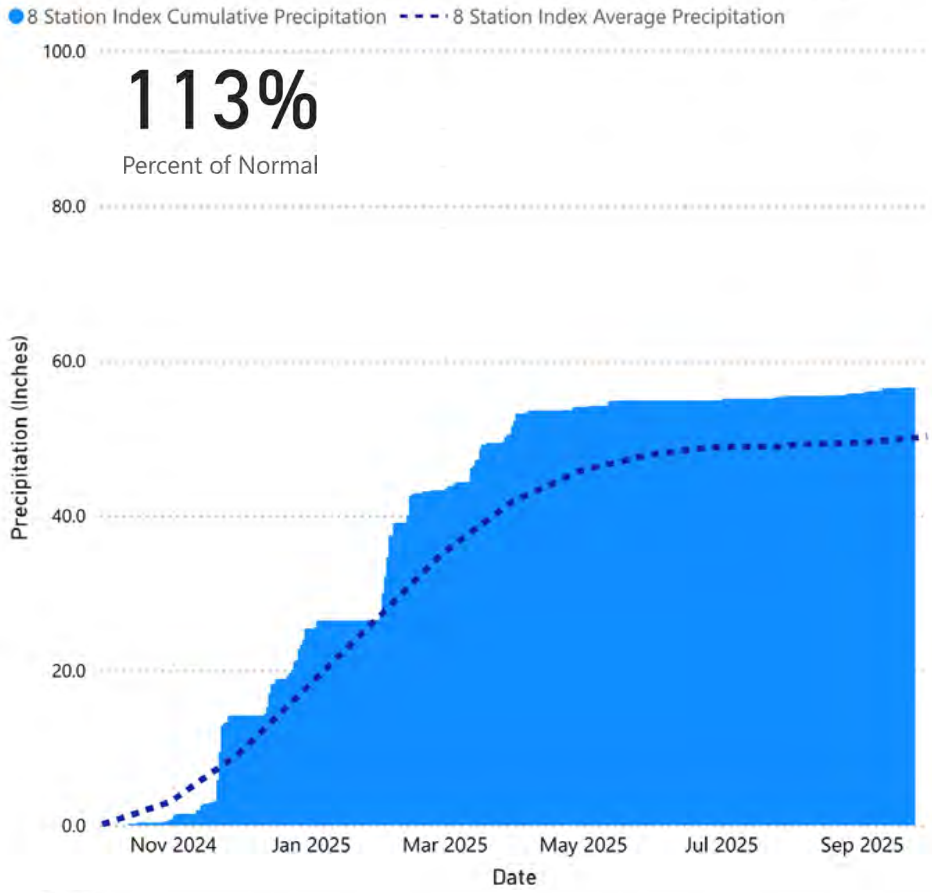
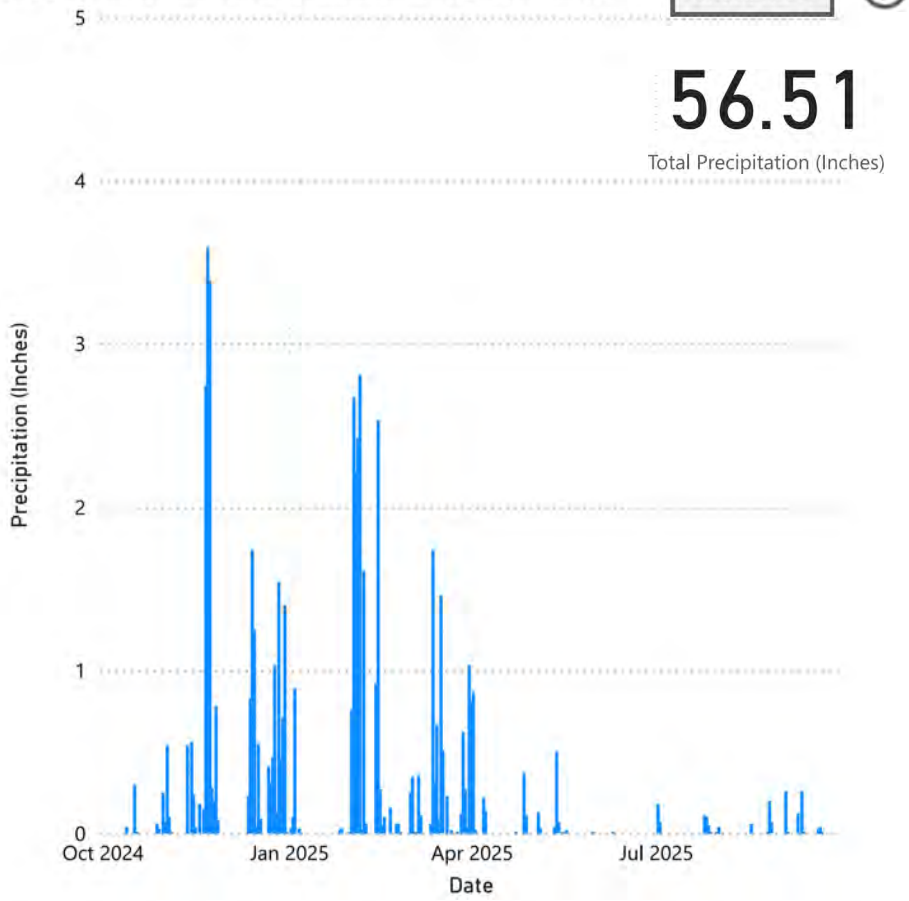


Fig. 5A The 8 Station Index Daily Rainfall

Chart Info.



