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
December 10, 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,

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 – November 2025
   b. Disbursement Approval Report for the month of December 2025
   c. Disbursement Ratification Report for the month of November 2025
   d. GM Approved Disbursement Report for the month of November 2025
   e. Consolidated Summary of Cash and Investment – October 2025
   f. OPEB and Pension Trust Fund statement

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

PRESENTATION ITEM

3. YEAR-END FINANCIAL AUDIT (PRESENTATION BY AUDITORS)

ACTION ITEM

4. AMENDMENT TO THE BEST BEST & KRIEGER, LLP AGREEMENT FOR LEGAL SERVICES

INFORMATION ITEMS

5. PROFESSIONAL SERVICES AGREEMENT WITH CALIFORNIA DATA COLLABORATIVE

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

7. MONTHLY WATER USAGE DATA AND WATER SUPPLY INFORMATION

OTHER ITEMS

8. 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
November 2025

WATER REVENUES

Date	From	Description		Amount
11/03/2025	Santa Margarita Water District (ID9)	September 2025 Water deliveries	$	874,235.07
11/03/2025	Santa Margarita Water District	September 2025 Water deliveries		3,106,926.26
11/03/2025	Irvine Ranch Water District	September 2025 Water deliveries		2,962,922.83
11/04/2025	Laguna Beach County Water District	September 2025 Water deliveries		439,058.32
11/04/2025	Mesa Water District	September 2025 Water deliveries		178.59
11/07/2025	City of Buena Park	September 2025 Water deliveries		362,865.04
11/07/2025	City of Garden Grove	September 2025 Water deliveries		777,129.00
11/07/2025	City of La Habra	September 2025 Water deliveries		172,892.73
11/07/2025	City of San Clemente	September 2025 Water deliveries		1,015,985.66
11/10/2025	City of La Palma	September 2025 Water deliveries		2,864.55
11/10/2025	South Coast Water District	September 2025 Water deliveries		743,084.73
11/12/2025	East Orange Co Water District	September 2025 Water deliveries		626,477.21
11/13/2025	El Toro Water District	September 2025 Water deliveries		737,051.24
11/13/2025	City of Orange	September 2025 Water deliveries		890,788.36
11/13/2025	Yorba Linda Water District	September 2025 Water deliveries		569,896.39
11/14/2025	Golden State Water Company	September 2025 Water deliveries		1,041,409.64
11/14/2025	Moulton Niguel Water District	September 2025 Water deliveries		3,063,309.32
11/14/2025	Orange County Water District	September 2025 Water deliveries		109,047.77
11/14/2025	City of Seal Beach	September 2025 Water deliveries		14,292.70
11/25/2025	City of Newport Beach	October 2025 Water deliveries		113,640.21
11/25/2025	Serrano Water District	October 2025 Water deliveries		12,144.89
11/25/2025	Mesa Water District	October 2025 Water deliveries		183.41
		TOTAL WATER REVENUES	**$**	**17,636,383.92**

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

MISCELLANEOUS REVENUES

Date	From	Description		Amount
11/12/2025	Harvey De La Torre	MWDOC Employee apparel purchase	$	82.45
11/17/2025	Beth Fahl	MWDOC Employee apparel purchase		31.70
11/17/2025	Melissa Haley	MWDOC Employee apparel purchase		133.44
11/19/2025	Katie Davanaugh	MWDOC Employee apparel purchase		66.60
11/19/2025	Heather Baez	MWDOC Employee apparel purchase		163.20
11/19/2025	Tina Jocelyn Fann	MWDOC Employee apparel purchase		18.77
11/19/2025	Melissa Buendia	MWDOC Employee apparel purchase		59.42
11/03/2025	Stripe	ISDOC Quarterly Luncheon registrations		1,067.75
11/25/2025	US Bank Custodial Account	Bank of America Interest payment		625.27
11/28/2025	US Bank	Monthly Interest		106.56
11/04/2025	Judy Pfister	November 2025 Retiree Health Insurance		36.88
11/14/2025	Maribeth Goldsby	November 2025 Retiree Health Insurance		306.10
11/17/2025	Joseph Berg	November 2025 Retiree Health Insurance		384.55
11/25/2025	Stan Sprague	November 2025 Retiree Health Insurance		227.65
11/14/2025	City of Huntington Beach	September 2025 Turf Removal rebate program		104.00
11/12/2025	City of Orange	September 2025 Spray to Drip rebate program		492.00
11/20/2025	City of La Habra	September 2025 Spray to Drip rebate program		1,062.00
11/03/2025	Irvine Ranch Water District	August 2025 Smartimer, Turf Removal, Spray to Drip and WSIP rebate program		13,291.74
11/12/2025	Santa Margarita Water District	September 2025 Smartimer and Rotating Nozzles rebate program		280.18
11/21/2025	Irvine Ranch Water District	September 2025 Smartimer, Turf Removal, Spray to Drip and Rotating Nozzles rebate program		6,839.44
11/21/2025	City of Tustin	September 2025 Smartimer, Turf Removal, Spray to Drip and Rotating Nozzles rebate program		104.00
11/18/2025	Bureau of Reclamation	Apr-Sep 2025 Water Conservation Field Services		1,072.31
11/25/2025	City of La Habra	FY 2024-26 Meter Area Measurements Program		8,284.00
11/25/2025	Yorba Linda Water District	FY 2024-26 Meter Area Measurements Program		9,367.00
11/25/2025	City of Santa Ana	Additional Funding for FY 2024-26 Conservation Framework TAP		77,861.91
11/04/2025	City of Garden Grove	Water Loss Control Shared Services FY 2025-26		46,165.00
11/25/2025	South Coast Water District	Water Loss Control Shared Services FY 2025-26		3,630.00
11/10/2025	City of La Habra	Addition to the Choice School Program FY 2025-26		1,725.26
11/03/2025	Santa Margarita Water District	2025 Urban Water Management Plan		58,373.00
11/06/2025	City of Orange	2025 Urban Water Management Plan		46,663.00
11/07/2025	City of Santa Ana	WEROC Funding for FY 2025-26		26,839.29
11/06/2025	City of Westminster	AWIA Risk and Resilience Assessment		49,450.00
11/10/2025	Laguna Beach County Water District	AWIA Risk and Resilience Assessment		32,200.00

TOTAL MISCELLANEOUS REVENUES	**$**	**387,114.47**
TOTAL REVENUES	**$**	**18,023,498.39**

Harvey De La Torre, General Manager

Hilary Chumpitazi, Treasurer

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

Vendor/ Invoice	Description	Amount to Pay
Core Expenditures:		
Ackerman Consulting-Richard C Ackerman		
1457	November 2025 Legal and regulatory specialized consulting services	3,500.00
Total		**3,500.00**
Alta FoodCraft		
12554827	November 2025 Coffee and tea supplies	160.52
Total		**160.52**
Best Best and Krieger LLP		
55401-OCT25	October 2025 Legal services	16,452.15
Total		**16,452.15**
Carollo Engineers, Inc		
FB74789	October 2025 Urban Water Management Plan Development services	126,706.80
Total		**126,706.80**
Constant Contact Inc		
XR8WAECAB32325	Renewal for online event registration software	2,646.00
Total		**2,646.00**
Davis Farr LLP		
3788	Professional services for Financial audit of FY 2024-25	15,000.00
Total		**15,000.00**
Green Thumb (Indoor Plant Care) LLC-Dedo Verde Interior		
20250954	December 2025 Indoor plant service	350.50
Total		**350.50**
Dopudja & Wells Consulting Inc		
2427	October 2025 Senior Advisory Consulting services for State and Federal Legislative and Policy Matters	1,155.00
2433	October 2025 Consulting services on MET Strategic Issues and Priorities	10,870.50
Total		**12,025.50**
E Source Companies LLC		
14312-1	October 2025 Retail Agency Technical Assistance services	3,850.00
Total		**3,850.00**
Economic Group Pension Services Inc		
303652	Pension administrative services for 2025 Plan Year	2,077.00
Total		**2,077.00**
Elevated Health Inc		
December 2025	Pre-employment physical for new staff members	290.00
Total		**290.00**

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

Vendor/ Invoice	Description	Amount to Pay
Maribeth Goldsby		
120225	October-December 2025 Retiree medical premium	923.80
Total		**923.80**
GovConnection Inc		
77095762	Annual Client Access Licenses (CALs) to access Microsoft Servers	992.00
77116996	Annual subscription for email protection service against phishing, malware, and advanced threats	3,595.80
77119553	December 2025 Professional services to consolidate and modernize servers	2,107.55
Total		**6,695.35**
Hashtag Pinpoint Corporation		
2013	November 2025 Social Media consultation and services	7,913.00
Total		**7,913.00**
Hazen and Sawyer, DPC		
9	October 2025 Development of OC Demand Forecasts for Urban Water Management Plans	41,321.50
Total		**41,321.50**
Jill Promotions		
12765	Promotional item - Beach chairs	2,027.21
12766	Promotional item - Diamond paperweights	4,324.36
12767	Promotional item - Multi-tools	1,707.68
12769	Promotional item - Solar flashlights	2,425.62
12773	Promotional item - Pens	2,104.83
12782	Promotional item - Lapel pin	628.09
12783	Promotional item - Electronics kit	10,584.60
12787	Promotional item - Branded journal and pen set	6,035.21
12796	Promotional item - Branded blanket	3,212.87
Total		**33,050.47**
LA Design Studio-Tony Badalato		
5984	July-December 2025 Consulting services for MWDOC website support and Website Refresh project	9,700.00
Total		**9,700.00**
Lawnscape Systems Inc		
456358	November 2025 Landscape maintenance for Atrium	495.00
Total		**495.00**
Mission RCD		
3540	November 2025 Field inspection and verification for Water Use Efficiency rebate programs	2,213.20
Total		**2,213.20**
Moulton Niguel Water District		
7217028	2025 H20 for HOAs Partnership - MWDOC share of cost for conference event on 10/23/25	564.09
Total		**564.09**

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

Vendor/ Invoice	Description	Amount to Pay
Natural Resource Results LLC		
5684	November 2025 Federal Advocacy Agreement services	8,000.00
Total		**8,000.00**
NDS		
859326	11/07/25 Board packet delivery service	171.39
859408	11/14/25 Board packet delivery service	171.39
859787	11/26/25 Board packet delivery service	171.39
Total		**514.17**
ODP Business Solutions LLC		
448366882001	11/24/25 Office supplies	193.10
448396231001	11/24/25 Office supplies	10.76
448396232002	11/21/25 Office supplies	9.89
448396233001	11/21/25 Office supplies	21.21
448490807001	12/01/25 Office supplies	79.60
Total		**314.56**
Office Solutions		
I-20000547	11/06/25 Office supplies	113.02
I-20001586	11/12/25 Office supplies	448.87
I-20003723	11/20/25 Office supplies	24.28
Total		**586.17**
Orange County Water District		
27943	October 2025 Postage, shared office & maintenance expense	10,244.53
2026-1	Children's Water Education Festival Sponsorship payment	2,500.00
Total		**12,744.53**
PeopleSpace		
107817	11/21/25 Office supplies	61.05
Total		**61.05**
PlanetBids, LLC		
1024306	Annual subscription for bid support services	4,466.84
Total		**4,466.84**
Predict Success-Anne Sandberg		
111825	11/18/25 New employee assessments and Executive Coaching sessions	6,800.00
Total		**6,800.00**
Soto Resources-Joey C Soto		
GA-NOV-107	November 2025 Grant Research and Acquisition	3,250.00
Total		**3,250.00**
Spectrum Specialties and Awards		
38520	MWDOC branded apparel for staff	1,955.50
Total		**1,955.50**

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

Vendor/ Invoice	Description	Amount to Pay
Syrus Devers Advocacy LLC		
1135	November 2025 State Legislative Advocacy services	8,000.00
Total		**8,000.00**
USAFact Inc		
2025110178	November 2025 Background check for new hires	96.53
Total		**96.53**
Pauline D Wennerstrom		
120125	October-December 2025 Retiree medical premium	552.00
Total		**552.00**
Whittingham Public Affairs Advisors-WPAA		
3235	December 2025 Strategic guidance on local & regional issues	5,000.00
Total		**5,000.00**
Total Core Expenditures		**338,276.23**

Choice Expenditures:

Building Block Entertainment Inc		
3964-4	November 2025 Choice Elementary School Program K-2	13,565.00
Total		**13,565.00**
Orange County Water District		
27943	October 2025 Postage for Water Use Efficiency rebate programs	7.59
Total		**7.59**
Red Wing Business Advantage Account		
20251110112477	Boots for Water Loss Control Technician	300.00
Total		**300.00**
Orange County Dept of Education		
94WI0900	October 2025 Choice School Program for grades 3-8	31,066.36
Total		**31,066.36**
Westerly Meter Service Co.-Lane M Matsuno		
18011	November 2025 Meter Accuracy Testing for Mesa Water District	3,400.00
18013	November 2025 Meter Accuracy Testing for Garden Grove	5,200.00
Total		**8,600.00**
Total Choice Expenditures		**53,538.95**

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

Vendor/ Invoice	Description	Amount to Pay
Other Funds Expenditures:		
County of Orange		
STCS003678	10/01/25-12/31/25 WEROC Radio System operations and maintenance costs	957.87
Total		**957.87**
E Source Companies LLC		
14312-1	October 2025 Retail Agency Technical Assistance services	18,605.00
Total		**18,605.00**
Environmental Incentives Inc		
MWDOC TAP-08	October 2025 Frameworks Technical Assistance Program services	55,000.93
Total		**55,000.93**
Herndon Solutions Group LLC		
INV-0000011513	October 2025 services to assist with AWIA compliance (RRA) - Buena Park	9,890.00
INV-0000011514	October 2025 services to assist with AWIA compliance (RRA) - Newport Beach	9,890.00
INV-0000011515	October 2025 services to assist with AWIA compliance (ERP) - Orange	17,250.00
Total		**37,030.00**
Mission RCD		
3540	November 2025 Field inspection and verification for Water Use Efficiency rebate programs	13,021.40
Total		**13,021.40**
NV5 Geospatial		
485425	November 2025 Dedicated Irrigation Meter Measurement services (Buena Park)	10,849.86
Total		**10,849.86**
Total Other Funds Expenditures		**135,465.06**
Total Expenditures		**527,280.24**

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

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
Tiffany Baca				
11/26/2025	EFT	92625	September 2025 Business expense	185.11
11/26/2025	EFT	102225	October 2025 Business expense	226.95
Total				**412.06**
Heather Baez				
11/26/2025	EFT	103025	October 2025 Business expense	261.36
Total				**261.36**
Corodata Records Management Inc				
11/26/2025	EFT	RS7123581	October 2025 Records Storage Fees	74.15
Total				**74.15**
Angela Crespi				
11/26/2025	144360	103025	October 2025 Business expense	121.89
Total				**121.89**
Rachel Davis				
11/26/2025	EFT	91625	September 2025 Business expense	169.56
Total				**169.56**
Larry Dick				
11/26/2025	EFT	102225	October 2025 Business expense	129.50
Total				**129.50**
Tina Dubuque				
11/26/2025	EFT	100625	October 2025 Business expense	206.00
Total				**206.00**
Tina Jocelyn Fann				
11/26/2025	EFT	102325	October 2025 Business expense	238.93
Total				**238.93**
Sam Fetter				
11/26/2025	EFT	100925	October 2025 Business expense	71.34
Total				**71.34**
Rachel Waite				
11/26/2025	EFT	101425	October 2025 Business expense	158.34
Total				**158.34**
Al Nederhood				
11/26/2025	EFT	102225	October 2025 Business expense	264.88
Total				**264.88**
Jasmine Orozco				
11/26/2025	EFT	102925	October 2025 Business expense	51.24
Total				**51.24**
Ricoh USA Inc				
11/14/2025	EFT	5072254457	08/01/25-10/31/25 Ricoh copier maintenance	1,592.78
Total				**1,592.78**

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

Name/ Date	Check/ EFT	Invoice	Description	Amount
Megan Schneider				
11/26/2025	EFT	102225	October 2025 Business expense	117.31
Total				**117.31**
Karl Seckel				
11/26/2025	EFT	102225	October 2025 Business expense	71.40
Total				**71.40**
Spectrum Business				
11/06/2025	144303	188955001102125	November 2025 Internet expense	1,034.00
Total				**1,034.00**
Jeffery Thomas				
11/26/2025	EFT	103025	October 2025 Business expense	95.90
Total				**95.90**
US Bank				
11/26/2025	144368	2978/4192/8910/1189-OCT25	09/23/25-10/22/25 Cal Card Charges	16,328.14
Total				**16,328.14**
Verizon Wireless				
11/06/2025	144304	6126777392	October 2025 4G Mobile broadband unlimited service	80.02
Total				**80.02**
Total Core Disbursements				**21,478.80**

Choice Disbursements:

US Bank				
11/26/2025	144368	1189-OCT25	09/23/25-10/22/25 Cal Card Charges	200.00
Total				**200.00**
US Bank Voyager Fleet Systems				
11/14/2025	EFT	8694349932543	9/25/25-10/24/25 Fuel for Water Loss Control Shared Services Vehicles	593.92
Total				**593.92**
Total Choice Disbursements				**793.92**

Other Funds Disbursements:

AT&T				
11/14/2025	144335	24275986	October 2025 Telephone expense for WEROC N. EOC	39.82
Total				**39.82**
Gabriela Landeros				
11/26/2025	EFT	92925	September 2025 Business expense	848.05
11/26/2025	EFT	102825	October 2025 Business expense	72.52
Total				**920.57**
Metropolitan Water District				
11/26/2025	EFT11262025	11985	September 2025 Water deliveries	16,978,814.39
Total				**16,978,814.39**