Water Year

2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11

Fig. 6 Upper Colorado River Basin Cumulative Rainfall vs. Average

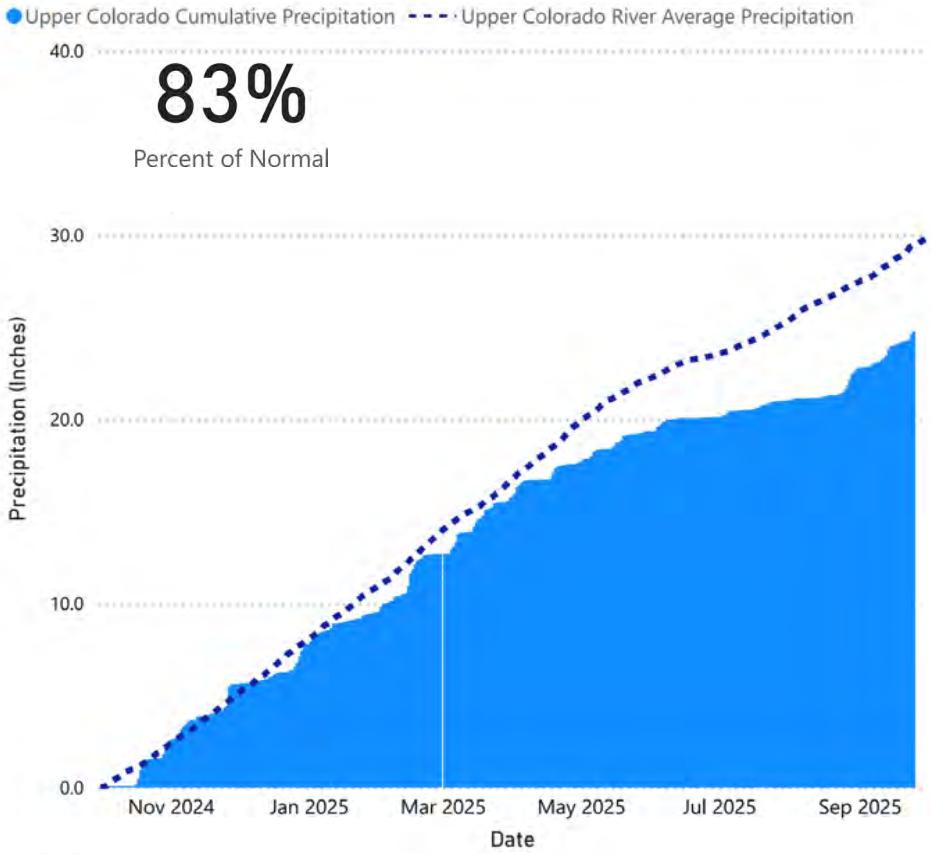
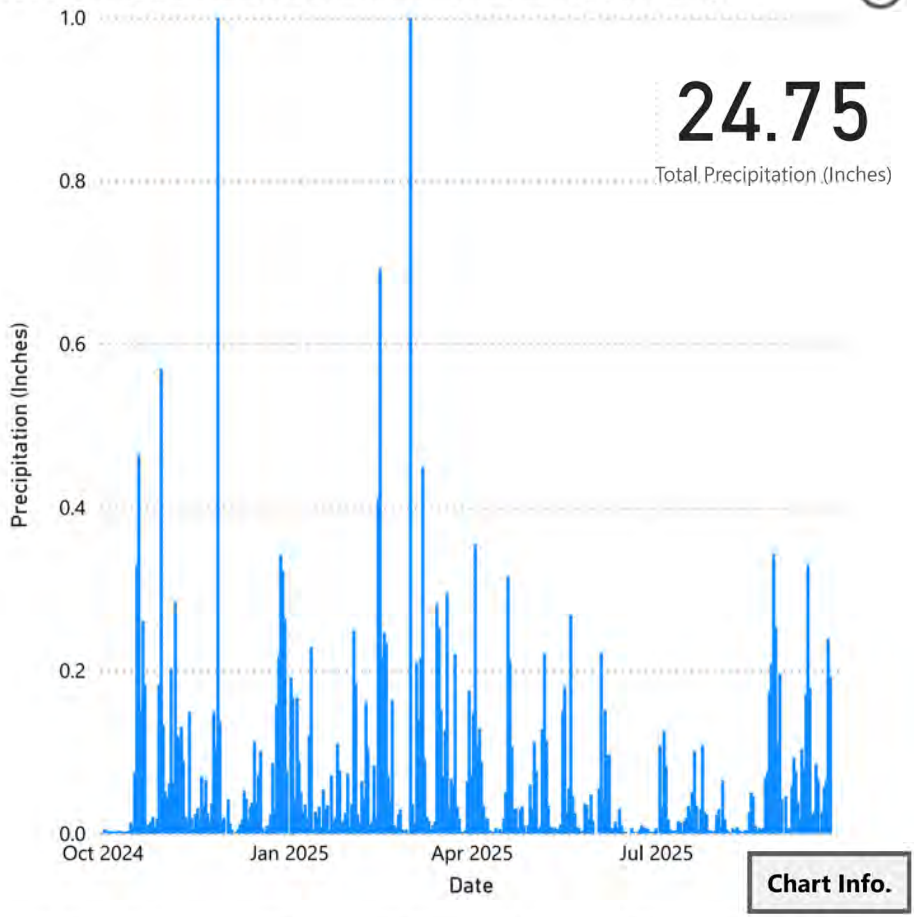


Fig. 6A Upper Colorado River Basin Daily Rainfall



Water Year

2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11

Fig. 7 Lake Mathews Storage

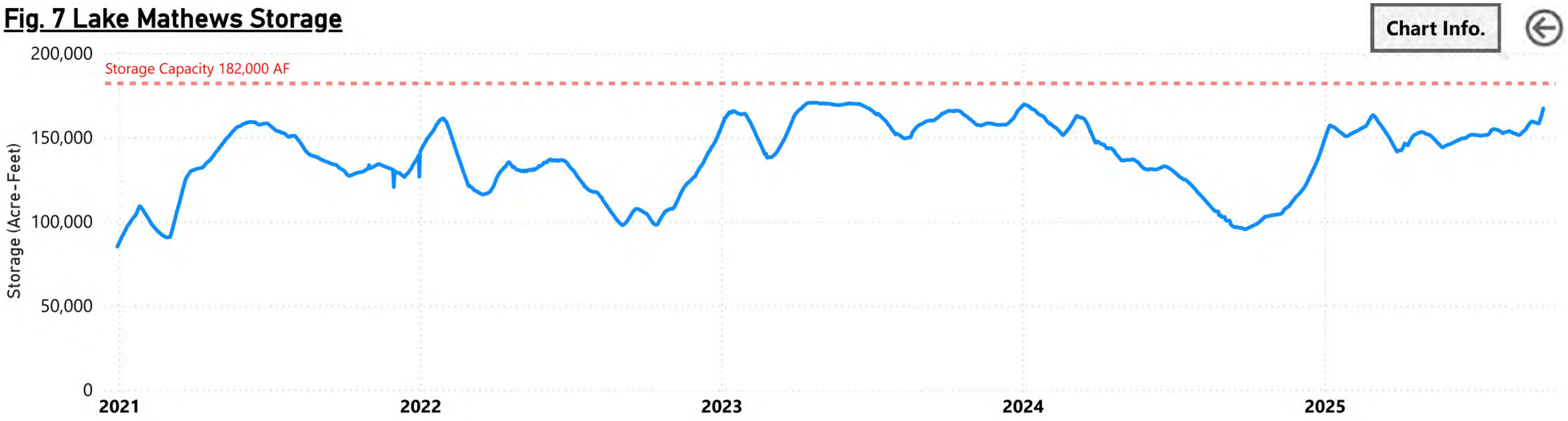


Fig. 8 Diamond Valley Lake Storage

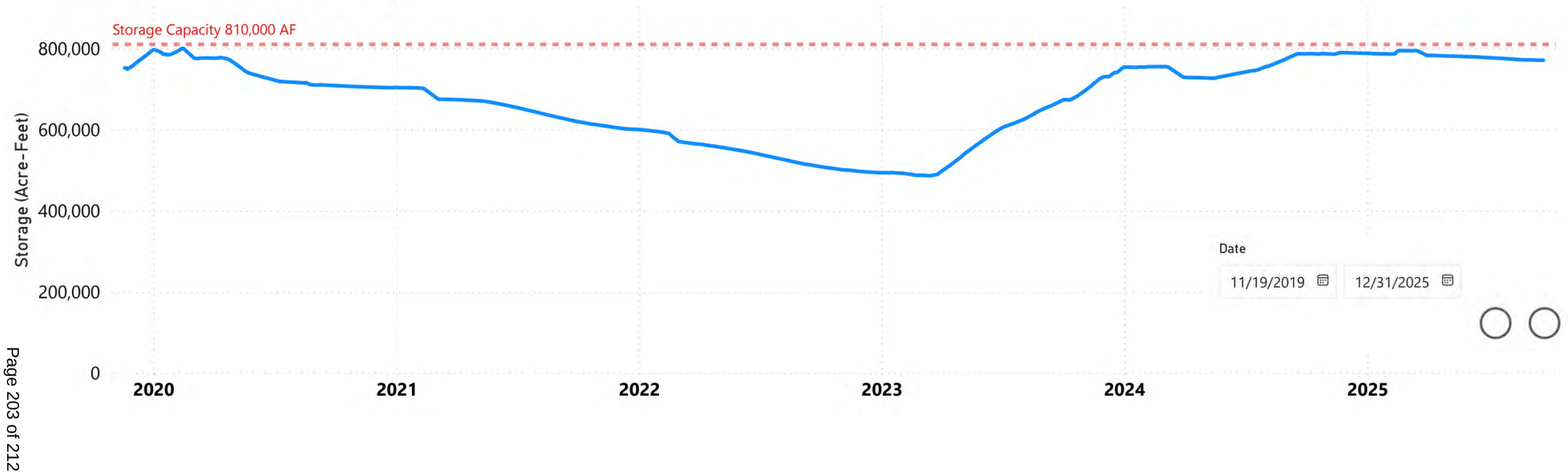


Fig. 9 Lake Oroville Storage vs. Historical Average

Chart Info.