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

Name/ Date	Check/ EFT	Invoice	Description	Amount
City of Santa Ana				
11/26/2025	144365	102925	Dedicated Irrigation Meter Measurements Program Refund	33,599.78
Total				**33,599.78**
Santiago Aqueduct Commission				
11/26/2025	144366	92025	September 2025 SAC Pipeline Operation Surcharge	2,815.25
Total				**2,815.25**
Janine Schunk				
11/26/2025	144367	101925	October 2025 Business expense	83.82
Total				**83.82**
Santa Margarita Water District				
11/26/2025	EFT	92025	September 2025 SCP Operation Surcharge	30,399.65
Total				**30,399.65**
Spray to Drip Rebate				
11/14/2025	144324	S2D7-C-GSWC-42794-23727	IEEE Computer Society	11,033.00
11/14/2025	144306	S2D7-C-IRWD-54611-23782	Baker Ranch Retail Maintenance Corp	473.00
11/14/2025	144321	S2D7-C-IRWD-54611-23783	Rancho Business Center Owners Association	1,841.00
11/14/2025	144314	S2D7-C-IRWD-54763-23758	MT LLC Foothill Corporate	8,590.00
11/14/2025	144328	S2D7-C-IRWD-54865-23743	Turtle Rock Ridge Association	15,890.00
11/14/2025	144323	S2D7-C-MNT-54470-23460-PA	Saddleback Community College	14,252.00
11/14/2025	144316	S2D7-C-MNT-54705-23616	Indian Creek HOA	1,812.00
11/14/2025	144318	S2D7-C-SM-54336-23745	Ladera Ranch Maintenance Corporation	426.00
11/26/2025	144351	S2D7-R-FV-54557-23509	S. Nguyen	531.06
11/26/2025	144345	S2D7-R-FV-54881-23757	G. Chapman	644.33
11/26/2025	144348	S2D7-R-GSWC-51781-23609	I. Kalkanci	2,034.00
11/26/2025	144353	S2D7-R-HB-55074-23864	D. O'Connell	576.00
11/26/2025	144343	S2D7-R-IRWD-54604-23541	C. Avery	598.40
11/26/2025	144358	S2D7-R-O-54941-23802	S. Tsai	5,000.00
11/26/2025	144357	S2D7-R-SC-54938-23808	C. Shepard	2,190.00
11/26/2025	144356	S2D7-R-TC-54628-23557-ADJ	A. Savdharia	2,488.50
Total				**68,379.29**
Turf Rebate				
11/14/2025	144313	TR17-C-BP-38663-53384	Greenpark HOA	154,960.00
11/14/2025	144309	TR17-C-ETWD-54259-52748-PA	City Of Lake Forest	96,230.00
11/14/2025	144325	TR17-C-GSWC-42794-53506	IEEE Computer Society	36,755.00
11/14/2025	144326	TR17-C-IRWD-51783-53639	Deerfield Apartment Homes	30,925.00
11/14/2025	144332	TR17-C-IRWD-54327-53599	Woodbridge Village Association	1,910.00
11/14/2025	144333	TR17-C-IRWD-54327-53600	Woodbridge Village Association	1,910.00
11/14/2025	144311	TR17-C-IRWD-54428-52972	Comref So Ca Ind Sub F LLC	6,500.00
11/14/2025	144330	TR17-C-IRWD-54535-53213	Westpark Maintenance District	91,185.00
11/14/2025	144331	TR17-C-IRWD-54535-53216	Westpark Maintenance District	222,025.00
11/14/2025	144305	TR17-C-IRWD-54535-53420	Bacchus Signature Series	236,655.00
11/14/2025	144327	TR17-C-IRWD-54553-53141-PA	The University Hills Condominium Owners Association	43,254.25
11/14/2025	144307	TR17-C-IRWD-54611-53622	Baker Ranch Retail Maintenance Corp	1,519.00
11/14/2025	144322	TR17-C-IRWD-54611-53629	Rancho Business Center Owners Association	5,723.00
11/14/2025	144315	TR17-C-IRWD-54763-53522	MT LLC Foothill Corporate	40,220.00
11/17/2025	144341	TR17-C-MESA-54399-53585	Pyramid Laboratories Inc	15,805.00
11/14/2025	144317	TR17-C-MNT-54705-53347	Indian Creek HOA	9,385.00
11/14/2025	144329	TR17-C-NWPT-4463-53521	Villa Balboa Comm Association	45,574.55
11/14/2025	144312	TR17-C-O-54513-53086	FC Orange Associates LP	224,150.00
11/14/2025	144319	TR17-C-SM-54336-53549	Ladera Ranch Maintenance Corporation	2,170.00
11/14/2025	144308	TR17-C-SM-54611-53454	Casafina Maintenance Corp	28,267.00

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

Name/ Date	Check/ EFT	Invoice	Description	Amount
Turf Rebate (continued)				
11/14/2025	144310	TR17-C-YLWD-51560-53504-PA	City Of Yorba Linda	18,770.65
11/26/2025	144349	TR17-R-ETWD-54944-53657	Knightly Holdings LLC	7,752.00
11/26/2025	144352	TR17-R-FV-54557-53145	S. Nguyen	2,674.00
11/26/2025	144346	TR17-R-FV-54881-53574	G. Chapman	4,351.67
11/26/2025	144347	TR17-R-GG-54897-53594	T. Diep	3,463.00
11/26/2025	144354	TR17-R-HB-55074-53759	D. O'Connell	2,228.00
11/26/2025	144342	TR17-R-IRWD-54584-53178	P. Aminzadeh Ansari	735.00
11/26/2025	144355	TR17-R-IRWD-54589-53184-ADJ	N. Roberts	1,000.00
11/26/2025	144344	TR17-R-MESA-54868-53556	G. Bucher	5,657.00
11/26/2025	144350	TR17-R-O-55026-53708	K. Nguyen	3,345.74
Total				**1,345,099.86**
US Bank				
11/26/2025	144368	3115-OCT25	09/23/25-10/22/25 Cal Card Charges - WEROC	333.17
Total				**333.17**
US Bank Voyager Fleet Systems				
11/14/2025	EFT	8694349932543	9/25/25-10/24/25 Fuel for WEROC Mobile Command Vehicle	24.63
Total				**24.63**
Verizon Wireless				
11/06/2025	144304	6126777392	October 2025 4G Mobile broadband unlimited service	220.08
Total				**220.08**
Total Other Funds Disbursements				**18,460,730.31**
Total Disbursements				**18,483,003.03**

Harvey De La Torre, General Manager

Hilary Chumpitazi, Treasurer

Cal Card Charges
Statement Date: October 22, 2025
Payment Date: November 30, 2025

Date	Description	Amount
General Manager Card:		
9/24/2025	CRWUA 2025 Annual Conference in Las Vegas, NV from 12/16/25-12/18/25 - Accommodations for J. Thomas and A. Nederhood	1,374.16
9/24/2025	CRWUA 2025 Annual Conference in Las Vegas, NV from 12/16/25-12/18/25 Accommodations for H. De La Torre, M. Baum-Haley, and H. Baez	2,270.76
9/27/2025	CRWUA 2025 Annual Conference in Las Vegas, NV from 12/16/25-12/18/25 - Accommodation refund for A. Nederhood	(168.94)
9/29/2025	Watershed Wise Landscape Certification in Downey, CA from 10/08/25-10/09/25 Registration for A. Cavazos and C. Castro	150.00
10/02/2025	Breakfast for MWDOC All Staff for Water Professionals Appreciation Week on 10/06/25	334.94
10/07/2025	ACWA 2025 Fall Conference in San Diego, CA from 12/02/25-12/04/25 - Registration for K. Seckel	999.00
10/09/2025	AWWA Watersmart Innovations 2025 in Reno, NV from 10/07/25-10/09/25 - Accommodations for R. Waite-Harvey and C. Harding	271.54
10/09/2025	CSDA Legislative Annual Meeting in Sacramento, CA on 10/30/25 - Airfare for H. Baez	483.65
10/13/2025	October 2025 Meals for H. De La Torre's meetings	79.92
10/15/2025	OCPRSA 2026 Western District Conference in Newport Beach, CA from 02/02/25-02/04/25 - Registration for J. Orozco	379.00
10/20/2025	ISDOC Quarterly Luncheon in Fountain Valley, CA on 10/30/25 - Registration for A. Nederhood	25.00
10/21/2025	CRWUA 2025 Annual Conference in Las Vegas, NV from 12/16/25-12/18/25 - Accommodations for J. Dawson	168.94
Total:		**6,367.97**
Assistant General Manager Card:		
10/15/2025	October 2025 Meals for M. Baum-Haley's meetings	265.84
Total:		**265.84**
Public Affairs Card:		
9/26/2025	Breakfast for OC Grand Jury Inspection Trip	758.81
9/30/2025	Lunch for OC Grand Jury Inspection Trip	693.31
9/30/2025	October 2025 Open AI monthly subscription, language processing tool	20.00
10/02/2025	October 2025 Meals for D. Micalizzi 's meetings	97.58
10/03/2025	October 2025 Monthly Public Storage Unit for Public Affairs	840.00
10/09/2025	CAPIO Mastering Public Safety Communications on 10/21/25 - Webinar registration for K. Vincent	30.00
10/16/2025	OCPRSA Don't Write DEI's Obituary Just Yet training in Santa Ana, CA on 10/24/25 - Registration for J. Orozco	20.00
10/17/2025	Lunch for Public Affairs Workgroup meeting on 10/21/25	1,669.17
10/21/2025	Branded apparel design for 75th Anniversary staff shirts and hats	500.00
Total:		**4,628.87**
WEROC Card:		
10/01/2025	Starlink standby mode fees from 10/01/25-11/01/25 for the Mobile Command Vehicle	5.00
10/03/2025	October 2025 Iridium Standby Plan service charge for WEROC's three satellite phones	67.17
10/16/2025	Breakfast for WEROC Member Agency Coordination meeting on 10/20/25	261.00
Total:		**333.17**

Cal Card Charges
Statement Date: October 22, 2025
Payment Date: November 30, 2025

Date	Description	Amount
Administration Card:		
9/22/2025	Canva annual subscription renewal	300.00
9/22/2025	Deposit for LCD backlight repair in conference room 102	250.00
9/22/2025	Office supplies	306.46
9/22/2025	HP Professional satin photo paper for plotter	318.44
9/23/2025	FedEx shipping charge	13.64
9/24/2025	SOS Survival Products Go Bag items for MWDOC staff	376.39
9/24/2025	Office supplies	33.12
9/24/2025	October 2025 service charge for evaluation of Microsoft ERP system	6.00
9/25/2025	September 2025 Monthly web hosting and database charges for www.mwdoc.com	152.99
9/25/2025	Toll Road replenishment charge for Water Loss Control Shared Services vehicles	100.00
9/25/2025	Windows license key upgrade from Home to Professional	198.00
9/26/2025	USB Hub for conference room 101 and DesignJet Printhead for Plotter	170.70
9/29/2025	Review of Health Benefits Luncheon held on 10/02/25	446.06
9/29/2025	Large printing service for Grand Jury visit	37.17
10/01/2025	Remaining balance due for LCD backlight repair in conference room 102	224.90
10/01/2025	October 2025 Monthly subscription for email services to support the secure delivery of emails	25.00
10/02/2025	Office supplies	14.73
10/03/2025	Laptop charger for boardroom	23.79
10/05/2025	Breakfast for MWDOC Water Professionals Appreciation Week on 10/06/25	76.00
10/06/2025	Wireless adapter for front reception	29.35
10/06/2025	(3) Anchor plates and (3) Locks for laptop security	84.78
10/06/2025	Backup remote control for web camera in conference room 101	32.61
10/07/2025	Water Professionals Appreciation lunch on 10/08/25	948.20
10/07/2025	Lunch for management staff meeting on 10/06/25	349.10
10/08/2025	Toll Road replenishment charge for Water Loss Control Shared Services vehicles	100.00
10/08/2025	Office supplies	27.05
10/10/2025	Monthly charge for 500GB of SharePoint storage	105.00
10/13/2025	Replacement toner cartridge for Finance Department printer	281.22
10/14/2025	Office supplies	46.06
10/14/2025	Batteries for web camera remote in conference room 101	6.49
10/17/2025	Lunch for HR interviews	103.61
10/17/2025	October 2025 cloud storage fee to archive Laserfiche documents for compliance/immutability	23.60
10/17/2025	October 2025 Wireless Internet Backup	45.00
10/19/2025	November 2025 Monthly eFax service charge	10.00
Total:		**5,265.46**

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

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
ODP Business Solutions LLC				
11/14/2025	144337	441287791001	09/22/25 Office supplies	27.07
Total				**27.07**
Total Core Disbursements				**27.07**
Choice Disbursements:				
Total Choice Disbursements				-
Other Funds Disbursements:				
Total Other Funds Disbursements				-
Total Disbursements				**27.07**

Harvey De La Torre, General Manager

Hilary Chumpitazi, Treasurer

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

Street Address:
18700 Ward Street
Fountain Valley, California 92708

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

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

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
October 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	$ 880,143	3.76%
Pension 115 Trust	2,404,382	10.27%
Total Restricted Reserves	$3,284,525	14.03%
Designated Reserves		
Operating Reserves	$4,058,262	17.34%
Election Reserve	1,709,967	7.31%
OPEB Reserve	297,147	1.27%
Total Designated Reserves	$6,065,376	25.92%
General Operations Fund	$13,881,312	59.31%
Water Purchase Payments Fund	574,657	2.45%
Conservation Fund	(419,266)	(1.79%)
Trustee Activities – AMP	18,998	0.08%
Total Other Funds	$14,055,701	60.05%
Total	**$23,405,602**	**100.00%**

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.44%	$ 103,592	$ 103,592
Pension 115 Trust	10.27%	2,404,382	2,404,382
Short-term investment			
• LAIF	56.52%	13,229,257	13,229,257
• CAMP	19.52%	4,568,379	4,568,379
Long-term investment			
• US Government Issues	1.07%	249,992	247,605
• Corporate Bond	5.13%	1,200,000	1,200,178
• Certificates of Deposit	7.05%	1,650,000	1,662,900
Total	**100.00%**	**$23,405,602**	**$23,416,293**

The average number of days to maturity/call as of October 31, 2025, equaled 92, and the average yield to maturity is 4.074%. During the month of October 2025, the District's average daily balance was $33,711,538.71. 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 $10,691 difference between the book value and the market value on October 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 near-term cash flow requirements that would require the sale of these securities prior to maturity.

Harvey De La Torre
General Manager

Hilary Chumpitazi
Treasurer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary

October 31, 2025

10/31/2025	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,650,000.00	1,662,899.50	1,650,000.00	7.90	936	3.679
Corporate Bond	1,200,000.00	1,200,178.00	1,200,000.00	5.73	294	3.740
US Government Issues	250,000.00	247,605.00	249,992.10	1.20	26	0.860
Local Agency Investment Funds	13,229,257.40	13,229,257.40	13,229,257.40	63.31	1	4.150
California Asset Management Program	4,568,379.02	4,568,379.02	4,568,379.02	21.86	1	4.260
Total Investments	**20,897,636.42**	**20,908,318.92**	**20,897,628.52**	**100.00**	**92**	**4.074**
Cash						
Cash	103,591.71	103,591.71	103,591.71		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	**23,405,610.15**	**23,416,292.65**	**23,405,602.25**		**92**	**4.074**

Total Earnings	Month Ending October	Fiscal Year to Date
Current Year	**115,472.30**	**404,468.94**
Average Daily Balance	**33,711,538.71**	
Effective Rate of Return	**4.074%**	

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

Harvey De La Torre, General Manager — Date: 12/04/2025

Hilary Chumpitazi, Treasurer — Date: 12/04/2025

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
October 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	198,864.00	200,000.00	3.350	3.350	627	7/20/2027
Discover Bank	2546736R2	7/26/2023	250,000.00	255,122.50	250,000.00	4.500	4.500	997	7/24/2028
Leaders Credit Union	52171MAN5	8/30/2024	250,000.00	252,325.00	250,000.00	4.000	4.000	1,399	8/30/2029
Magyar Bank	55977RCD3	7/30/2024	250,000.00	253,020.00	250,000.00	4.100	4.100	1,368	7/30/2029
Sallie Mae Bank	7954507A7	7/14/2021	200,000.00	196,228.00	200,000.00	1.000	1.000	256	7/14/2026
State Bank of India	8562852Q3	8/10/2023	250,000.00	257,472.50	250,000.00	4.550	4.550	1,014	8/10/2028
Toyota Financial SGS Bank	89235MPD7	9/27/2022	250,000.00	249,867.50	250,000.00	3.650	3.650	691	9/22/2027
Sub Total			**1,650,000.00**	**1,662,899.50**	**1,650,000.00**	**3.679**	**3.679**	**936**	
US Government Issues									
FHLB	3130ALGR9	3/1/2021	250,000.00	247,605.00	249,992.10	0.850	0.860	26	2/26/2026
Sub Total			**250,000.00**	**247,605.00**	**249,992.10**	**0.850**	**0.860**	**26**	
Corporate Bond									
Bank of America Corp	06048WK41	12/7/2020	250,000.00	249,497.50	250,000.00	1.000	0.800	25	11/25/2025
Barclays Bank	06746CSC4	8/20/2025	250,000.00	249,680.00	250,000.00	4.500	4.500	293	8/20/2030
Citigroup Inc	17292GAL9	9/18/2025	250,000.00	250,497.50	250,000.00	4.500	4.500	322	9/18/2030
Morgan Stanley Fin LLC	61766YKH3	6/29/2022	200,000.00	200,348.00	200,000.00	4.500	4.500	606	6/29/2027
Wells Fargo	95001DLD0	8/18/2025	250,000.00	250,155.00	250,000.00	4.550	4.550	288	8/15/2030
Sub Total			**1,200,000.00**	**1,200,178.00**	**1,200,000.00**	**3.781**	**3.740**	**294**	
Total Investments			**3,100,000.00**	**3,110,682.50**	**3,099,992.10**	**3.490**	**3.475**	**614**	

Total Earnings	Month Ending October	Fiscal Year To Date
Current Year	9,305.84	32,264.77

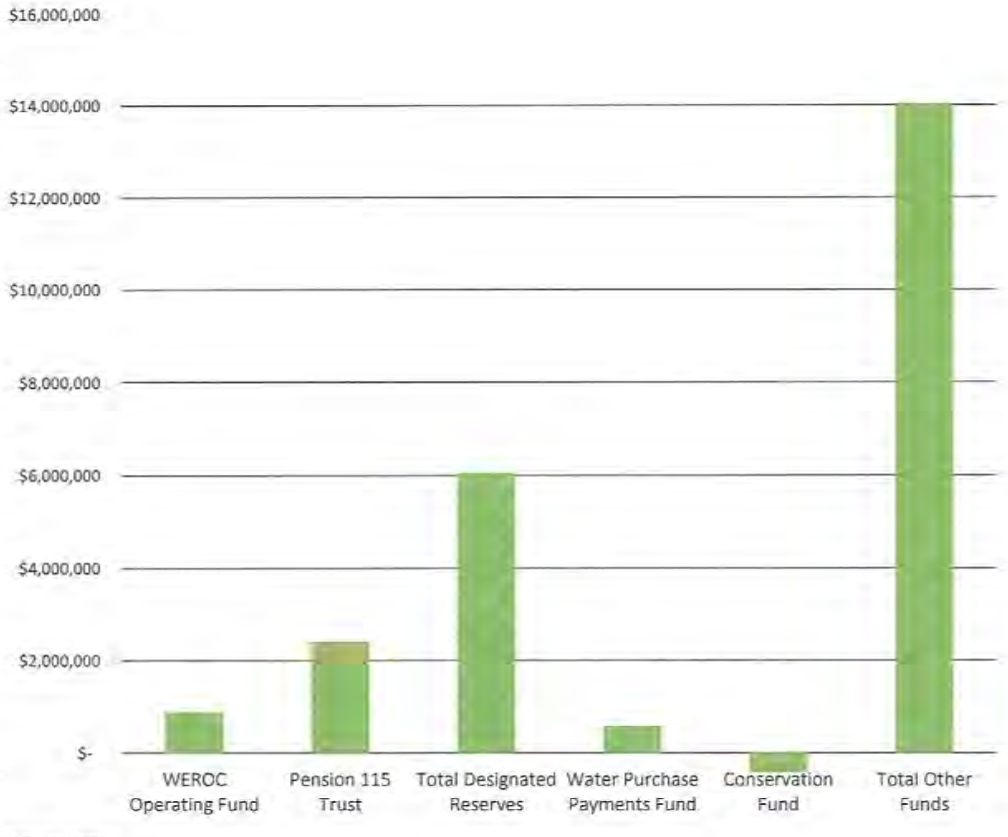
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
October 31, 2025

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	13,229,257.40	13,229,257.40	13,229,257.40	4.150	4.150	1	N/A
Sub Total			**13,229,257.40**	**13,229,257.40**	**13,229,257.40**	**4.150**	**4.150**	**1**	
California Asset Management Program									
CAMP LGIP	CAMP6269	4/1/2025	4,568,379.02	4,568,379.02	4,568,379.02	4.260	4.260	1	N/A
Sub Total			**4,568,379.02**	**4,568,379.02**	**4,568,379.02**	**4.260**	**4.260**	**1**	
Total Investments			**17,797,636.42**	**17,797,636.42**	**17,797,636.42**	**4.178**	**4.178**	**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	103,091.71	103,091.71	103,091.71	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			**2,507,973.73**	**2,507,973.73**	**2,507,973.73**	**0.000**	**0.000**	**1**	
Total Cash and Investments			**20,305,610.15**	**20,305,610.15**	**20,305,610.15**	**4.178**	**4.178**	**1**	

Total Earnings	Month Ending October	Fiscal Year To Date
Current Year	106,166.46	372,204.17

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

ALLOCATION	AMOUNT	%
MWDOC		
Restricted Reserves		
WEROC Operating Fund	$ 880,143	3.76%
Pension 115 Trust	2,404,382	10.27%
Total Restricted Reserves	$ 3,284,525	14.03%
Designated Reserves		
Operating Reserve	$ 4,058,262	17.34%
Election Reserve	1,709,967	7.31%
OPEB Reserve	297,147	1.27%
Total Designated Reserves	$ 6,065,376	25.92%
General Operations Fund	$ 13,881,312	59.31%
Water Purchase Payments Fund	574,657	2.45%
Conservation Fund	(419,266)	-1.79%
Total Other Funds	$ 14,036,703	59.97%
TOTAL MWDOC	$ 23,386,604	99.92%
TRUSTEE ACTIVITIES		
AMP Sales Admin	$ 18,998	0.08%
TOTAL TRUSTEE ACTIVITIES	$ 18,998	0.08%
TOTAL CASH & INVESTMENTS	**$ 23,405,602**	**100.00%**



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

Account Report for the Period
10/1/2025 to 10/31/2025

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 10/1/2025	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 10/31/2025
OPEB	$3,266,408.32	$0.00	$39,947.75	$1,540.15	$0.00	$0.00	$3,304,815.92
PENSION	$2,717,792.56	$0.00	$33,237.84	$1,281.53	$0.00	$0.00	$2,749,748.87
Totals	$5,984,200.88	$0.00	$73,185.59	$2,821.68	$0.00	$0.00	$6,054,564.79

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	1.22%	5.15%	12.44%	12.51%	7.55%	7.01%	10/26/2011
PENSION	1.22%	5.13%	12.41%	12.52%	7.56%	-	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 OCTOBER 31, 2025

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

	Amount
ASSETS	
Cash in Bank	103,591.71
Investments	23,302,010.54
Accounts Receivable	34,452,949.91
Accounts Receivable - Other	69,469.14
Accrued Interest Receivable	112,881.67
Water Inventory	622,976.00
Prepaids/Deposits	546,291.77
Leasehold Improvements	7,119,285.04
Furniture, Fixtures & Equipment	1,053,854.50
Less: Accumulated Depreciation	(4,439,918.66)
TOTAL ASSETS	**62,943,391.62**
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	34,313,072.38
Accrued Salaries and Benefits Payable	794,189.84
Other Liabilities	2,135,755.83
Unearned Revenue	1,118,494.55
TOTAL LIABILITIES	**38,361,512.60**
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	8,257,289.49
Other Funds	16,853.79
TOTAL FUND BALANCES	**24,581,879.02**
TOTAL LIABILITIES AND FUND BALANCES	**62,943,391.62**

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2025 thru October 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	121,354.18	429,333.37	916,000.00	46.87%	0.00	486,666.63
Subtotal	**121,354.18**	**10,783,074.87**	**11,269,742.00**	**95.68%**	**0.00**	**486,667.13**
Choice Programs	0.00	1,217,364.00	1,534,798.00	79.32%	0.00	317,434.00
MWD Revenue - Shared Services	0.00	0.00	297,079.00	0.00%	0.00	297,079.00
Miscellaneous Income	0.00	847.69	5,000.00	16.95%	0.00	4,152.31
School Contracts	21,519.51	422,967.55	511,211.00	82.74%	0.00	88,243.45
Delinquent Payment Penalty	0.00	5,526.08	0.00	0.00%	0.00	(5,526.08)
Transfer-In from Reserve	0.00	0.00	123,869.00	0.00%	0.00	123,869.00
Subtotal	**21,519.51**	**1,646,705.32**	**2,471,957.00**	**66.62%**	**0.00**	**825,251.68**
TOTAL REVENUES	**142,873.69**	**12,429,780.19**	**13,741,699.00**	**90.45%**	**0.00**	**1,311,918.81**

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
EXPENSES						
Salaries & Wages	495,725.16	1,919,470.04	5,841,489.00	32.86%	0.00	3,922,018.96
Salaries & Wages - Grant Recovery	0.00	(6,578.41)	(48,000.00)	(13.71)%	0.00	(41,421.59)
Director's Compensation	23,157.78	87,261.20	281,917.00	30.95%	0.00	194,655.80
MWD Representation	12,417.94	49,000.52	161,096.00	30.42%	0.00	112,095.48
Employee Benefits	123,714.02	565,915.05	1,774,275.00	31.90%	0.00	1,208,359.95
Employee Benefits - Grant Recovery	0.00	(982.98)	0.00	0.00%	0.00	982.98
CalPers Unfunded Liability Contribution	0.00	207,000.00	207,000.00	100.00%	0.00	0.00
Director's Benefits	10,222.50	40,076.90	158,371.00	25.31%	0.00	118,294.10
Health Insurance for Retirees	6,609.97	33,762.88	122,517.00	27.56%	0.00	88,754.12
Training Expense	4,950.00	16,869.93	84,445.00	19.98%	0.00	67,575.07
Tuition Reimbursement	0.00	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	**676,797.37**	**2,914,349.13**	**8,594,610.00**	**33.91%**	**0.00**	**5,680,260.87**
Engineering Expense	57,946.88	186,947.83	570,000.00	32.80%	146,096.36	236,955.81
Legal Expense	16,467.15	88,073.00	260,000.00	33.87%	171,927.00	0.00
Audit Expense	0.00	4,000.00	37,445.00	10.68%	28,445.00	5,000.00
Professional Services	63,929.75	283,370.09	1,597,790.00	17.74%	930,694.45	383,725.46
Professional Fees	**138,343.78**	**562,390.92**	**2,465,235.00**	**22.81%**	**1,277,162.81**	**625,681.27**
Conference - Staff	379.00	11,570.00	42,497.00	27.23%	0.00	30,927.00
Conference - Directors	1,024.00	10,268.19	17,155.00	59.86%	0.00	6,886.81
Travel & Accom. - Staff	4,346.03	16,311.02	85,900.00	18.99%	0.00	69,588.98
Travel & Accom. - Directors	1,241.78	7,934.01	36,625.00	21.66%	0.00	28,690.99
Travel & Conference	**6,990.81**	**46,083.22**	**182,177.00**	**25.30%**	**0.00**	**136,093.78**
Membership/Sponsorship	14,930.00	170,388.70	221,386.00	76.96%	0.00	50,997.30
CDR Support	18,162.13	36,324.26	72,650.00	50.00%	36,324.28	1.46
Dues & Memberships	**33,092.13**	**206,712.96**	**294,036.00**	**70.30%**	**36,324.28**	**50,998.76**
Business Expense	79.92	1,868.75	5,500.00	33.98%	0.00	3,631.25
Office Maintenance	9,382.66	44,731.94	156,000.00	28.67%	103,720.88	7,547.18
Building Repair & Maintenance	4,459.89	27,944.89	57,200.00	48.85%	11,354.14	17,900.97
Storage Rental & Equipment Lease	74.15	296.60	1,125.00	26.36%	828.40	0.00
Office Supplies	1,841.36	8,151.33	28,000.00	29.11%	2,503.87	17,344.80
Supplies - Water Loss Control	0.00	869.28	4,000.00	21.73%	0.00	3,130.72
Postage/Mail Delivery	570.88	2,639.47	9,450.00	27.93%	943.73	5,866.80
Subscriptions & Books	300.00	4,254.99	10,000.00	42.55%	0.00	5,745.01
Reproduction Expense	17,718.13	23,459.18	108,500.00	21.62%	5,372.87	79,667.95
Maintenance - Computers	1,063.40	4,536.35	15,850.00	28.62%	0.00	11,313.65
Software Purchase	6,583.09	48,069.09	271,731.00	17.69%	73,632.00	150,029.91
Software Support	0.00	762.50	20,000.00	3.81%	0.00	19,237.50
Computers and Equipment	0.00	7,265.42	45,250.00	16.06%	0.00	37,984.58
Automotive Expense	1,207.85	3,588.48	11,600.00	30.94%	0.00	8,011.52
Vehicle Expense	593.92	3,081.14	10,000.00	30.81%	0.00	6,918.86
Toll Road Charges	238.11	585.05	950.00	61.58%	0.00	364.95
Insurance Expense	11,334.95	66,731.91	234,150.00	28.50%	0.00	167,418.09
Utilities - Telephone	2,387.75	15,119.04	49,586.00	30.49%	640.16	33,826.80
Bank Fees	0.00	0.00	2,400.00	0.00%	0.00	2,400.00
Miscellaneous Expense	8,619.62	27,071.90	181,200.00	14.94%	6,720.00	147,408.10
MWDOC's Contrb. to WEROC	29,429.04	117,716.20	353,149.00	33.33%	0.00	235,432.80
Depreciation Expense	6,321.71	25,287.26	0.00	0.00%	0.00	(25,287.26)
Other Expenses	**102,206.43**	**434,030.77**	**1,575,641.00**	**27.55%**	**205,716.05**	**935,894.18**
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	0.00	1,988.51	0.00	0.00%	0.00	(1,988.51)
TOTAL EXPENSES	**957,430.52**	**4,172,490.70**	**13,741,699.00**	**30.36%**	**1,519,203.14**	**8,050,005.16**
NET INCOME (LOSS)	**(814,556.83)**	**8,257,289.49**	**0.00**	**0.00%**	**(1,519,203.14)**	**(6,738,086.35)**

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

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
WATER REVENUES					
Water Sales	12,985,268.30	65,653,042.10	175,492,249.00	37.41%	109,839,206.90
Readiness to Serve Charge	1,479,247.23	5,800,433.10	16,934,350.00	34.25%	11,133,916.90
Capacity Charge CCF	364,325.00	1,457,300.00	4,624,125.00	31.52%	3,166,825.00
SCP/SAC Pipeline Surcharge	30,890.06	135,004.84	443,000.00	30.48%	307,995.16
TOTAL WATER REVENUES	**14,859,730.59**	**73,045,780.04**	**197,493,724.00**	**36.99%**	**124,447,943.96**
WATER PURCHASES					
Water Sales	12,985,268.30	65,653,042.10	175,492,249.00	37.41%	109,839,206.90
Readiness to Serve Charge	1,479,247.23	5,800,433.10	16,934,350.00	34.25%	11,133,916.90
Capacity Charge CCF	364,325.00	1,457,300.00	4,624,125.00	31.52%	3,166,825.00
SCP/SAC Pipeline Surcharge	30,890.06	135,004.84	443,000.00	30.48%	307,995.16
TOTAL WATER PURCHASES	**14,859,730.59**	**73,045,780.04**	**197,493,724.00**	**36.99%**	**124,447,943.96**
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 October 31, 2025

	Year to Date Actual	Annual Budget	% Used
HECW Rebate Program(3411)			
Revenues	15,996.12	49,236.00	32.49%
Expenses	14,250.00	49,236.00	28.94%
Excess of Revenues over Expenditures	1,746.12	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	3,393,457.85	5,501,750.00	61.68%
Expenses	3,416,801.17	5,501,750.00	62.10%
Excess of Revenues over Expenditures	(23,343.32)	0.00	
Tree Incentive Program(3420)			
Revenues	15,600.00	50,000.00	31.20%
Expenses	16,200.00	50,000.00	32.40%
Excess of Revenues over Expenditures	(600.00)	0.00	
Spray To Drip Conversion(3423)			
Revenues	528,108.82	995,000.00	53.08%
Expenses	649,915.63	995,000.00	65.32%
Excess of Revenues over Expenditures	(121,806.81)	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	70,175.23	226,882.88	30.93%
Expenses	76,909.69	226,882.88	33.90%
Excess of Revenues over Expenditures	(6,734.46)	0.00	
Framework TAP(3429)			
Revenues	106,376.56	1,222,638.40	8.70%
Expenses	114,446.05	1,222,638.40	9.36%
Excess of Revenues over Expenditures	(8,069.49)	0.00	
Land Design Program(3431)			
Revenues	14,949.00	59,000.00	25.34%
Expenses	15,949.00	59,000.00	27.03%
Excess of Revenues over Expenditures	(1,000.00)	0.00	
WSIP - Industrial Program(3432)			
Revenues	6,441.24	36,250.10	17.77%
Expenses	19,323.72	36,250.10	53.31%
Excess of Revenues over Expenditures	(12,882.48)	0.00	

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

	Year to Date Actual	Annual Budget	% Used
Recycled Water Program(3433)			
Revenues	2,479.75	62,640.50	3.96%
Expenses	2,479.75	62,640.50	3.96%
Excess of Revenues over Expenditures	0.00	0.00	
Dedicated Irrigation Meters Measurement Project (DIMM)(3439)			
Revenues	9,490.00	70,000.00	13.56%
Expenses	18,858.09	70,000.00	26.94%
Excess of Revenues over Expenditures	(9,368.09)	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	4,163,074.57	8,349,497.88	49.86%
Expenses	4,345,133.10	8,349,497.88	52.04%
Excess of Revenues over Expenditures	(182,058.53)	0.00	
WEROC			
Revenues	470,864.73	710,997.00	66.23%
Expenses	244,144.02	710,997.00	34.34%
Excess of Revenues over Expenditures	226,720.71	0.00	

Item No. 3

PRESENTATION ITEM
December 10, 2025

TO: **Administration & Finance Committee**

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

Staff Contact: Hilary Chumpitazi, Director of Finance/IT

SUBJECT: **YEAR-END FINANCIAL AUDIT (PRESENTATION BY AUDITORS)**

STAFF RECOMMENDATION

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

REPORT

Purpose

This presentation will provide an overview of the financial report for the year ending June 30, 2025.