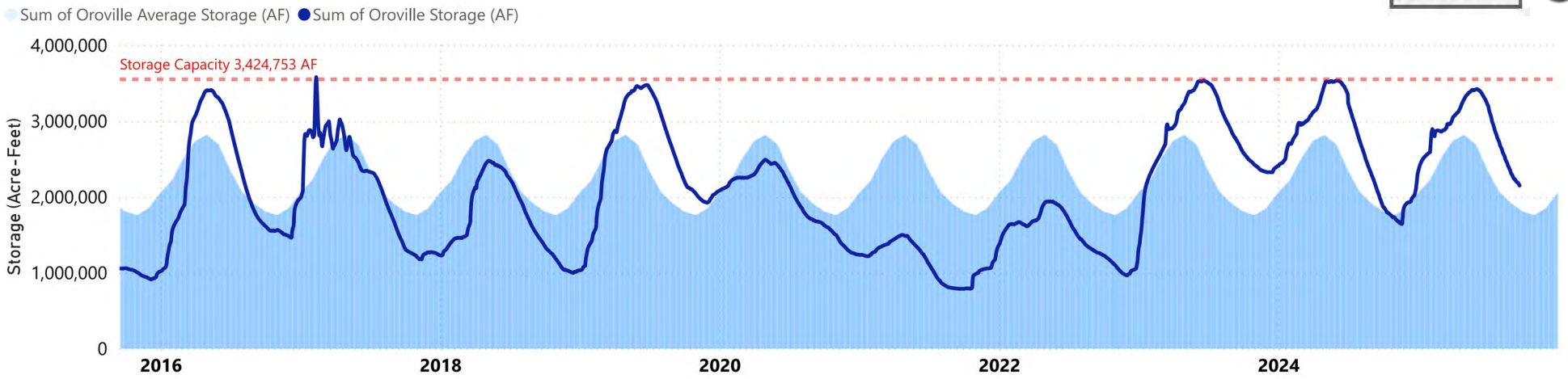


Fig. 10 San Luis Storage vs. Historical Average

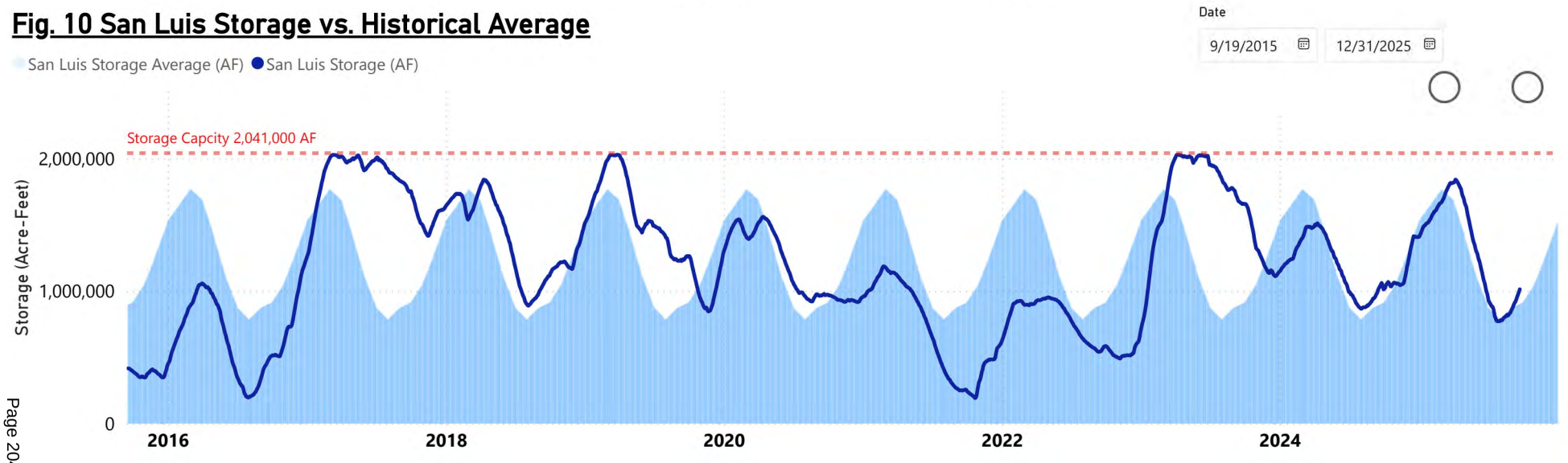


Fig. 11 Northern California SWE vs. Average

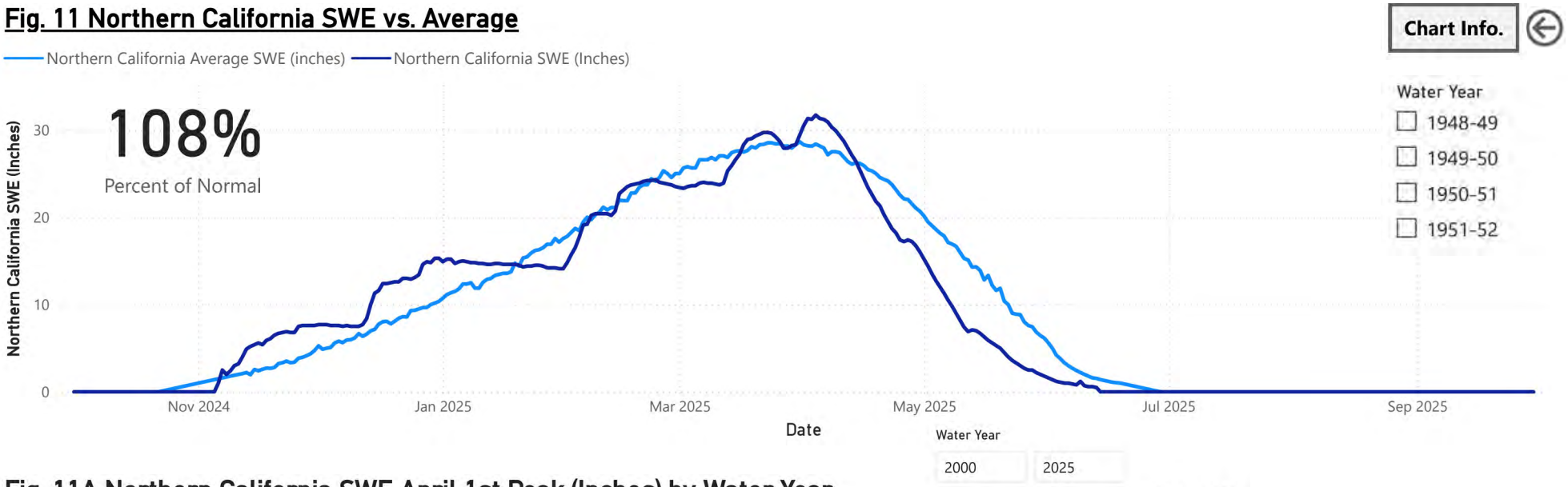


Fig. 11A Northern California SWE April 1st Peak (Inches) by Water Year