Discussion

In accordance with Government Code Section 26909, all special districts in California are required to undergo an annual independent audit conducted by either the county auditor or a certified public accountant. The completed audit must be submitted to the State Controller's Office within 12 months following the end of the fiscal year.

The purpose of the audit is to assess whether the agency's financial statements are presented fairly and in accordance with Generally Accepted Accounting Principles (GAAP) and the standards established by the Governmental Accounting Standards Board (GASB).

MWDOC's independent auditors, Davis Farr LLP, performed the audit in accordance with Generally Accepted Auditing Standards (GAAS) in the United States, as well as the Government Auditing Standards issued by the Comptroller General of the United States.

Next Steps

Jonathan Foster, CPA and Partner at Davis Farr LLP, will provide a presentation on the results of MWDOC's annual financial audit.

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: Presentation Attachment 2: Annual Financial Report for the year ended June 30, 2025

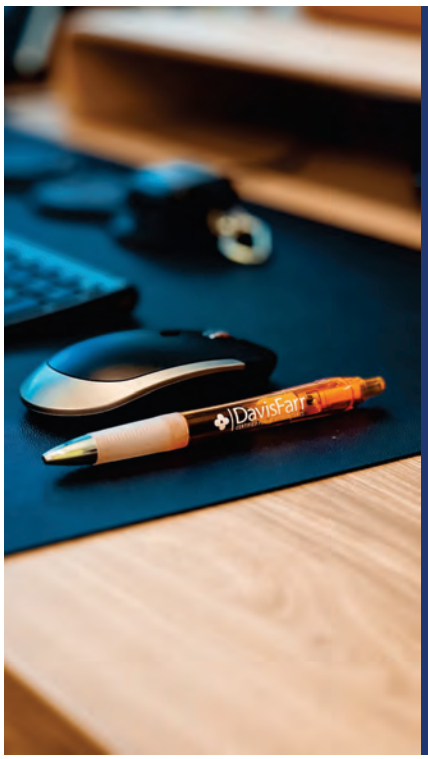


Presentation of Audit Results ⟶

Municipal Water District of Orange County

Fiscal Year Ended June 30,2025

Presented by: Jonathan Foster, CPA| PARTNER



AUDIT RESULTS ON FINANCIAL STATEMENTS

- Started preliminary audit procedures in June 2025 and performed final audit procedures in October 2025

- Unmodified audit opinion
  - Financial statements are fairly stated in all material respects

AREAS OF AUDIT FOCUS

- Standard approach includes substantively testing all material assets and liabilities and substantively testing revenues and expenses
- Implementation of a new accounting standard GASB 101: Compensated Absences
- Unpredictability Test
  - Bank Reconciliations

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GASB 101 - Compensated Absences

Before GASB 101:

- Liabilities were recognized when earned and vested, i.e., payable to the employee after leaving employment

After GASB 101:

Liabilities (including wages and taxes) are recognized when the leave is earned and both of these conditions are met:

- The leave is attributable to services already rendered, and
- The leave is more likely than not to be used for time off or otherwise paid/settled.
  (Required to accrue taxes associated with the leave)



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Statement of Net Position

	2025	2024
ASSETS		
Current Assets:		
Restricted Assets (Note 3):		
Cash and Cash Equivalents (Note 2)	$ 1,291,599	$ 295,228
Investments (Note 2)	3,844,881	2,114,677
Accounts Receivable Other	74,414	1,562,776
Accrued Interest Receivable	219	220
Total Restricted Assets	5,211,113	3,972,901
Unrestricted Assets:		
Cash and Cash Equivalents (Note 2)	9,293,551	8,970,389
Investments (Note 2)	1,361,472	2,278,463
Water Inventory	622,976	-
Accounts Receivable:		
Water Sales	28,821,700	23,729,343
Other	2,630,740	1,172,521
Accrued Interest Receivable	168,938	199,335
Deposits and Prepaid Expenses	187,198	233,857
Total Unrestricted Assets	43,086,575	36,583,908
Total Current Assets	48,297,688	40,556,809
Noncurrent Assets:		
Unrestricted Assets:		
Capital Assets, Net (Note 4)	3,778,422	3,642,492
Net Other Post Employment Benefits (OPEB) Asset (Note 8)	723,792	797,144
Total Noncurrent Assets	4,502,214	4,439,636
TOTAL ASSETS	52,799,902	44,996,445
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount Related to Pensions (Note 7)	1,978,128	2,694,273
Deferred Amount Related to OPEB (Note 8)	188,814	10,660
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,166,942	2,704,933

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Statement of Net Position

	2025	2024
LIABILITIES		
Current Liabilities:		
Payable from Restricted Assets		
Accrued Liabilities	$ 50,981	$ 424,592
Advances from Participants	569,399	416,393
Total Payable from Restricted Assets	620,380	840,985
Unrestricted Liabilities:		
Accounts Payable, Metropolitan Water District of Southern California	32,363,163	24,842,404
Accrued Liabilities	2,793,423	3,200,207
Total Unrestricted Liabilities	35,156,586	28,042,611
Total Current Liabilities	35,776,966	28,883,596
Noncurrent Liabilities:		
Unrestricted Liabilities:		
Net Pension Liability (Note 7)	3,583,673	4,131,092
Total Noncurrent Liabilities	3,583,673	4,131,092
TOTAL LIABILITIES	39,360,639	33,014,688
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount Related to Pensions (Note 7)	207,812	145,973
Deferred Amount Related to OPEB (Note 8)	154,647	227,213
TOTAL DEFERRED INFLOWS OF RESOURCES	362,459	373,186
NET POSITION		
Investment in Capital Assets	3,778,422	3,642,492
Restricted	4,590,733	3,131,916
Unrestricted	6,874,591	7,539,096
TOTAL NET POSITION	$ 15,243,746	$ 14,313,504

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Statement of Revenues, Expenses and Changes in Net Position

	2025	2024
Operating Revenues:		
Water Sales	$ 213,420,966	$ 139,829,601
Special Projects Revenue	5,086,042	5,473,352
Grant Revenue	1,253,378	36,704
Total Operating Revenues	219,760,386	145,339,657
Operating Expenses:		
Cost of Water Sold	201,388,422	128,328,428
Salaries and Employee Benefits	7,636,435	5,995,337
General and Administrative	4,591,483	3,488,755
Special Project Expenses	6,339,420	5,510,056
Depreciation	303,743	338,747
Total Operating Expenses	220,259,503	143,661,323
Operating Income	(499,117)	1,678,334
Nonoperating Revenues/(Expenses):		
Investment Income/(Loss)	1,422,118	1,159,074
Other Income	7,241	12,937
Other Expenses - Refund to Member Agencies (Note 10)	-	(1,456,950)
Total Nonoperating Revenues/(Expenses)	1,429,359	(284,939)
Change in Net Position	930,242	1,393,395
NET POSITION - BEGINNING OF YEAR	14,313,504	12,920,109
NET POSITION - END OF YEAR	$ 15,243,746	$ 14,313,504

SIGNIFICANT FOOTNOTES -Note 7 Pension Plan

As of June 30, 2025, the District's proportionate share of the net pension liability of the Plan is as follows:

	Net Position Liability
Balance at: December 31, 2023	$ 4,131,092
Balance at: December 31, 2024	3,583,673
Net change during 2024	$ (547,419)

The District's net pension liability was measured as the proportionate share of the collective cost-sharing plan's net pension liability. The District's net pension liability was measured as of June 30, 2024. The total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2023, and rolled forward to June 30, 2024, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2024, and 2025 was as follows:

	Miscellaneous
Proportion - June 30, 2024	0.08261%
Proportion - June 30, 2025	0.07409%
Change - Increase (Decrease)	-0.00852%

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

	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
District's Net Pension Liability/(Asset)	$ 6,554,631	$ 3,583,673	$ 1,138,137

SIGNIFICANT FOOTNOTES-NOTE 8 OPEB

Schedule of Changes in Net OPEB Liability/(Asset) (June 30, 2024, to June 30, 2025):

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balances at June 30, 2024	$ 2,064,826	$ 2,861,970	$ (797,144)
Changes for the year:			
Service Cost	28,194	-	28,194
Interest	123,012	-	123,012
Differences between expected and actual experience	140,974	-	140,974
Change in assumptions	139,122	-	139,122
Net investment income	-	288,467	(288,467)
Contributions			
Employer - cash subsidy	-	86,917	(86,917)
Benefit payments, including implicit subsidy	(86,917)	(86,917)	-
Administrative expense	-	(17,434)	17,434
Net changes	344,385	271,033	73,352
Balances at June 30, 2025	**$ 2,409,211**	**$ 3,133,003**	**$ (723,792)**



SIGNIFICANT FOOTNOTES-NOTE 8 OPEB

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

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

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB liability (asset)	$(437,262)	$(723,792)	$(964,812)

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

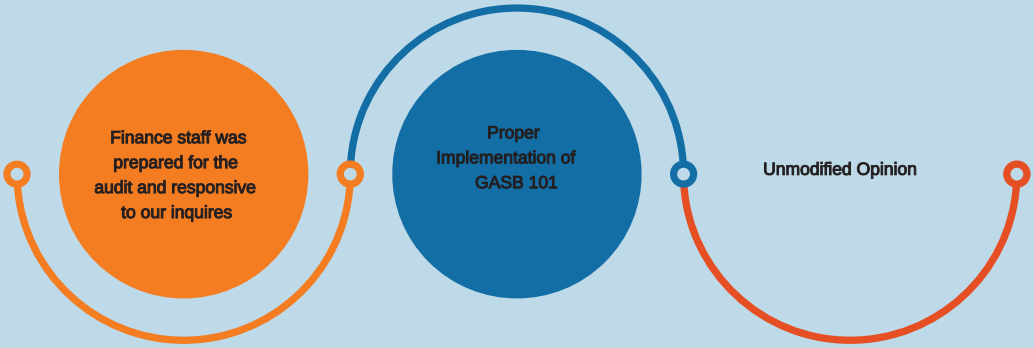
The following presents the net OPEB liability/(asset), as well as what the net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Net OPEB liability (asset)	$(981,367)	$(723,792)	$(412,888)



4

AUDIT RESULTS



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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

THANK YOU FOR YOUR TIME

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FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Municipal Water District of Orange County (the "District"), as of and for the year June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the District as of June 30, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As described further in note 1 to the financial statements, during the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101: *Compensated Absences.* Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

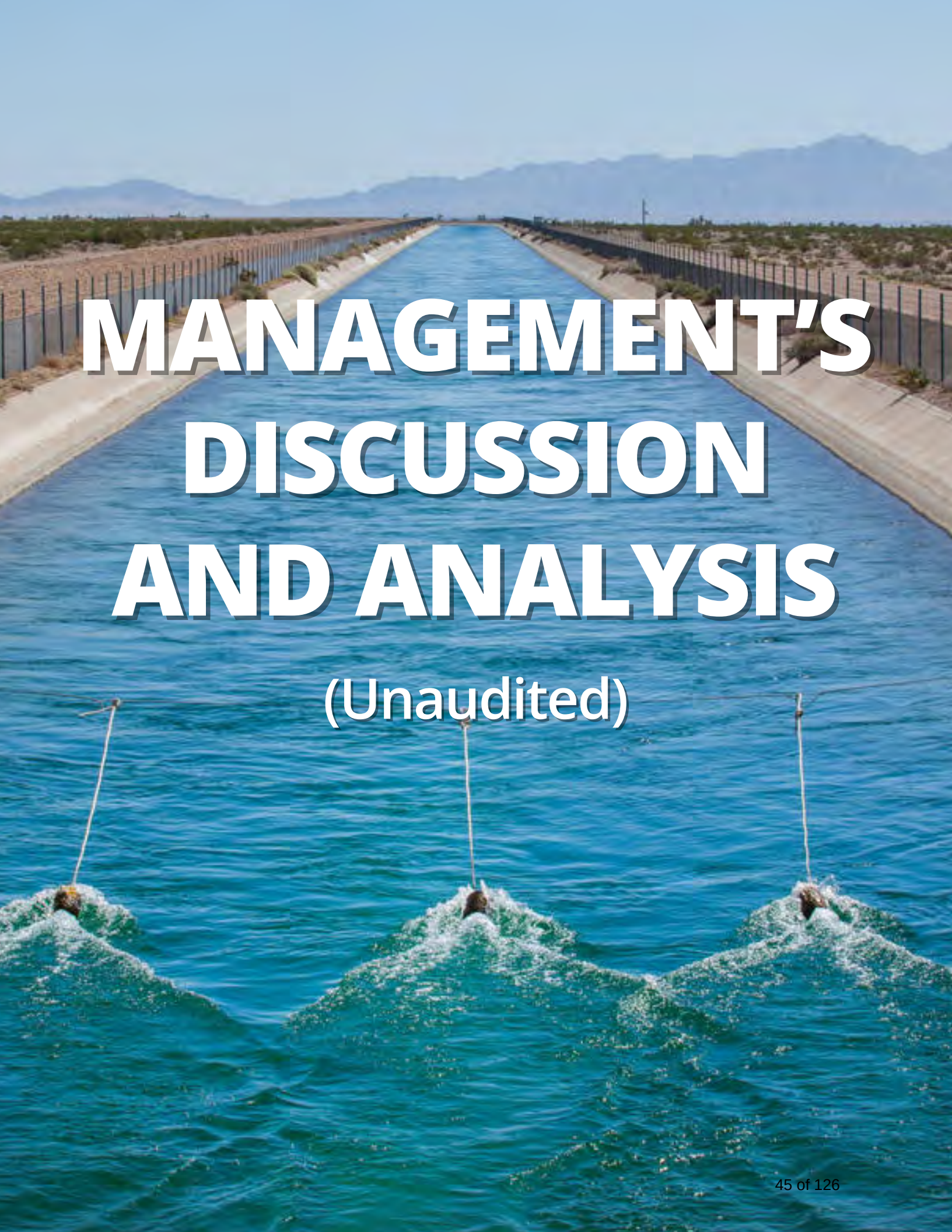
We have previously audited the Municipal Water District of Orange County's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 3, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
December 3, 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

The following is a brief discussion of the Municipal Water District of Orange County's (District) activities and financial performance for the year ended June 30, 2025. Please read it in conjunction with the District's basic financial statements and accompanying notes, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's revenues were $221.2 million in FY 2024-25, compared to $145.1 million in the prior fiscal year, a 52.5% increase.
- The District's expenses were $220.3 million in FY 2024-25, compared to $143.6 million in the prior fiscal year, a 53.3% increase.
- The District's assets at June 30, 2025, were $52.8 million, a 17.3% increase compared to total assets of $45.0 million at June 30, 2024.
- The District's liabilities at June 30, 2025, were $39.4 million, a 19.2% increase compared to total liabilities of $33.0 million at June 30, 2024.
- The District's net position at June 30, 2025, was $15.2 million, a 6.5% increase compared to net position of $14.3 million at June 30, 2024.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT

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

STATEMENT OF NET POSITION

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

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

	FY 2025	FY 2024	Variance	Total Percent Change
Current Restricted Assets	$ 5,211	$ 3,973	$ 1,238	31.2%
Current Unrestricted Assets	43,087	36,584	6,503	17.8%
Capital Assets	3,778	3,642	136	3.7%
Other Assets	724	797	(73)	(9.2%)
Total Assets	**52,800**	**44,996**	**7,804**	**17.3%**
Deferred Outflows of Resources	**2,167**	**2,705**	**(538)**	**(19.9%)**
Current Liabilities Payable from Restricted Assets	620	841	(221)	(26.3%)
Current Liabilities Payable from Unrestricted Liabilities	35,157	28,043	7,114	25.4%
Noncurrent Unrestricted Liabilities	3,584	4,131	(547)	(13.2%)
Total Liabilities	**39,361**	**33,015**	**6,346**	**19.2%**
Deferred Inflows of Resources	**362**	**373**	**(11)**	**(2.9%)**
Net Position:				
Net Investment in Capital Assets	3,778	3,642	136	3.7%
Restricted for Trustee Activities	4,591	3,132	1,459	46.6%
Unrestricted	6,875	7,539	(664)	(8.8%)
Total Net Position	**$ 15,244**	**$ 14,313**	**$ 931**	**6.5%**

- Total Assets increased primarily due to elevated water sales billings and the timing of project reimbursements and restricted fund collections received before the fiscal year end.

- Total Liabilities increased mainly from higher accounts payable tied to increased water purchase costs and participation in MET's Reverse Cyclic Program, which resulted in a water inventory purchase. The change aligns with higher water billing activity at year's end.

- Total Net Position increased primarily due to a rise in higher restricted cash from end-of-year early water payments and interest revenue on investment balances.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

While the Statement of Net Position shows the financial position at year-end, the Statement of Revenues, Expenses and Changes in Net Position provides information as to the results of operations of the District during the year. The District reported an increase in net position of $930 thousand for the year ended June 30, 2025, as compared to $1.4 million for the year ended June 30, 2024. The following is a summary of the change in the District's net position.

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

	FY 2025	FY 2024	Variance	Total Percent Change
Water Sales	$ 213,421	$ 139,830	$ 73,591	52.6%
Special Project Revenues	6,339	5,510	829	15.0%
Non-operating Revenues/(Expenses)	1,429	(285)	1,714	(601.4%)
Total Revenues	**221,189**	**145,055**	**76,134**	**52.5%**
Operating Expenses	213,616	137,813	75,803	55.0%
Special Projects Expenses	6,339	5,510	829	15.0%
Depreciation Expense	304	339	(35)	(10.3%)
Total Expenses	**220,259**	**143,662**	**76,597**	**53.3%**
Change in Net Position	**930**	**1,393**	**(463)**	**(33.2%)**
Beginning Net Position	**14,313**	**12,920**	**1,393**	**10.8%**
Ending Net Position	**$ 15,243**	**$ 14,313**	**$ 930**	**6.5%**

The sources of change in net position are the following:

- Water Sales Revenues and Operating Expenses are higher due to increased water sales for the whole fiscal year.
- Special Projects Revenue and Expense are higher due to increased conservation and federal grant activity in conservation rebates.
- Non-operating Revenues/(Expenses) are higher due to an increase in interest revenue, and last fiscal year, we issued a refund to Member Agencies.

CAPITAL ASSETS

The following is a summary of the District's capital assets at June 30, 2025, and June 30, 2024.

TABLE 3
Capital Assets
(In thousands of dollars)

	FY 2025	FY 2024	Variance	Total Percent Change
Leasehold Improvements	$ 7,119	$ 7,011	$ 108	1.5%
Furniture, Equipment & Computer Equipment	1,054	724	330	45.6%
Subtotal	**8,173**	**7,735**	**438**	**5.7%**
Less Accumulated Depreciation	**(4,395)**	**(4,092)**	**(303)**	**7.4%**
Net Capital Assets	**$ 3,778**	**$ 3,643**	**$ 135**	**3.7%**

The District acquired WEROC's Mobile EOC, Water Loss Control's Real-Time Water Leak Correlator, and completed a Network Switch Upgrade Project. Additional information regarding capital assets is available in Notes 1 and 4 of the financial statements.

DEBT ADMINISTRATION

The District had no debt outstanding as of June 30, 2025. The District does not plan to issue new debt in the year ending June 30, 2026.

BUDGETARY HIGHLIGHTS

The District is governed by a Board of Directors consisting of seven elected members. The Board adopts an annual appropriated budget prior to the start of the fiscal year. The Budget may be revised by Board action during the fiscal year. All amendments to the budget, or transfers of operating budget appropriations to or from reserve accounts, require Board notification. The General Manager is authorized to transfer budget amounts within programs and cost centers. The legal level of budgetary control is at the total fund level. An actual vs. budget comparison schedule for FY 2024-25 is presented in Table 4 to demonstrate compliance with the adopted budget.

TABLE 4
FY 2025 Actual vs Budget
(In thousands of dollars)

	Actual	Budget	Variance	Total Percent Change
Revenues:				
From Operations	$ 219,760	$ 231,427	$ (11,667)	(5.0%)
Non-operating Revenues/(Expenses)	1,429	822	607	73.8%
Total Revenues	**221,189**	**232,249**	**(11,060)**	**(4.8%)**
Expenses:				
From Operations				
Cost of Water	201,388	208,221	6,833	3.3%
Other Operating	18,567	24,077	5,510	22.9%
Depreciation	304	304	-	-
Total Expenses	**220,259**	**232,602**	**12,343**	**5.3%**
Change In Net Assets	**$ 930**	**$ (353)**	**$ 1,283**	**(363.5%)**

The variances for the budget to actual are as follows:

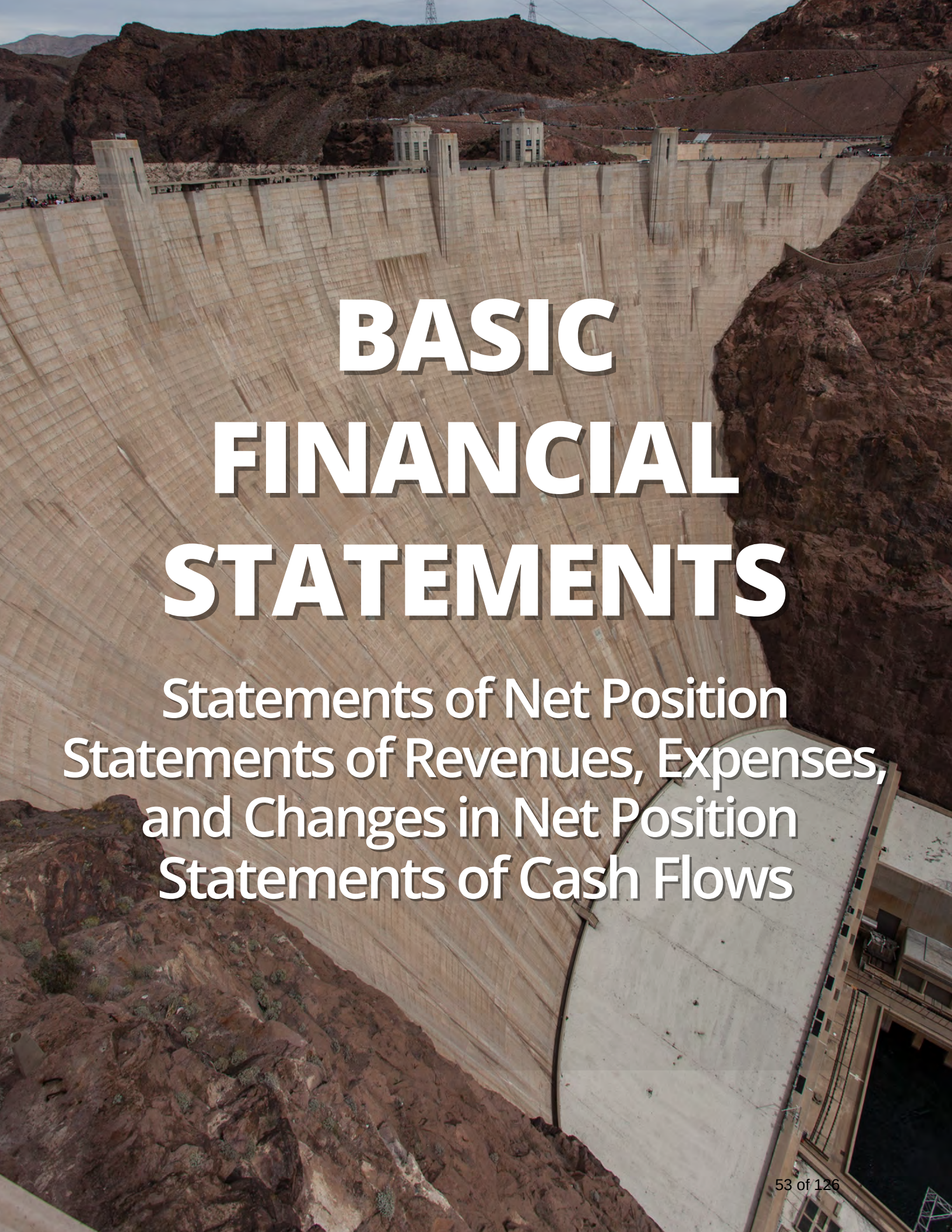
- Non-operating Revenues/Expenses were higher than budget, mainly due to increased interest earnings received during the fiscal year.
- Other Operating Expenses were lower than budget, mainly reflecting a decrease in grant-funded program activities.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's Board of Directors and management considered many factors during the preparation and approval of the annual budget for FY 2025-26. The budgeted operating expenses and revenues both total $219.9 million.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is intended to provide the Board of Directors, customers, taxpayers, creditors, and other interested parties with a general overview of the District's financial operations and condition as of and for the year ended June 30, 2025, and to demonstrate the District's accountability for the funds it receives. If you have questions about this report or need additional information, you may contact the Municipal Water District of Orange County, Finance Dept., at 18700 Ward Street, Unit B, Fountain Valley, CA 92708, (714) 963-3058. Or visit our website at www.mwdoc.com.



BASIC FINANCIAL STATEMENTS

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Net Position

June 30, 2025

(with comparative data as of June 30, 2024)

	2025	2024
ASSETS		
Current Assets:		
Restricted Assets (Note 3):		
Cash and Cash Equivalents (Note 2)	$ 1,291,599	$ 295,228
Investments (Note 2)	3,844,881	2,114,677
Accounts Receivable Other	74,414	1,562,776
Accrued Interest Receivable	219	220
Total Restricted Assets	5,211,113	3,972,901
Unrestricted Assets:		
Cash and Cash Equivalents (Note 2)	9,293,551	8,970,389
Investments (Note 2)	1,361,472	2,278,463
Water Inventory	622,976	-
Accounts Receivable:		
Water Sales	28,821,700	23,729,343
Other	2,630,740	1,172,521
Accrued Interest Receivable	168,938	199,335
Deposits and Prepaid Expenses	187,198	233,857
Total Unrestricted Assets	43,086,575	36,583,908
Total Current Assets	48,297,688	40,556,809
Noncurrent Assets:		
Unrestricted Assets:		
Capital Assets, Net (Note 4)	3,778,422	3,642,492
Net Other Post Employment Benefits (OPEB) Asset (Note 8)	723,792	797,144
Total Noncurrent Assets	4,502,214	4,439,636
TOTAL ASSETS	52,799,902	44,996,445
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount Related to Pensions (Note 7)	1,978,128	2,694,273
Deferred Amount Related to OPEB (Note 8)	188,814	10,660
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,166,942	2,704,933

See accompanying notes to basic financial statements

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Net Position (Continued)
June 30, 2025
(with comparative data as of June 30, 2024)

	2025	2024
LIABILITIES		
Current Liabilities:		
Payable from Restricted Assets		
Accrued Liabilities	$ 50,981	$ 424,592
Advances from Participants	569,399	416,393
Total Payable from Restricted Assets	620,380	840,985
Unrestricted Liabilities:		
Accounts Payable, Metropolitan Water District of Southern California	32,363,163	24,842,404
Accrued Liabilities	2,793,423	3,200,207
Total Unrestricted Liabilities	35,156,586	28,042,611
Total Current Liabilities	35,776,966	28,883,596
Noncurrent Liabilities:		
Unrestricted Liabilities:		
Net Pension Liability (Note 7)	3,583,673	4,131,092
Total Noncurrent Liabilities	3,583,673	4,131,092
TOTAL LIABILITIES	39,360,639	33,014,688
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount Related to Pensions (Note 7)	207,812	145,973
Deferred Amount Related to OPEB (Note 8)	154,647	227,213
TOTAL DEFERRED INFLOWS OF RESOURCES	362,459	373,186
NET POSITION		
Investment in Capital Assets	3,778,422	3,642,492
Restricted	4,590,733	3,131,916
Unrestricted	6,874,591	7,539,096
TOTAL NET POSITION	$ 15,243,746	$ 14,313,504

See accompanying notes to basic financial statements

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Revenues, Expenses and
Changes in Net Position
For the Fiscal Year Ended June 30, 2025
(with comparative data as of June 30, 2024)

	2025	2024
Operating Revenues:		
Water Sales	$ 213,420,966	$ 139,829,601
Special Projects Revenue	5,086,042	5,473,352
Grant Revenue	1,253,378	36,704
Total Operating Revenues	219,760,386	145,339,657
Operating Expenses:		
Cost of Water Sold	201,388,422	128,328,428
Salaries and Employee Benefits	7,636,435	5,995,337
General and Administrative	4,591,483	3,488,755
Special Project Expenses	6,339,420	5,510,056
Depreciation	303,743	338,747
Total Operating Expenses	220,259,503	143,661,323
Operating Income	(499,117)	1,678,334
Nonoperating Revenues/(Expenses):		
Investment Income/(Loss)	1,422,118	1,159,074
Other Income	7,241	12,937
Other Expenses - Refund to Member Agencies (Note 10)	-	(1,456,950)
Total Nonoperating Revenues/(Expenses)	1,429,359	(284,939)
Change in Net Position	930,242	1,393,395
NET POSITION - BEGINNING OF YEAR	14,313,504	12,920,109
NET POSITION - END OF YEAR	$ 15,243,746	$ 14,313,504

See accompanying notes to basic financial statements

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2025

(with comparative data for the Year Ended June 30, 2024)

	2025	2024
Cash Flows from Operating Activities:		
Cash received from member agencies-water deliveries	$ 208,328,609	$ 134,699,758
Cash (payments) to Metropolitan Water District of Southern California	(193,867,663)	(122,386,579)
Cash (payments) for salaries and employee benefits	(7,583,238)	(6,481,988)
Cash (payments) for general and administrative expenses	(4,951,608)	(3,167,067)
Cash received from special projects	5,995,952	6,493,407
Cash (payments) for special projects	(6,186,414)	(6,148,507)
Cash (payments) for Water Inventory	(622,976)	-
Cash payment to Member Agencies (Note 10)	-	(1,456,950)
Other income	7,241	12,937
Net Cash Provided (Used) by Operating Activities	1,119,903	1,565,011
Cash Flows from Capital and Related Financing Activity:		
Acquisition of capital assets	(439,673)	(103,901)
Cash Used by Capital and Related Financing Activity	(439,673)	(103,901)
Cash Flows from Investment Activities:		
Investment income	1,422,118	1,159,074
Investments matured/(purchased)	947,389	533,436
Cash Provided (Used) by Investment Activities	2,369,507	1,692,510
Net increase (decrease) in cash and cash equivalents	3,049,737	3,153,620
Cash and Cash equivalents at beginning of year	11,380,294	8,226,674
Cash and Cash Equivalents at End of Year	$ 14,430,031	$ 11,380,294
Financial Statement Presentation:		
Cash and Cash Equivalents (Restricted)	$ 5,136,480	$ 2,409,905
Cash and Cash Equivalents (Unrestricted)	9,293,551	8,970,389
Totals	$ 14,430,031	$ 11,380,294

See accompanying notes to basic financial statements.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Cash Flows (Continued)

For the Fiscal Year Ended June 30, 2025

(with comparative data for the Year Ended June 30, 2024)

	2025	2024
Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	$ (499,117)	$ 1,678,334
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	303,743	338,747
Other Income	7,241	12,937
Other Expenses	-	(1,456,950)
Changes in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable - Water Sales	(5,092,357)	(5,129,843)
(Increase)/Decrease in Accounts Receivable - Other	(1,458,219)	(713,825)
(Increase)/Decrease in Deposits and Prepaid Expenses	46,659	(64,014)
(Increase)/Decrease in Net OPEB asset	73,352	(594,196)
(Increase)/Decrease in Water Inventory	(622,976)	-
(Increase)/Decrease in Accounts Receivable - Special Projects	1,488,362	607,171
(Increase)/Decrease in Deferred Outflows - Pension/OPEB Related	537,991	(351,051)
Increase/(Decrease) in Accrued and Other Liabilities	(406,784)	1,099,527
Increase/(Decrease) in Restricted Accrued Liabilities	(373,611)	376,180
Increase/(Decrease) in Advances from Participants	153,006	(638,451)
Increase/(Decrease) in Accounts Payable to Metropolitan Water District of Southern California	7,520,759	5,941,849
Increase/(Decrease) in Net Pension Liability	(547,419)	518,468
Increase/(Decrease) in Deferred Inflows - Pension/OPEB Related	(10,727)	(59,872)
Total Adjustments	1,619,020	(113,323)
Net Cash Provided by Operating Activities	$ 1,119,903	$ 1,565,011
Noncash investing activity:		
Unrealized gain/(loss) on investments	$ 147,767	$ 153,101
Total noncash investing activity	$ 147,767	$ 153,101

See accompanying notes to basic financial statements.



NOTES TO BASIC FINANCIAL STATEMENTS

(1) Organization and Summary of Significant Accounting Policies

Reporting Entity

The Municipal Water District of Orange County (the District) was established on January 11, 1951, under the Municipal Water District Act of 1911. The District is a wholesale water supplier and resource planning agency that serves all of Orange County through 27 cities and water agencies (except the Cities of Anaheim, Fullerton, and Santa Ana, which are independent member agencies of the Metropolitan Water District of Southern California (Metropolitan). As a public agency member of Metropolitan, the District purchases imported water from Metropolitan and provides water to the District's 27 member agencies, which provide retail or wholesale water services to nearly 2.36 million residents within the District's service area of approximately 600 square miles. The District's primary sources of water from Metropolitan are the California State Water Project (SWP) and the Colorado River Aqueduct.

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

The District's reporting entity includes the accounts of the District and the Municipal Water District of Orange County Water Facilities Corporation (WFC). Formed as a separate California nonprofit corporation on April 20, 1978, to assist in the financing of the Allen-McColloch Pipeline (AMP) and the Flow Augmentation Project (FAP), the WFC has no employees. The WFC is governed by a seven-member board comprised of the District's board members. The WFC had no activity or balances for the year ended June 30, 2025, and is kept active for potential future financing arrangements. WFC is a blended component unit of the District, which has operational responsibility for it.

Measurement Focus and Basis of Accounting

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

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

Basic Financial Statements

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

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

Basis of Presentation

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

The District's basic financial statements have been prepared on the accrual basis of accounting and are presented on an economic measurement focus reporting all economic resources and obligations as of and for the year ended June 30, 2025.

Net Position

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

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

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

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

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

Operating and Nonoperating Revenues and Expenses

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

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

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

Water Sales and Cost of Water Sold

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

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

Investments

Fair Value Measurements

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

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

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash and short-term, highly liquid investments (i.e., Local Agency Investment Fund and California Asset Management Program) that are readily convertible to cash.

Accounts Receivable

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

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and a useful life greater than one (1) year. Upon retirement, sale, or other disposition of capital assets, the cost and related accumulated depreciation are removed from their respective accounts, and any gains or losses are recognized. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which ranges from 3 to 10 years for furniture, fixtures, and equipment, and up to 30 years for leasehold improvements.