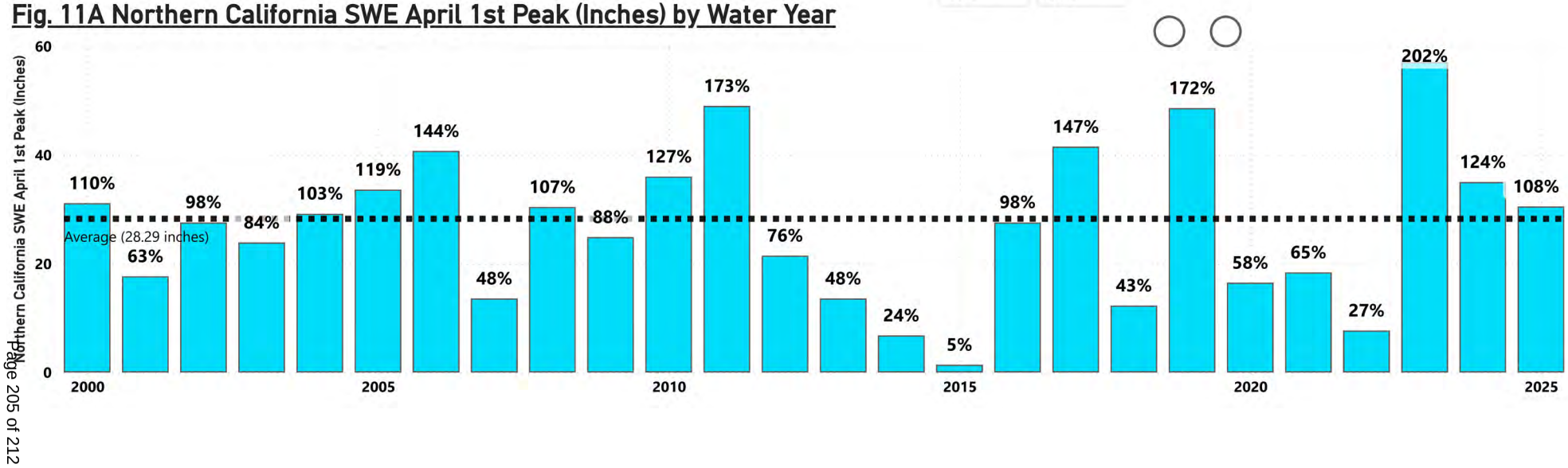


Fig. 12 Upper Colorado SWE vs. Average

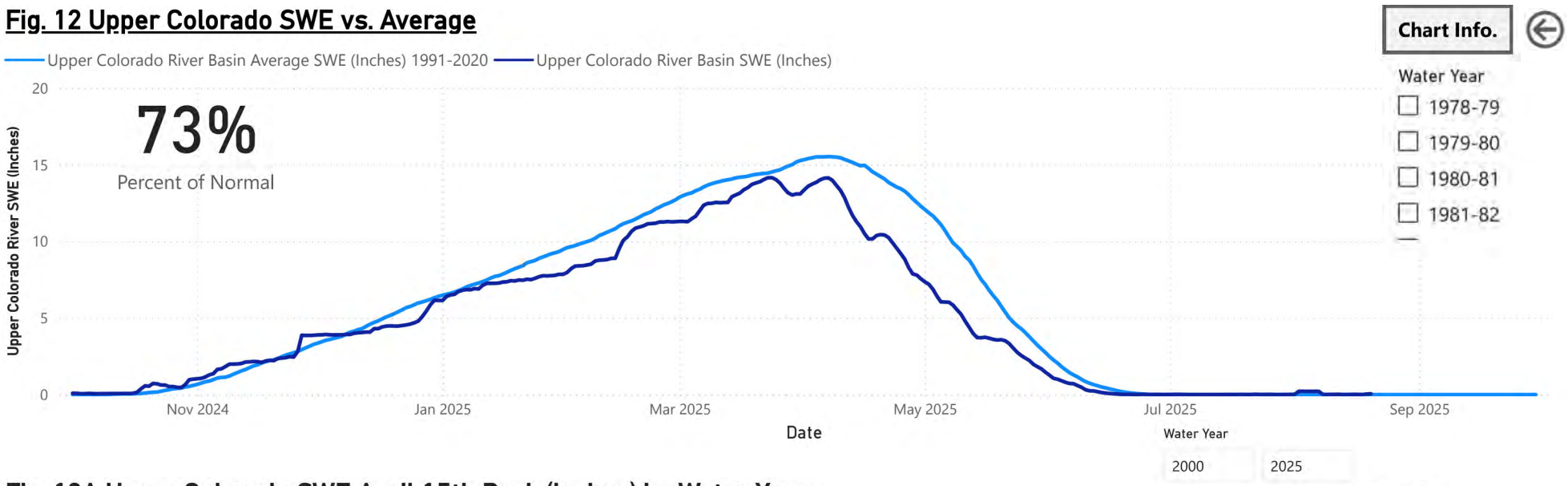


Fig. 12A Upper Colorado SWE April 15th Peak (Inches) by Water Year

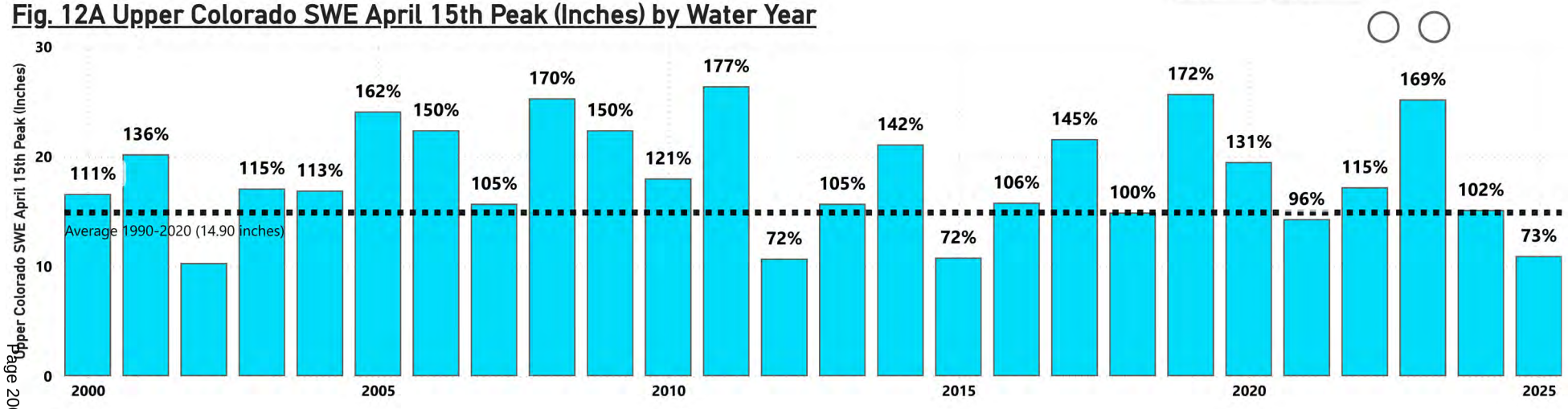


Fig. 13 SWP Table A Allocation Percentage

Chart Info.