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

Deposits and Prepaid Expenses

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

Deferred Outflows and Inflows of Resources

The District reported deferred outflows and inflows of resources related to pensions and OPEB. A deferred outflow of resources is the District's consumption of net position that is applicable to a future reporting period. A deferred inflow of resources represents the district's acquisition of a net position that is applicable to a future period. Refer to Note 7 and 8 for items identified as deferred inflows and outflows of resources as of June 30, 2025.

Compensated Absences

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

The District implemented GASB Statement No. 101: Compensating Absences, during the fiscal year ended June 30, 2025. This adjustment recognized vacation, admin, and sick leave and includes payroll taxes that have not been used but are more likely than not to be used or settled in the future.

Unearned Revenue / Advances from Participants

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability/(asset), deferred outflows of resources, deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except

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

for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Estimates

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

Prior Year Data

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

(2) Cash and Investments

Cash and investments at June 30, 2025, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents (restricted)	$	1,291,599
Cash and cash equivalents (unrestricted)		9,293,551
Investments (restricted)		3,844,881
Investments (unrestricted)		1,361,472
Total Cash and Investments	$	15,791,503

Cash and investments as of June 30, 2025, consist of the following:

Cash on hand	$	500
Deposits with financial institutions		740,041
Investments		15,050,962
Total Cash and Investments	$	15,791,503

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

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

(2) Cash and Investments (Continued)

The Operating Fund authorized investments are below:

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

Disclosures Relating to Interest Rate Risk

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

		Remaining Maturity (in Months)		
Investment Type	Total	12 Months or Less	13 to 24 Months	25-60 Months
Negotiable Certificate of Deposits	$ 1,649,252	$ -	$ 193,892	$ 1,455,360
Corporate Securities	1,191,401	991,295	200,106	-
US Government Issues	244,685	244,685	-	-
California Asset Management Program	4,501,883	4,501,883	-	-
State Investment Pool	5,059,359	5,059,359	-	-
PARS Section 115 Trust	2,404,382	2,404,382	-	-
	$ 15,050,962	$ 13,201,604	$ 393,998	$ 1,455,360

(2) Cash and Investments (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will default on its obligations to the holder of the investment. This is measured by a rating assigned by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or District's investment policy, or debt agreements, and the actual rating by Standard and Poor's (S&P) as of the year-end of each investment type. The District purchases all investments at the minimum rating, but some investments' ratings may downgrade during their life. However, the District's policy is to hold investments until maturity.

			Ratings as of Year End			
Investment Type	Total	Minimum Rating	AA+	A	A-**	Not Rated
Negotiable Certificate of Deposits	$ 1,649,252	N/A	$ -	$ -	$ -	$ 1,649,252
Corporate Securities	1,191,401	A	-	744,753	446,648	-
US Government Issues	244,685	A	244,685	-	-	-
California Asset Management Program	4,501,883	N/A	-	-	-	4,501,883
State Investment Pool	5,059,359	N/A	-	-	-	5,059,359
PARS Section 115 Trust	2,404,382	N/A	-	-	-	2,404,382
	$15,050,962		$244,685	$744,753	$446,648	$13,614,876

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

Disclosures Relating to Fair Value Measurement and Application

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

The District had the following recurring fair value measurements as of June 30, 2025:

		Fair Value Application			
Investment Type	Total	1	2	3	Uncategorized
Negotiable Certificate of Deposits	$ 1,649,252	$ -	$1,649,252	$ -	$ -
Corporate Securities	1,191,401	-	1,191,401	-	-
US Government Issues	244,685	-	244,685	-	-
California Asset Management Program	4,501,883	-	-	-	4,501,883
State Investment Pool	5,059,359	-	-	-	5,059,359
PARS Section 115 Trust	2,404,382	-	-	-	2,404,382
	$15,050,962	$ -	$3,085,338	$ -	$ 11,965,624

(2) Cash and Investments (Continued)

Concentration of Credit Risk

The District's investment policy contains limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. At June 30, 2025, the District did not have investments in more than one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represented 5% or more of the District's total investments.

Custodial Credit Risk

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

The California Government Code requires a financial institution to secure a deposit made by a state or local governmental unit by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless the governmental unit waives this requirement). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. The Government Code also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2025, the District's deposits with financial institutions are covered by the Federal Deposit Insurance Corporation up to $250,000; the remaining amounts of $500,617 were collateralized as described above.

Investment in Public Agency Retirement Services

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

Investment in the State Investment Pool and California Asset Management Program

The District voluntarily participates in the State of California's Local Agency Investment Fund (LAIF), which operates under Government Code Section 16429 and is overseen by the State Treasurer. LAIF is a government-managed investment pool that is not registered with the Securities and Exchange Commission. Its management is subject to oversight by a committee composed of state officials and representatives from participating agencies. The day-to-day operations and administration of the fund are carried out by the State Treasurer's Office.

(2) Cash and Investments (Continued)

The District also invests in the California Asset Management Program (CAMP) under the oversight of the CAMP Board of Trustees, which is comprised of finance officers and treasurers of California public agencies and members of the Joint Powers Authority. The Pool is a short-term cash reserve portfolio and is a permitted investment for all local agencies under California Government Code Section 53601(p).

The fair market value of the District's investment in these pools is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair market value provided by LAIF and CAMP for the entire LAIF and CAMP portfolios (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF and CAMP, which are recorded on an amortized cost basis.

(3) Restricted Assets

Restricted assets are monies held in restricted funds or accounts by the District for the benefit of member agencies and the District's specific benefit plan purposes. As of June 30, 2025, $5,211,113 was reported as restricted assets, which includes the District's PARS Section 115 Trust and member agency activities as shown in Note 2.

(4) Capital Assets

The following is a summary of capital assets at June 30, 2025, with changes therein:

	2024	Additions	Deletions	2025
Furniture,Fixtures and Equipment	$ 724,085	$ 325,236	$ (1,403)	$ 1,047,918
Leasehold Improvements	7,010,783	108,502	-	7,119,285
Construction in Progress	-	5,936	-	5,936
	7,734,868	439,674	(1,403)	8,173,139
Less Accumulated Depreciation:				
Furniture,Fixtures and Equipment	(505,255)	(81,574)	1,403	(585,426)
Leasehold Improvements	(3,587,122)	(222,169)	-	(3,809,291)
	(4,092,377)	(303,743)	1,403	(4,394,717)
Net Capital Assets	$ 3,642,492	$ 135,931	$ -	$ 3,778,422

(5) Deferred Pension Plan

The District sponsors a Money Purchase Pension Plan (the Pension Plan), a defined contribution plan, under Internal Revenue Code Section 401(a). Currently, the MWDOC Board of Directors and MWDOC MET Directors participate in the Pension Plan. In accordance with section 3401(c) of the Internal Revenue Code, the term employee includes officers, whether elected or appointed. The Directors contribute 7.5 percent of their covered compensation to the Pension Plan, in lieu of contributing to Social Security. The Directors' contributions to the Pension Plan totaled $25,687 for the year ended June 30, 2025. Participants become vested in the Pension Plan at a rate of 20% per year of service, reaching full vesting after five (5) years. District employees were previously members of the Pension Plan until March 2003, when they became members of CalPERS. See Note 7.

(6) Risk Management

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

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

At June 30, 2025, the District participated in the self-insurance programs as follows:

Property Program - The Insurance Authority has pooled self-insurance for the first $10,000,000 and purchases excess coverage up to $150 million. The coverage limit is $150 million per occurrence. The District has a $1,000 deductible for buildings, personal property, and fixed equipment, and a $500 deductible for licensed vehicles/trailers.

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

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

Cyber Liability – The Insurance Authority has a coverage limit of $3 million maximum per member and a $5 million policy aggregate with a $50,000 to $100,000 deductible based on total insurable values.

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

Reconciliations are conducted annually by JPIA, and the District may receive a refund based on the status of pool claims to adjust the pool fund.

The District pays annual premiums for all policy coverages and, to date, has no active or open claims or pending settlements.

(7) Cost-Sharing Defined Benefit Plan

General Information about the Pension Plan

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

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, which is equivalent to one year of full-time employment. Members with five years (5) of total service are eligible to retire at age 50 or 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: Basic Death Benefit, 1959 Survivor Benefit, Pre-Retirement Option 2W Death Benefit, or the 1957 Survivor Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Formula	2.0% @55	2.0% @62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of annual salary	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	7.75%
Required employer contribution rates	12.52%	7.87%
Pensionable Compensation Cap	$350,000	$186,096

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

Contributions recognized by the Plans from the employer for the year ended June 30, 2025, were $829,719.

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

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

As of June 30, 2025, the District's proportionate share of the net pension liability of the Plan is as follows:

	Net Position Liability
Balance at: December 31, 2023	$ 4,131,092
Balance at: December 31, 2024	3,583,673
Net change during 2024	$ (547,419)

The District's net pension liability was measured as the proportionate share of the collective cost-sharing plan's net pension liability. The District's net pension liability was measured as of June 30, 2024. The total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2023, and rolled forward to June 30, 2024, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2024, and 2025 was as follows:

	Miscellaneous
Proportion - June 30, 2024	0.08261%
Proportion - June 30, 2025	0.07409%
Change - Increase (Decrease)	-0.00852%

For the year ended June 30, 2025, the District recognized pension expense of $1,060,284.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 92,108	$ -
Differences between Expected and Actual Experience	309,841	12,090
Differences between Projected and Actual Investment Earnings	206,308	-
Differences between Employers Contributions and Proportionate Share of Contributions	390,148	35,806
Change in Employer's Proportion	150,004	159,917
Pension Contributions Made Subsequent to Measurement Date	829,719	-
Total	$ 1,978,128	$ 207,812

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

The amount of $829,719 reported as deferred outflows of resources related to contributions subsequent to the measurement date (as shown in the above chart) will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Miscellaneous
2026	$ 369,877
2027	571,011
2028	70,409
2029	(70,699)
	$ 940,597

Actuarial Assumptions – The total pension liabilities in the June 30, 2023, actuarial valuation, with update procedures used to roll forward the total pension liability to June 30, 2024, were based on the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table[1]	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

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

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

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

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

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

Asset Class	Assumed Asset Allocation	Real Return Years 1-10[1,2]
Global Equity - cap-weighted	30.00%	4.54%
Global Equity - non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

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

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

	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
District's Net Pension Liability/(Asset)	$ 6,554,631	$ 3,583,673	$ 1,138,137

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

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

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

Plan Description:

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

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

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

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

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

The following guidelines apply to both tiers:

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

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

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

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

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

Plan membership at June 30, 2025, consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	13
Active plan members	6
Total	19

Funding Policy:

The contribution requirements of Health Plan members and the District are established, and may be amended, by the District's Board of Directors. The District has fully funded the OPEB obligation and will be using its OPEB Designated Reserve account to offset retiree expenses.

Net OPEB Liability/(Asset):

The District's Net OPEB Liability/(Asset) was measured as of June 30, 2025, and the total OPEB Liability/(Asset) used to calculate the Net OPEB Liability/(Asset) was determined by an actuarial valuation as of June 30, 2024. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

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

Actuarial assumptions:

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

Actuarial cost method	Entry Age, Level Percent of Pay
Valuation of fiduciary net position	Fair value of assets
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	3.00 percent
Inflation rate	2.50 percent
Investment rate of return	6.00 percent, net of OPEB plan investment expense
Healthcare cost trend rate	6.50 percent for 2025; 6.50 percent for 2026; 6.25 percent for 2027; 6.00 percent for 2028; 5.75 percent for 2029; 5.50 percent for 2030; 5.25 percent for 2031; 5.00 percent for 2032; 4.75 percent for 2033; and 4.50 percent for 2034 and later years.
Preretirement Mortality	Preretirement Mortality Rates from CalPERS Experience Study (2000-2019).
Postretirement Mortality	Post-retirement Mortality Rates for Healthy Recipients from CalPERS Experience Study (2000-2019).

Liabilities for FY 2024-25 are based on an actuarial date of June 30, 2024, projected to June 30, 2025, and reflect actual premiums, trend rates, and changes in the discount rate. Liabilities for FY 2023-24 are based on an actuarial date of June 30, 2024, with no adjustments to get to the June 30, 2025, measurement date.

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

Asset Class	Target Allocation	L/T Expected Real Rate of Return
Broad U.S. Equity	50%	N/A
U.S. Fixed	50%	N/A
Total	100%	6.0%

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

Discount rate:

GASB 75 requires a discount rate that reflects the following:

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

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

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

Reporting Date	Bond Buyer Go 20-Bond Municipal Bond Index	S&P Municipal Bond 20-Year High Grade Rate Index	Fidelity GO AA 20-Year Municipal Index	Discount Rate
June 30, 2024	3.93%	4.21%	3.86%	6.00%
June 30, 2025	5.20%	4.81%	4.71%	6.00%

Schedule of Changes in Net OPEB Liability/(Asset) (June 30, 2024, to June 30, 2025):

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balances at June 30, 2024	$ 2,064,826	$ 2,861,970	$ (797,144)
Changes for the year:			
Service Cost	28,194	-	28,194
Interest	123,012	-	123,012
Differences between expected and actual experience	140,974	-	140,974
Change in assumptions	139,122	-	139,122
Net investment income	-	288,467	(288,467)
Contributions			
Employer - cash subsidy	-	86,917	(86,917)
Benefit payments, including implicit subsidy	(86,917)	(86,917)	-
Administrative expense	-	(17,434)	17,434
Net changes	344,385	271,033	73,352
Balances at June 30, 2025	**$ 2,409,211**	**$ 3,133,003**	**$ (723,792)**

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

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

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

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB liability (asset)	$(437,262)	$(723,792)	$(964,812)

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

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

	1% Decrease	Trend Rate	1% Increase
Net OPEB liability (asset)	$(981,367)	$(723,792)	$(412,888)

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

For the year ended June 30, 2025, the District made a total contribution of $77,332, which represents actual health care costs for its retirees and their covered dependents. The total contribution, including the implicit subsidy, amounted to $86,917.

At June 30, 2025, the District's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ -	$ (89,729)
Differences between expected and actual experience	93,983	(64,918)
Changes in assumptions	94,831	-
Total	$ 188,814	$ (154,647)

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

Fiscal Year ending June 30:	Deferred Outflows of Resources
2026	$ 77,941
2027	32,900
2028	(53,222)
2029	(23,452)
	$ 34,167

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

Investments

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 10.13%. The money-weighted rate of return expresses investment performance, net of investment expenses, and is adjusted for changes in the amount invested.

The District's policy regarding the allocation of the plan's invested assets is established and may be amended by the District's management and Board of Directors. The current investment selection is the Moderate Strategic Blend. 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, while capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

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

(9) Commitments and Contingencies

The District is involved in various litigation from time to time arising from the normal course of business. In the opinion of management and legal counsel, the District is not involved in any litigation that is expected to have a material adverse effect on the overall financial position of the District at June 30, 2025.

(10) Non-operating Expenses

The District's Board of Directors approved a credit to our Member Agencies to absolve the Tier 2 funds the District was holding, and they also approved a revision to the Reserve Policy, which led to a credit to our Member Agencies. Both credits were processed over two fiscal years, and the sum of $1,456,950 is reflected in fiscal year 2023-24 as an expense and cash payment.



REQUIRED SUPPLEMENTARY INFORMATION

(Unaudited)

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

Measurement Period	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 28,194	$ 14,595	$ 17,857	$ 15,920	$ 32,103	$ 30,118	$ 34,408	$ 33,406
Interest on the total OPEB liability	123,012	140,661	136,751	159,271	155,170	148,417	140,392	134,254
Actual and expected experience difference	140,974	(389,508)	-	(609,684)	-	(86,201)	-	-
Changes in assumptions	139,122	12,493	-	155,101	-	102,437	-	-
Changes in benefit terms	-	-	-	-	-	-	-	-
Benefit Payments	(86,917)	(85,085)	(87,253)	(108,197)	(97,452)	(71,334)	(71,021)	(59,870)
Net change in total OPEB liability	344,385	(306,844)	67,355	(387,589)	89,821	123,437	103,779	107,790
Total OPEB liability - beginning	2,064,826	2,371,670	2,304,315	2,691,904	2,602,083	2,478,646	2,374,867	2,267,077
Total OPEB liability - ending (a)	2,409,211	2,064,826	2,371,670	2,304,315	2,691,904	2,602,083	2,478,646	2,374,867
Plan Fiduciary Net Position								
Contribution - employer	86,917	85,085	87,253	108,197	97,452	71,334	71,021	59,870
Net investment income	288,467	302,856	180,315	(356,249)	509,846	85,732	140,186	128,809
Benefit payments	(86,917)	(85,085)	(87,253)	(108,197)	(97,452)	(71,334)	(71,021)	(59,870)
Administrative expense	(17,434)	(15,504)	(14,296)	(16,252)	(14,829)	(11,886)	(5,669)	(11,456)
Net change in plan fiduciary net position	271,033	287,352	166,019	(372,501)	495,017	73,846	134,517	117,353
Plan fiduciary net position - beginning	2,861,970	2,574,618	2,408,599	2,781,100	2,286,083	2,212,237	2,077,720	1,960,367
Plan fiduciary net position - ending (b)	3,133,003	2,861,970	2,574,618	2,408,599	2,781,100	2,286,083	2,212,237	2,077,720
Net OPEB liability/(asset) - ending (a)-(b)	$ (723,792)	$ (797,144)	$ (202,948)	$ (104,284)	$ (89,196)	$ 316,000	$ 266,409	$ 297,147
Plan fiduciary net position as a percentage of the total OPEB liability	130.04%	138.61%	108.56%	104.53%	103.31%	87.86%	89.25%	87.49%
Covered-employee payroll	$ 1,559,083	$ 1,466,095	$ 1,379,093	$ 1,351,622	$ 1,889,365	$ 1,975,686	$ 1,956,477	$ 1,933,612
Net OPEB liability as a percentage of covered-employee payroll	-46.42%	-54.37%	-14.72%	-7.72%	-4.72%	15.99%	13.62%	15.37%

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

Schedule of OPEB Contributions
Last Ten Fiscal Years*

Fiscal Year Ended June 30	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ -	$ 13,516	$ 13,122	$ 51,962	$ 50,448	$ 46,537	$ 49,847	$ 48,878
Contributions in relation to the ADC	(86,917)	(85,085)	(87,253)	(108,197)	(97,452)	(71,334)	(71,021)	(59,870)
Contribution deficiency (excess)	$ (86,917)	$ (71,569)	$ (74,131)	$ (56,235)	$ (47,004)	$ (24,797)	$ (21,174)	$ (10,992)
Covered-employee payroll	$ 1,559,083	$ 1,466,095	$ 1,379,093	$ 1,351,622	$ 1,889,365	$ 1,975,686	$ 1,956,477	$ 1,933,612
Contributions as a percentage of covered-employee payroll	5.57%	5.80%	6.33%	8.00%	5.16%	3.61%	3.63%	3.10%

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

Notes to Schedule:

The District's Net OPEB Liability was measured as of June 30, 2025, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of June 30, 2024. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

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

Actuarial Cost Method	Entry Age, Level Percent of Pay
Valuation of fiduciary net position	Fair Value of Assets
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	3.00%
Inflation Rate	2.30%
Investment Rate of Return	6.00%, net of OPEB plan investment expense
Pre-Retirement Mortality	CalPERS Experience Study (2000-2019)
Post-Retirement Mortality	CalPERS Experience Study (2000-2019)

Healthcare Cost Trend:

Year	Pre-Medicare	Medicare
2025	8.00%	6.50%
2026	8.00%	6.50%
2027	7.75%	6.25%
2028	7.50%	6.00%
2029	7.25%	5.75%
2030	7.00%	5.50%
2031	6.75%	5.25%
2032	6.50%	5.00%
2033	6.25%	4.75%
2034	6.00%	4.50%
2035	5.75%	4.50%
2036	5.50%	4.50%
2037	5.25%	4.50%
2038	5.00%	4.50%
2039	4.75%	4.50%
2040+	4.50%	4.50%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.07409%	0.08261%	0.07721%	0.05782%	0.06744%	0.06283%	0.05877%	0.05774%	0.05387%	0.05019%
Proportionate share of the net pension liability	$3,583,673	$4,131,092	$3,612,624	$1,097,925	$2,844,833	$2,516,221	$2,214,703	$2,276,032	$1,871,472	$1,376,955
Covered Payroll	$4,937,837	$4,422,761	$4,448,997	$4,204,889	$3,792,545	$3,482,913	$3,295,260	$3,022,872	$2,748,796	$2,640,576
Proportionate share of the net pension liability as a percentage of covered payroll	72.58%	93.41%	81.20%	26.11%	75.01%	72.24%	67.21%	75.29%	68.08%	52.15%
Plan fiduciary net position as a percentage of the total pension liability	79.91%	77.97%	78.19%	90.49%	75.10%	75.26%	75.26%	73.31%	75.87%	78.40%

Notes to Schedule:

Methods and assumptions used to determine liability:

Fiscal Year End:	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Valuation Date:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method:	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Asset Valuation Method:	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Market Value	Market Value	Market Value	Market Value	Market Value
Discount Rate:	6.90%	6.90%	6.80%	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%
Projected Salary Increase:	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service
Inflation:	2.30%	2.30%	2.30%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Payroll Growth:	2.80%	2.75%	2.75%	2.75%	2.75%	2.75%	3.25%	3.00%	3.00%	3.00%
Individual Salary Growth:	The price inflation assumption, plus 0.5% per annum productivity component, and an annual merit increase based on length of service.	The price inflation assumption, plus 0.5% per annum productivity component, and an annual merit increase based on length of service.	The price inflation assumption, plus 0.5% per annum productivity component, and an annual merit increase based on length of service.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

Cost Sharing Retirement Plan
Schedule of Contributions
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contributions	$ 829,719	$1,233,081	$ 654,493	$ 622,104	$ 413,399	$ 349,145	$ 302,458	$ 273,125	$ 252,815	$ 220,517
Contributions in relation to the actuarially determined contribution	(829,719)	(1,233,081)	(654,493)	(622,104)	(413,399)	(349,145)	(302,458)	(273,125)	(252,815)	(220,517)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ - [1]
Covered Payroll	$5,522,224	$4,937,837	$4,422,761	$4,448,997	$4,204,889	$3,792,545	$3,482,913	$3,295,260	$3,022,872	$2,748,796
Contributions as a percentage of covered-employee payroll	15.03%	24.97%	14.80%	13.98%	9.83%	9.21%	8.68%	8.29%	8.36%	8.02%

[1] Restated Covered Payroll

Summary of Changes of Benefits or Assumptions

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

Changes of Assumptions and Methods: There were no changes to the actuarial assumptions or methods in relation to financial reporting.

Item No. 4

ACTION ITEM
December 11, 2025

TO: **Board of Directors**

FROM: **Administration & Finance Committee**

Harvey De La Torre, General Manager

Staff Contact: Angela Crespi, Exec. Asst to GM/Board Secretary

SUBJECT: **AMENDMENT TO THE BEST BEST & KRIEGER, LLP AGREEMENT FOR LEGAL SERVICES**

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to execute an amendment to the agreement with Best Best & Krieger, LLP (BBK) for District legal services that adjusts its legal service rates effective January 1, 2026, and extends the time before the Board will consider resoliciting by an additional three years to September 1, 2030; in concurrence with the provisions of Admin Code §8000.

COMMITTEE RECOMMENDATION

(To be determined at Committee Meeting)

REPORT

Purpose

The purpose of this item is for the Board to consider an amendment to MWDOC's agreement with Best Best & Krieger, LLP (BBK) for District legal services that would adjust its legal service rates effective January 1, 2026, and extend the date that the Board will consider whether to conduct a new solicitation for legal services an additional three years from September 1, 2027 to September 1, 2030; in concurrence with the provisions of Admin Code §8000.

Background

On April 20, 2022, the Board approved an agreement with BBK for legal services (Attachment 1). Included in the agreement (under "Exhibit A") is a fee schedule for BBK's basic and specialized legal services. It states that rate adjustments can occur after the first two years of the agreement and thereafter increase no more than 4% per year. However, a clause in the exhibit also allows either party (BBK or MWDOC) to "initiate consideration of a rate increase at any time."

In October, General Counsel Joseph Byrne contacted MWDOC staff to ask whether the District would consider a mid-year rate adjustment to account for increased costs and bring BBK's rates closer to market rates. The request (Attachment 2) calls for a one-time adjustment to its current fee schedule and, thereafter, would follow the terms of the agreement for a cost-of-living increase of "no more than 4% per year." As indicated above, the contract allows either party to request adjustments outside the standard annual increase schedule when warranted by market conditions.

During the General Manager's review of the December Board Agendas, the Executive Committee asked staff to present BBK's proposed rate adjustment, as well as present for consideration an extension of time (an additional three years) before the District would consider resoliciting legal services.

Discussion

Proposed Rate Adjustment

Since 2022, BBK service rates to the District have increased by about 7% cumulatively over the past 3 years (averaging 2.3% annually), while both the CPI and the legal services market have increased by slightly more than 4% per year.[1] In addition, BBK has indicated that overall market rates for legal services have increased significantly during this period.

Today, most basic legal service market rates for water agencies are in the $400/hour range. In addition, in MWDOC's case, there have been very few special legal services needed (typically less than 10%). Thus, to bring BBK's rates closer to market conditions, it is recommended that a one-time rate increase be applied to all of BBK's basic and specialized legal service rates effective January 1, 2026, as shown below:

[1] Average Consumer Price Index (CPI) for the Los Angeles-Long Beach-Anaheim (LA metro) area from 2022 to 2025, U.S. Bureau of Labor

	Basic Legal Service Rates* ($/hr.)			Special Legal Service Rates ($/hr.)		
	Current	Proposed	Rate Increase	Current	Proposed	Rate Increase
Partner & Of Counsel	**$343**	**$384**	**+$41**	**$386**	**$432**	**+$46**
Associate/Associate 2	**$300**	**$336**	**+$36**	**$316**	**$354**	**+$38**
Paralegal/Research, Analyst/Clerk/Admin Asst.	**$177**	**$198**	**+$21**	**$204**	**$228**	**+$24**

[Note: 90% of MWDOC's legal services are billed at the basic rate]

Staff finds that these rate adjustments can be managed within the existing legal services budget for FY 2025–26. Last year, BBK's budget actuals came in about 22% below budget, and since 2022, they have averaged 20% below budget. With this year's legal costs (July to Oct.) trending below budget, even with this proposed mid-year increase, staff expect to be at or below budget by the end of the fiscal year. Thus, this one-time rate adjustment will not require any increases to our current legal service budget.

Extension of Agreement Term

In accordance with Admin Code §8000 and based on feedback received at the November 20th Executive Committee Meeting, the Board directed staff to ask BBK whether they would consider extending the contract for an additional three years, which would extend the time before the Board would consider resoliciting legal services until 2030.

Staff discussed this with Joe Byrne at BBK, and he indicated that they would support such an extension.

Staff Recommendation

To maintain the key provisions of the original agreement and expediting these adjustments with minimal administrative effort, it is recommended that a single amendment be added to the existing agreement.

Therefore, staff recommends the Board of Directors authorize the General Manager to execute an amendment to the agreement with Best Best & Krieger, LLP (BBK) for District legal services, which includes a legal service rate adjustment (effective January 1, 2026), and extend the time by an additional three years before the Board will consider resoliciting legal services until 2030.

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: Staff recommends the Board of Directors authorize the General Manager to execute an amendment to the agreement with Best Best & Krieger, LLP (BBK) for District legal services that adjusts its legal service rates effective January 1, 2026, and extends the time before the Board will consider resoliciting by an additional three years to September 1, 2030; in concurrence with the provisions of Admin Code §8000.

Fiscal Impact: The proposed one-time market-rate adjustment represents a 12% percent increase in hourly rates. The adopted FY 2025–26 budget includes adequate funding to support the rate adjustment and would result in no increase in appropriations or movement between funds.

Option #2: Do not approve the one-time rate adjustment for BBK's legal service and continue with the existing terms and conditions under the current rate schedule.

Fiscal Impact: No fiscal impact.

Attachments/Links:
Attachment 1: Agreement for Legal Services with Best Best & Krieger, LLP
Attachment 2: BBK's Letter of Request for Rate Adjustment

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AGREEMENT FOR LEGAL SERVICES
BETWEEN
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
AND
BEST BEST & KRIEGER LLP

1. **PARTIES AND DATE.**

This Agreement is made and entered into as of the 1st day of September, 2022, by and between the Municipal Water District of Orange County ("the District") and Best Best & Krieger LLP, a limited liability partnership engaged in the practice of law ("BB&K").

2. **RECITALS.**

2.1 The District wishes to engage the services of BB&K as its Attorney to perform all necessary legal services for the District on the terms set forth below.

3. **TERMS.**

3.1 Term. The term of this Agreement shall commence on September 1, 2022 and shall continue in full force and effect until terminated in accordance with Section 3.19.

3.2 Scope of Services. BB&K shall serve as the District's Attorney and shall perform legal services ("Services") as may be required from time to time by the District as set forth by this Agreement, unless otherwise agreed to by the District and BB&K. As part of the Services to be performed hereunder, BB&K shall be responsible for the following:

3.2.1 Preparation for, and attendance at, regular meetings of the District;

3.2.2 Provision of legal counsel at such other meetings as directed by the District;

3.2.3 Preparation or review of all District ordinances and resolutions, together with such staff reports, orders, agreements, forms, notices, declarations, certificates, deeds, leases and other documents as requested by the District;

3.2.4 Rendering to the officers and employees of the District legal advice and opinions on all legal matters affecting the District, including new legislation and court decisions, as directed by the District;

3.2.5 Researching and interpreting laws, court decisions and other legal authorities in order to prepare legal opinions and to advise the District on legal matters pertaining to District operations, as directed by the District;

3.2.6 Performing legal work pertaining to property acquisition, property disposal, public improvements, public rights-of-way and easements, as directed by the District;

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3.2.7 Responding to inquiries and review for legal sufficiency ordinances, resolutions, contracts, and administrative and personnel matters, as directed by the District;

3.2.8 Representing and assisting on litigation matters, as directed by the District. Such services shall include, but shall not be limited to, the preparation for and making of appearances, including preparing pleadings and petitions, making oral presentations, and preparing answers, briefs or other documents on behalf of the District, and any officer or employee of the District, in all federal and state courts of this State, and before any governmental board or commission, including reviewing, defending or assisting any insurer of the District or its agents or attorneys with respect to any lawsuit filed against the District or any officer or employee thereof, for money or damages, or for any other relief.

3.2.9 Advising the District and representing the District, as directed by the District with respect to groundwater and water quality issues, water service and purchase agreements, drafting legislation and legislative advocacy, desalination water agreements and transactions, real estate matter and such other matters as may arise.

3.3 Designated General Counsel Attorney. Joseph P. Byrne shall be designated as District General Counsel, and shall be responsible for the performance of all Services under this Agreement, including the supervision of Services performed by other members of BB&K. Other BB&K attorneys, including Alisha Winterswyk and Patrick Skahan, shall assist as General Counsel from time to time as needed. No change in this assignment shall be made without the consent of the District.

3.4 Time of Performance. The Services of BB&K shall be performed expeditiously in the time frames and as directed by the District.

3.5 Assistance. The District agrees to provide all information and documents necessary for the attorneys at BB&K to perform their obligations under this Agreement.

3.6 Independent Contractor. BB&K shall perform all legal services required under this Agreement as an independent contractor of the District and shall remain, at all times as to the District, a wholly independent contractor with only such obligations as are required under this Agreement. Neither the District, nor any of its employees, shall have any control over the manner, mode or means by which BB&K, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth. The District shall have no voice in the selection, discharge, supervision or control of BB&K's employees, representatives or agents, or in fixing their number, compensation, or hours of service.

3.7 Fees and Costs. BB&K shall render and bill for the Services at rates set forth in Exhibit "A" which is attached hereto and incorporated herein by reference. In addition, the District shall reimburse BB&K for reasonable and necessary expenses incurred by it in the performance of the Services under this Agreement. Authorized reimbursable expenses shall include, but are not limited to, mileage expenses at the rate allowed by the Internal Revenue Service for travel to and from the District's offices, toll road expenses, long distance telephone and facsimile tolls in excess of $25.00 per call or fax, research services performed by BB&K's library staff, extraordinary mail or delivery costs (e.g. courier, overnight and express delivery),

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copying costs, court fees and similar costs relating to the Services that are generally chargeable to a client.

3.8 Billing. BB&K shall submit monthly to the District a detailed statement of account for Services. The District shall review BB&K's monthly statements and pay BB&K for Services rendered and costs incurred, as provided for in this Agreement, on a monthly basis.

3.9 Risk Transfer Provisions.

3.9.1 Workers' Compensation Insurance. BB&K certifies that it is aware of the provisions of section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and BB&K will comply with such provisions before commencing the performance of the work of this agreement.

3.9.2 Indemnification. BB&K shall indemnify and hold harmless and defend the District, its directors, officers, and employees, and each of them from and against any claims, liabilities, costs, damages, judgments or causes of action to the extent caused by BB&K's negligent acts or omissions, or its willful acts or omissions, in the course of performance of this contract. In order to defend the District, its directors, officers and employees under this paragraph, BB&K shall retain counsel for the District acceptable to the District, or may defend the District consistent with ethical obligations under California law and conditioned upon the District's agreement. BB&K's obligation under this paragraph shall not apply to any claims, liabilities, costs, damages or causes of action caused solely by the negligent or willful acts or omissions of the District, its directors, officers, and employees.

3.10 Required Insurance.

3.10.1 Liability Insurance. BB&K shall provide and maintain at all times during the performance of the work under this Agreement, the following commercial general liability, professional liability and automobile liability insurance:

3.11 Coverage. Coverage shall be at least as broad as the following:

3.11.1 Coverage for Professional Liability appropriate to BB&K's profession covering BB&K's wrongful acts, negligent actions, errors or omissions. The retroactive date (if any) is to be no later than the effective date of this Agreement.

3.11.2 Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001)

3.11.3 Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (non-owned, and hired automobiles)

3.12 Limits. BB&K shall maintain limits no less than the following:

3.12.1 Professional Liability – Two million dollars ($2,000,000) per claim and annual aggregate.

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3.12.2 General Liability – Two million dollars ($2,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to the District) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.

3.12.3 Automobile Liability – One million dollars ($1,000,000) for bodily injury and property damage each accident limit.

3.13 Required Provisions. The general liability policy must contain, or be endorsed to contain, the following provisions:

3.13.1 The District, its directors, officers, and employees, are to be given insured status (via ISO endorsement CG 2010, CG 2033, or insurer's equivalent for general liability coverage) as respects: liability arising out of activities performed by or on behalf of BB&K; and premises owned, occupied or used by BB&K. The coverage shall contain no special limitations on the scope of protection afforded to the District, its directors, officers, or employees.

3.13.2 For any claims related to this project, BB&K's insurance shall be primary insurance as respects the District, its directors, officers, or employees. Any insurance, self-insurance, or other coverage maintained by the District, its directors, officers, or employees shall not contribute to it.

3.13.3 Any failure to comply with the reporting or other provisions of the policies including breaches and warranties shall not affect coverage provided to the District, its directors, officers, or employees.