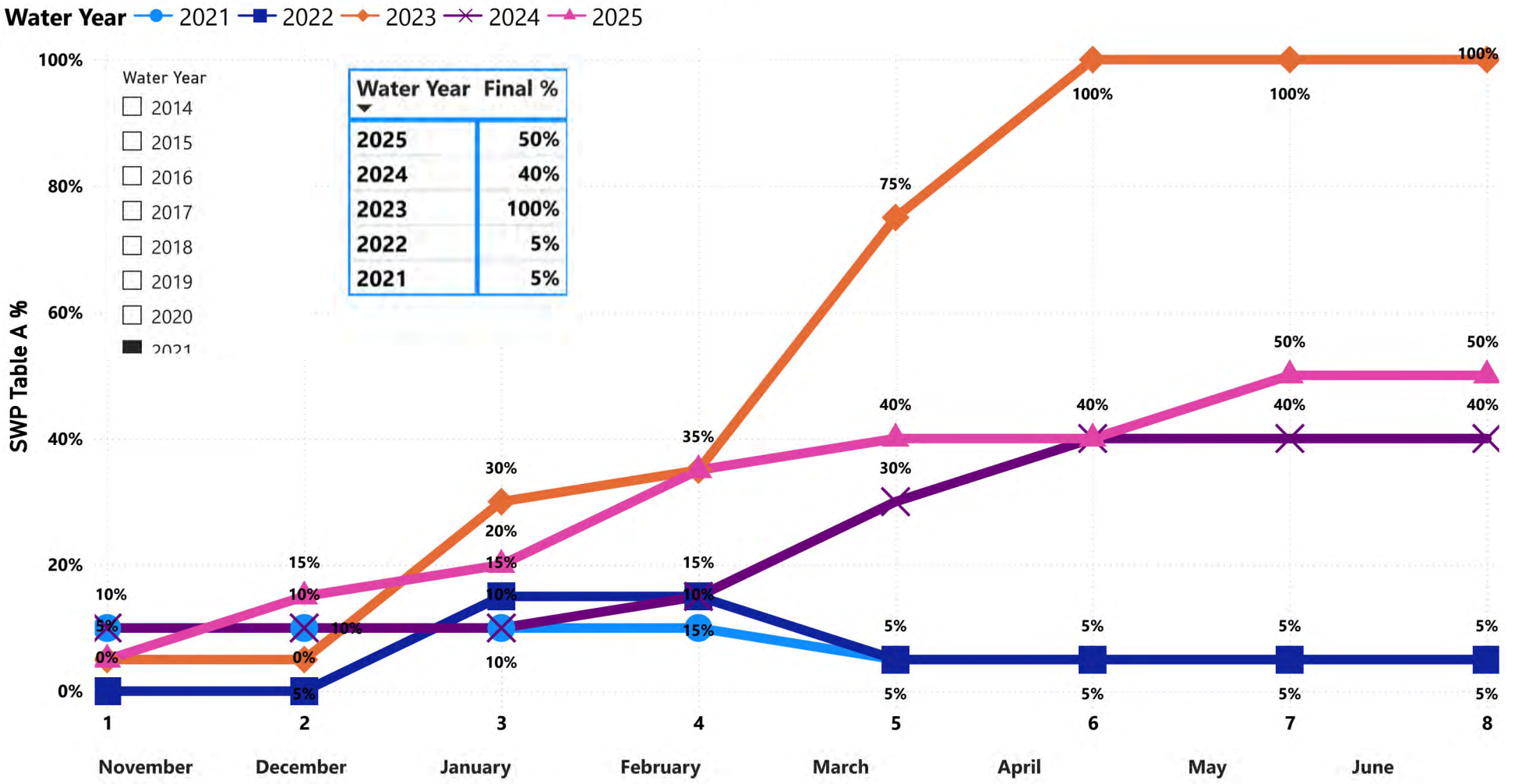


Fig. 14 Lake Mead Levels: Historical and Projected

Chart Info.

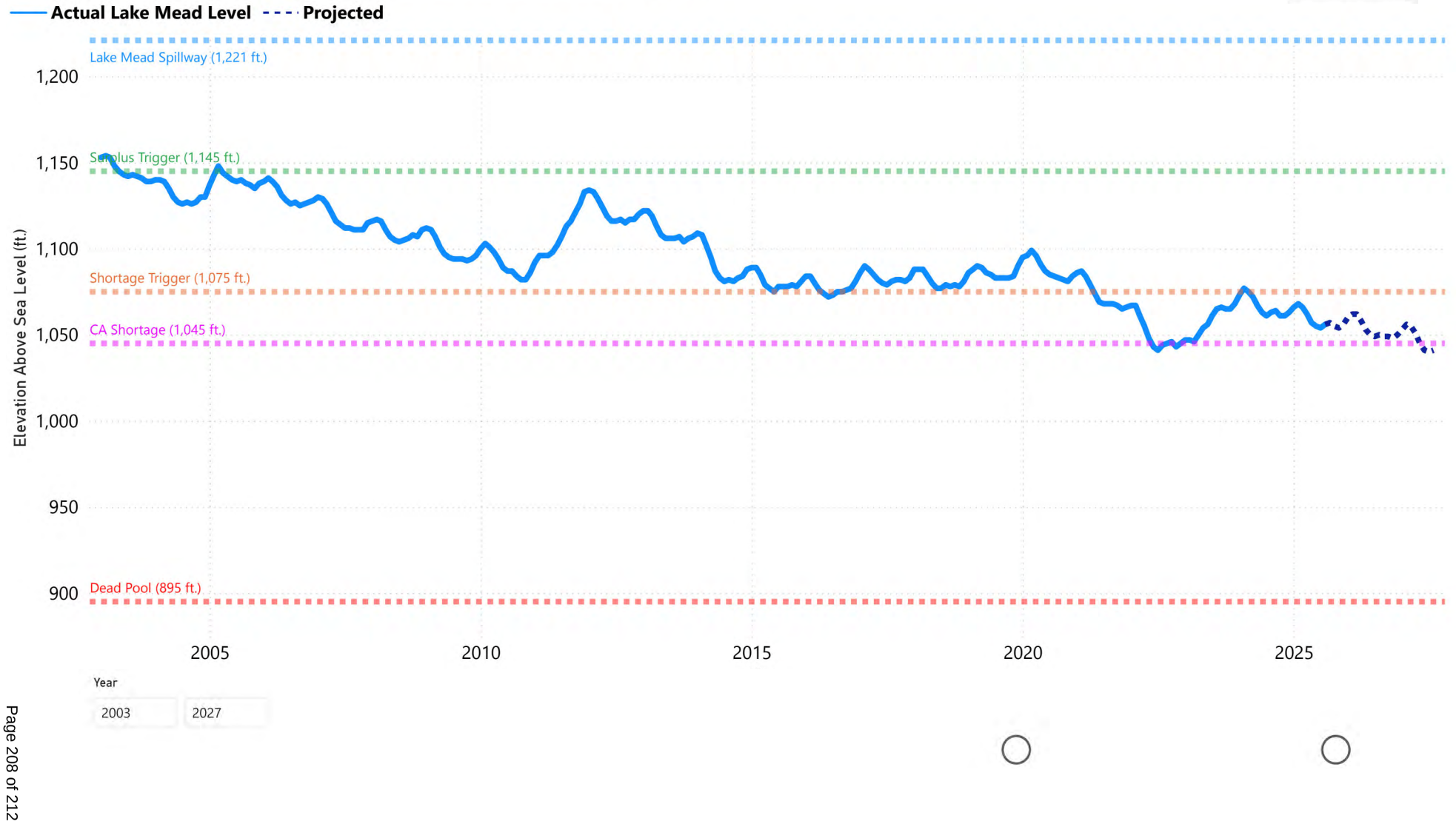


Fig. 15 Lake Powell Levels: Historical and Projected

Chart Info.

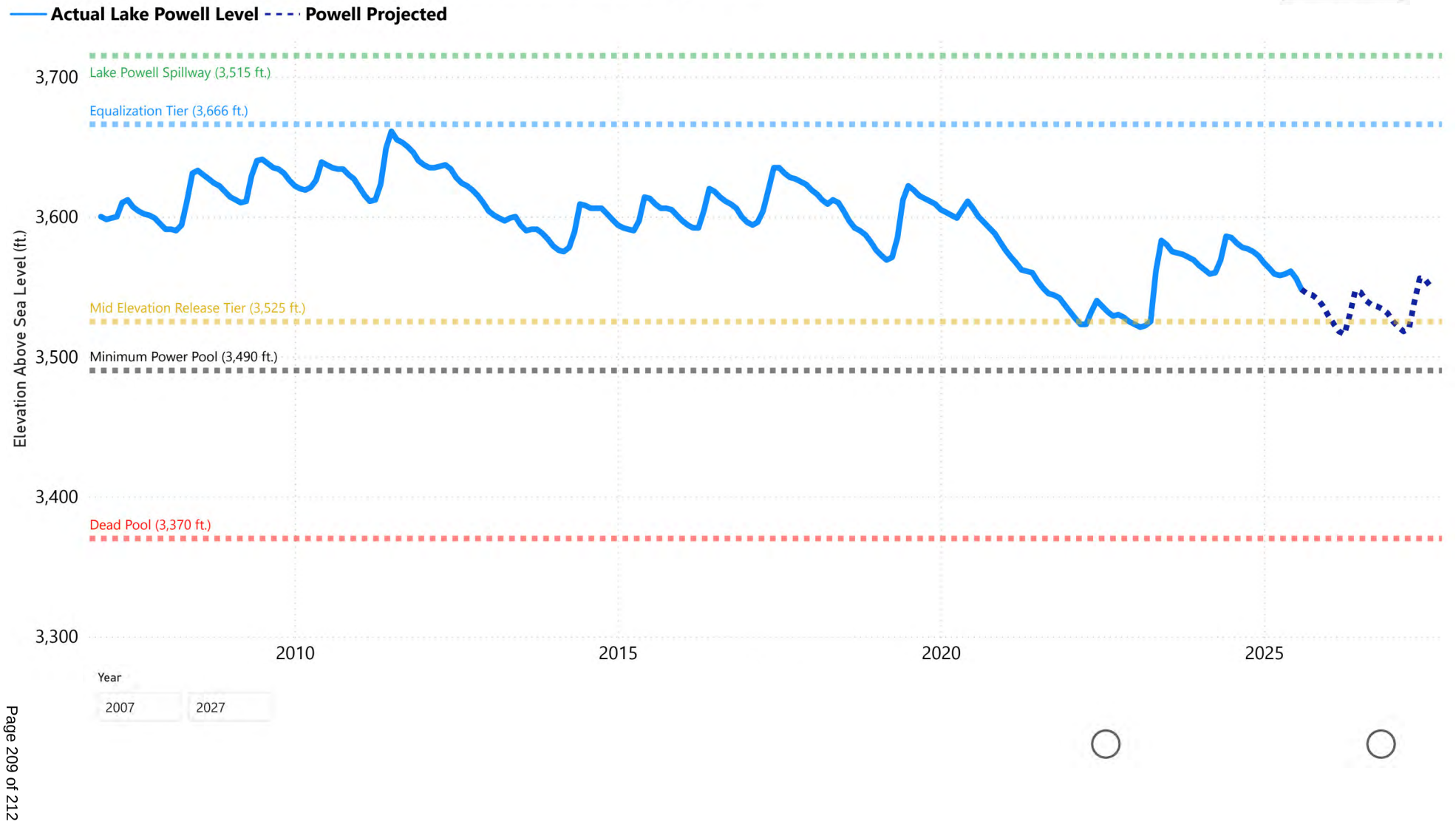


Fig. 16 Northern California SWE April 1st Peak (Inches) and Northern California Runoff (MAF) by Water Year

Chart Info.

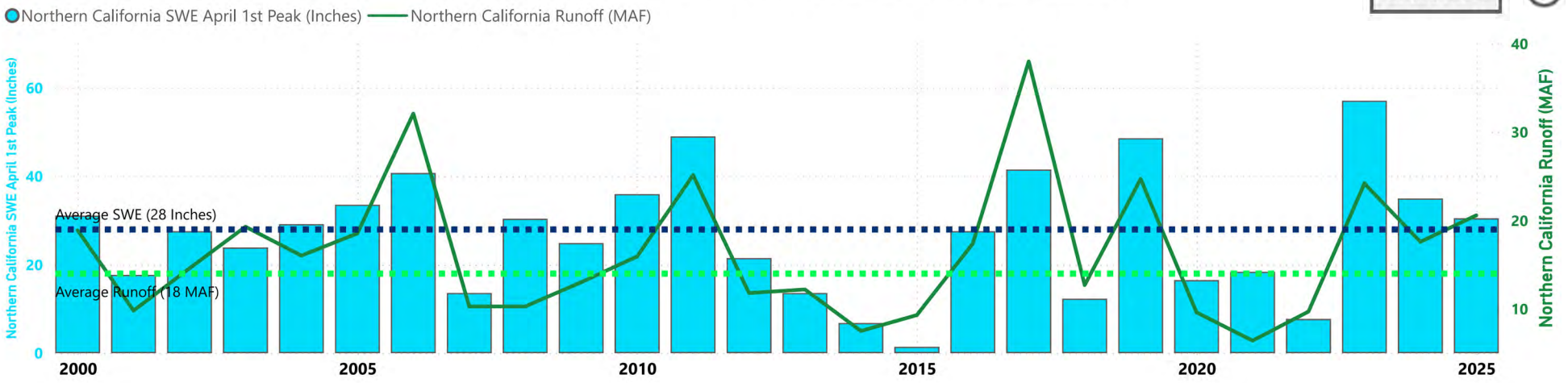


Fig. 17 Upper Colorado SWE April 15th Peak (Inches) and Actual Lake Powell Inflow (MAF) by Water Year

Water Year
2000
2025

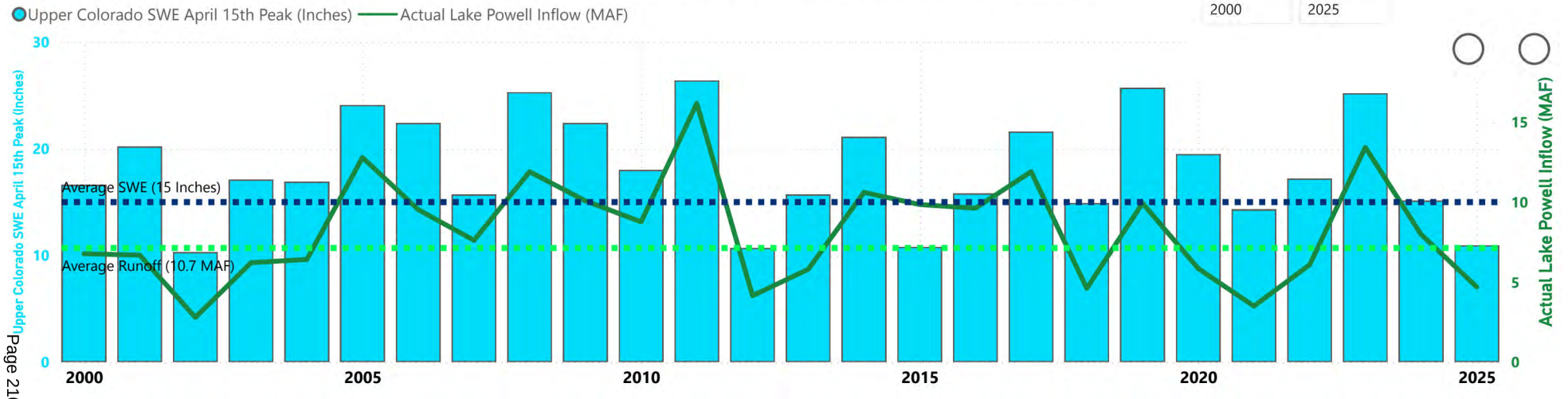


Fig. 18 Accumulated Overdraft of the OCWD Groundwater Basin

Chart Info.

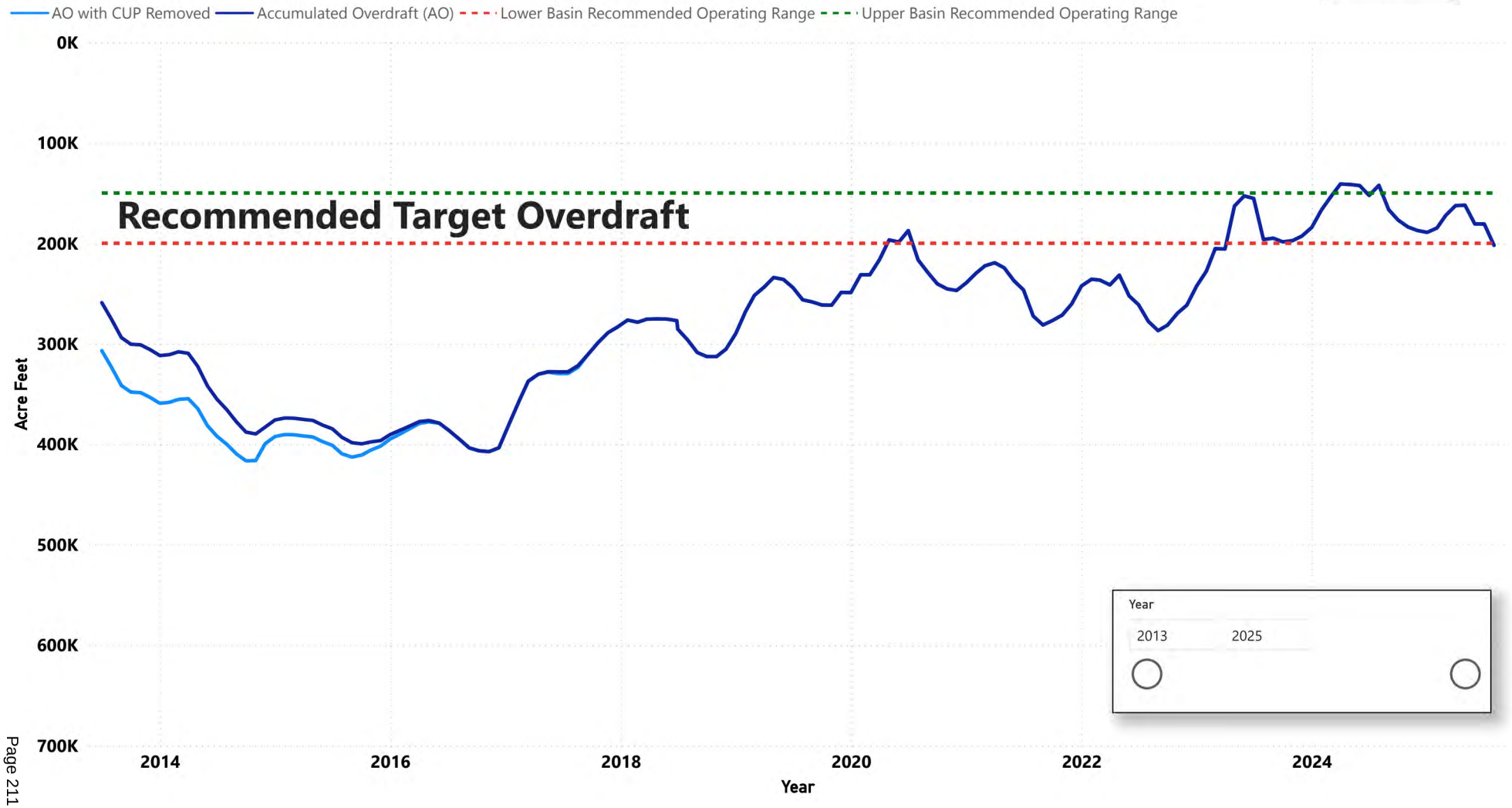


Fig. 19 MWD Historical Dry Year Storage

Chart Info.