3.13.4 BB&K's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.13.5 Such liability insurance shall indemnify BB&K against loss from liability imposed by law upon, or assumed under contract by, BB&K for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.

3.13.6 The automobile liability policy shall cover all owned, non-owned, and hired automobiles.

3.13.7 Each insurance policy required by this Agreement shall state, or be endorsed to state, that coverage shall not be canceled by the insurance carrier or BB&K, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to the District.

3.13.8 All of the insurance shall be provided on policy forms and through companies satisfactory to the District.

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3.14 Workers' Compensation and Employer's Liability Insurance. BB&K shall cover or insure under the applicable laws relating to workers' compensation insurance, all of their employees employed directly by them in carrying out the work contemplated under this contract, all in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any cts amendatory thereof. BB&K shall provide employer's liability insurance with limits of no less than $1,000,000 each accident, $1,000,000 disease policy limit, and $1,000,000 disease each employee.

3.15 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by the District.

3.16 Acceptability of Insurers. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by the District.

BB&K shall, upon demand of the District, deliver to the District such policy or policies of insurance and the receipts for payment of premiums thereon.

3.17 Continuation of Coverage. If any of the required coverage expires during the term of this Agreement, BB&K shall deliver the renewal certificate(s) including the general liability additional insured endorsement to the District at least ten (10) days prior to the expiration date.

3.18 Attorney-Client Privilege. Confidential communication between the District and BB&K shall be covered by the attorney-client privilege. As used in this article, "confidential communication" means information transmitted between the District and BB&K in the course of the relationship covered by this Agreement and in confidence by a means that, so far as the District is aware, discloses the information to no third persons other than those who are present to further the interests of the District in the consultation or those to whom disclosure is reasonably necessary for the transmission of the information or the accomplishment of the purpose for which BB&K is consulted, and includes any legal opinion formed and advice given by BB&K in the course of this relationship.

3.19 Termination of Agreement and Legal Services. This Agreement and the Services rendered under it may be terminated at any time upon thirty (30) days' prior written notice from either party, with or without cause. In the event of such termination, BB&K shall be paid for all Services authorized by the District and performed up through and including the effective date of termination. BB&K shall also be reimbursed for all costs associated with transitioning any files or other data or documents to a new law firm or returning them to the District.

3.20 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

3.21 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Orange County.

3.22 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

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3.23 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.

3.24 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.25 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.26 Delivery of Notices. All notices permitted or required under this Agreement notices shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

District: Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92728
Attention: General Manager

BB&K: Best Best & Krieger LLP
3750 University Avenue, Suite 400
Riverside, CA 92502
Attention: Managing Partner

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IN WITNESS WHEREOF, the District and BB&K have executed this Agreement for Legal Services as of the date first written above.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

By: DocuSigned by:
E3285F9B8EC9497...
Name: Robert J. Hunter
Title: General Manager

BEST BEST & KRIEGER LLP

By:
Joseph Byrne
Partner

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EXHIBIT "A"
Fee Schedule for Municipal Water District of Orange County

1. Basic Legal Services - Description. Basic legal services shall include all services provided to Client that are not otherwise specifically identified below as either Special Legal Services, Third Party Reimbursable Legal Services, or Public Finance Legal Services ("Basic Legal Services").

2. Basic Legal Services – Rates. The Client shall pay for Basic Legal Services at the following rates:

Partner & Of Counsel	$320
Associate/Associate2	$280
Paralegal/Research	$165
Analyst/Clerk/Admin Asst	

3. Special Legal Services - Description. Special Legal Services shall include the following types of services:

A. Litigation and formal administrative or other adjudicatory hearing matters
B. Labor relations and employment matters
C. Non-routine real estate matters (e.g. CC&R's, deed or title work)
D. Land acquisition and disposal matters (including pre-condemnation)
E. Taxes, fees and charges matters (e.g. Prop. 218 & Mitigation Fee Act)
F. Public construction disputes
G. Environmental matters (e.g. CEQA, NEPA, endangered species)
H. Water law matters (e.g. water rights & quality)
I. Tax and ERISA related matters
J. Toxic substances matters (e.g. CERCLA, RCRA)
K. Complex public utility matters (e.g. electric, natural gas, telecommunications, water, rail or transit that involve state or federal regulatory issues)
L. Renewable energy and energy efficiency project contracts and power purchase agreements
M. Other matters mutually agreed upon by BB&K and General Manager

4. Special Legal Services – Rates. The Client shall pay for Special Legal Services at the following rates:

Partner & Of Counsel	$360
Associate/Associate2	$295
Paralegal/Research	$190
Analyst/Clerk/Admin Asst	

Rate Adjustments. The rates will remain unchanged for the first two years. Beginning July 1, 2024, and two years on that date thereafter, rates shall be automatically increased by the change

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in the cost of living index for the twelve (12) month period published prior, as shown by the U.S. Department of Labor in its All Urban Consumers Index set forth for Los Angeles-Riverside-Orange County area. Such adjustment shall never be lower than zero percent (0%) nor more than four percent (4%) per year, or 8% over the two year period. In addition to the automatic rate increases, either BB&K or the Client may initiate consideration of a rate increase at any time.

Joseph P. Byrne
Partner
(213) 617-7496
joseph.byrne@bbklaw.com

November 26, 2025

VIA E-MAIL

Board of Directors
Municipal Water District of Orange County

Re: Request for Rate Increase

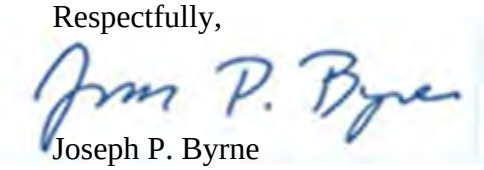
Dear Directors:

I am writing to respectfully request that you consider a one-time rate increase of 12% for the legal services contract that we have with the District. The existing contract was entered into in 2022 and given significant increases in costs and market rates overall, I am hoping for a one-time catch up to move the rates closer to market.

The District is incredibly well run and it has been my pleasure and privilege to be its General Counsel since Russ Behrens retired a number of years ago, and I hope to continue to do so for many years to come. I understand MWDOC and its important role very well, and feel that we provide high quality, efficient, and cost effective services that have come in below budget every year. We are committed to continuing to provide such services and always looking for ways to improve.

Thank you for the opportunity to serve as your General Counsel and I thank you for your consideration of this request.

Respectfully,



Joseph P. Byrne
of BEST BEST & KRIEGER LLP

JPB

Item No. 5

INFORMATION ITEM
December 10, 2025

TO: **Administration & Finance Committee**

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

Staff Contact: Cassidy Harding, Water Res. Data Mgmt. Analyst

SUBJECT: **PROFESSIONAL SERVICES AGREEMENT WITH CALIFORNIA DATA COLLABORATIVE**

STAFF RECOMMENDATION

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

REPORT

Purpose

In accordance with Administrative Code §8004, this item provides information regarding an agreement with Social and Environmental Entrepreneurs (SEE), acting as fiscal sponsor for California Data Collaborative (CaDC). The agreement, awarded in an amount not to exceed $25,000 under the General Manager's authority, will modernize the Water Use Efficiency (WUE) Database. This effort will resolve longstanding inefficiencies and security vulnerabilities in its legacy WUE Database. The updated solution will enhance data integration, usability, reporting capabilities, and cybersecurity, while aligning with MWDOC's transition to cloud-based infrastructure.

Background

MWDOC's WUE Database was developed in 2010 to support outdoor rebate programs by consolidating data from multiple platforms to enable inspection tracking, invoicing, and reporting.

The system was built using ASP.NET with a SQL Server backend and a custom frontend developed by Fortech Software Consulting, Inc. Over time, the system has become

increasingly difficult to maintain due to outdated architecture, limited documentation, and broken features.

Current key limitations include:

- Manual, error-prone data imports from external platforms
- Lack of integration with indoor rebate programs
- Reliance on Excel-based workarounds for reporting
- Security vulnerabilities from external write-access permissions

Discussion

The initial phase of the WUE Database modernization effort was conducted in collaboration with CaDC, of which MWDOC is an active member. Using data science services funded through MWDOC's annual membership dues, CaDC completed a comprehensive assessment of the existing system and developed a strategic roadmap to guide the next phase of this project. This roadmap identifies principal objectives, including:

- Database normalization and schema redesign to improve structure and performance
- Automated data flows for streamlined ingestion and extraction
- Frontend replacement using low-code tools and secure web-based forms
- Enhanced reporting and analytics to support grant administration, invoicing, program evaluation and decision-making

These objectives were formalized in a detailed Statement of Work (SoW), which was shared with five qualified firms from MWDOC's on-call technical services list, as well as CaDC.

After conducting interviews and reviewing submitted proposals, CaDC was selected as the preferred vendor based on its technical expertise, competitive pricing, and demonstrated understanding of the project scope. CaDC's proposal includes a professional services quote of $25,000. The solution will utilize MWDOC's existing technology stack, eliminating the need for new software licenses or additional expenditures.

Next Steps

MWDOC's project lead will collaborate closely with CaDC throughout planning and implementation to reduce billable hours and ensure internal staff are equipped to manage the system post-deployment. The project is estimated to be complete by April 2026 and will be funded through budgeted WUE Research Funds allocated for Fiscal Year 2025–2026.

Once completed, the new system will streamline routine workflows, reduce manual data handling, and enhance overall data accuracy. These improvements will save staff time, reduce administrative overhead, enhance reporting reliability, and support future program expansion.

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

Administration, Board Support & Human Resources Activities

November 6, 2025, to December 3, 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. • Assisted Board President with nomination and appointment process for new MWDOC MET Director and coordinated onboarding of Director Crane with MET Board Secretary. • 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. • District Secretary completed the required training to earn a Notary Public Commission with the California Secretary of State and was notified that her commission was approved.
Administrative and HR Projects and Activities	• Assisted with WACO 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. • Hosted the ISDOC Executive Meeting on November 4, 2025. • Executed the retirement celebration for Leah Frazier. • Coordinated the Thomas House Family Shelter Fill the Table Food Drive. • 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. • Cross-training of the admin. The team continued preparing for Leah Frazier's retirement in December. • Coordinating with OCWD and the contractor on repairing and replacing tiles by the MWDOC entry doors. • HR is continuing to work 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.

Administrative and HR Projects and Activities (continued)	○ Participated in a Zoom meeting on November 10th with Empower 457 Representatives regarding the current Plan and Agreements and timelines on moving forward with Investment Plan changes, review, and approval of new Plan Service Agreements. ○ Coordinating with Legal Counsel on review of the 457 Plan Service Agreements. ○ Held first kick-off meeting with Empower's 401 Representative on November 18th in preparation for transition from VOYA 401 to Empower as the new 401 Recordkeeper. Meetings will be held weekly to maintain progress. • HR participated in a Workforce Development Webinar presented by UCI regarding Access, Visibility, Opportunity (AVO) for All in the Water Sector. • HR participated in the FY27-28 Biennial Budget Workshop held on November 12. • HR participated in JPIA's training on the new RiskStar software for their Property Insurance. We will be required to utilize this system from this point forward when updating our Property Insurance. • Held all staff meeting on November 19th. • Retirement Celebration was held for Leah Frazier on November 20th. • HR participated in Emergency Responder Training on November 24th. • HR staff is working together with finance on the implementation of the new HRIS and updating all data to be transferred to the new system. A kick-off meeting with HR and Finance was held on December 2nd. The implementation is anticipated to be completed in early February.
Recruitment / Departures	• Recruitment activities for an Accountant will resume in January 2026. • WEROC Coordinator and Specialist positions have been filled. Onboarding for both candidates is underway.
Health and Welfare Benefits	• The flexible benefits plan with Igoe is being updated for the 2026 plan year. Open enrollment for this plan is now closed.
Records Management	• Continued to review incoming mail and log necessary documents into the Laserfiche system. • Staff continues to review documents and update information in Laserfiche. • HR records meeting the destruction criteria have been documented per the records retention schedule and destroyed. • Staff has initiated the annual process of preparing year-end records destruction orders in accordance with the adopted records retention schedule.

Item No. 6b

INFORMATION ITEM
December 10, 2025

TO: **Administration & Finance Committee**

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

Staff Contact: Steven Hung, Sr. 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 one rebate check(s) awaiting W-9 form(s).
Accounting	Annual Audit	Audit complete for FY 2024-25
Accounting	Single Audit	Single Audit to begin in January on Federal Grant.
Accounting	RFP	Possible new custodian for long-term investments (if fees increase).
Finance	ERP Implementation Project	Have initiated an assessment of the current ERP data architecture and begun developing a comprehensive migration strategy with our partners.

Finance	Budget	Budget input sheets were provided to each cost center lead. Staff facilitated budget workshop to obtain feedback and address questions to promote consistency across cost centers.

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 50K inbound emails, 36% were rejected due to unsafe content. The District sent over 16K emails, and 14 email incidents required District IT assessment and mitigation.
Services	Boardroom A/V Project	MWDOC continues to press vendors to address audio and video synchronization issues when hosting Zoom meetings.
	Server Modernization	Migrated four physical servers to a cloud provider, which modernizes our environment, adds scalability, enhances disaster recovery, security, and reliability.
	Support Tickets	42 tickets created, 47 tickets resolved.
	Vulnerability Scanning	Weekly external vulnerability scans conducted by DHS-CISA have identified no exposures or weaknesses.
	Writing Assistant Tool	Tuning underway to match the District's brand, tone, and style. Educational videos shared with District.
Training	Cybersecurity	Systems Administrator attended two hours of password vault training and best security practices

Item No. 7

INFORMATION ITEM
December 10, 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

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 October.
- Estimated OC Water Usage, Monthly, Comparison to Previous Years - Water usage in October 2025 was below average compared to the last 5 years. Water usage for Fiscal Year (FY) 2025-26 is projected to be lower compared to FY 2024-25.
- Historical OC Water Consumption - Orange County Municipal and Industrial (M&I) water consumption is projected to be 513,000 AF for FY 2025-26 (this includes ~9,000 AF of agricultural usage and non-retail water agency usage). This is about 11,000 AF less than FY 2024-25 and is about 40,000 AF more than FY 2023-24. Water usage per person is projected to be 144 gallons per day in FY 2025-26 for Orange County (including recycled water). 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 use 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 annual OC water usage is 523,000 AF, a decline of 99,500 AF from FY 2013-14. In 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 water supply from the three watersheds, which are the principal sources of water for OC. Note that a hydrologic year (Water Year, WY) runs from October 1 to September 30.

  - Orange County's accumulated precipitation through early *December 2025 was well above average* for this period. Water year-to-date rainfall in Orange County is 5.94 inches, which is 347% of normal.

  - Northern California accumulated precipitation through early December was *106% of normal for this period*. Water Year 2025 was 113% of normal, while Water Year 2024 was 96% of normal. As of December 4, 2025, Northern California snowpack data was 12% of normal*. As of early December,* ***0.15%*** **of California is experiencing** ***moderate drought conditions***. **0% of California is experiencing** ***severe to exceptional drought conditions.*** The SWP Contractors Initial Table A Allocation was set at 10% for WY 2026.

  - Colorado River Basin accumulated precipitation through early December *was 99% of normal* for this period. The *Upper Colorado Basin snowpack data was 52% of normal as of December 3, 2025. Lake Mead and Lake Powell* combined have approximately *44% 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 "first level trigger" limit of 1,075 ft. since the start of Calendar Year (CY) 2022*. The U.S. Bureau of Reclamation (USBR) has declared a shortage at Lake Mead, impacting Colorado River water deliveries to the Lower Basin states. Lake Mead, as of early December, *was 15.76' BELOW the "first level 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 early December, *was* 14*.24' 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's current water levels as of December 1st stood at approximately 3,543.16 feet above sea level, 28.0% of full capacity. Year-to-date, inflows are just 50% of average. The USBR projects that Lake Powell may dip to near-deadpool 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

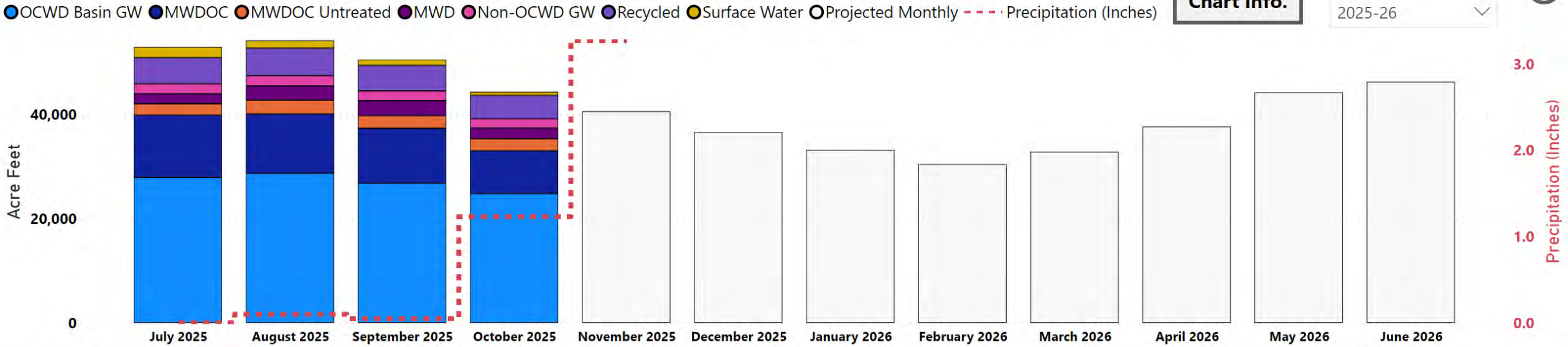


Fig. 2 OC Monthly Water Usage: Compared to Last 4 Fiscal Years

FY: Multiple selec...

Month: October

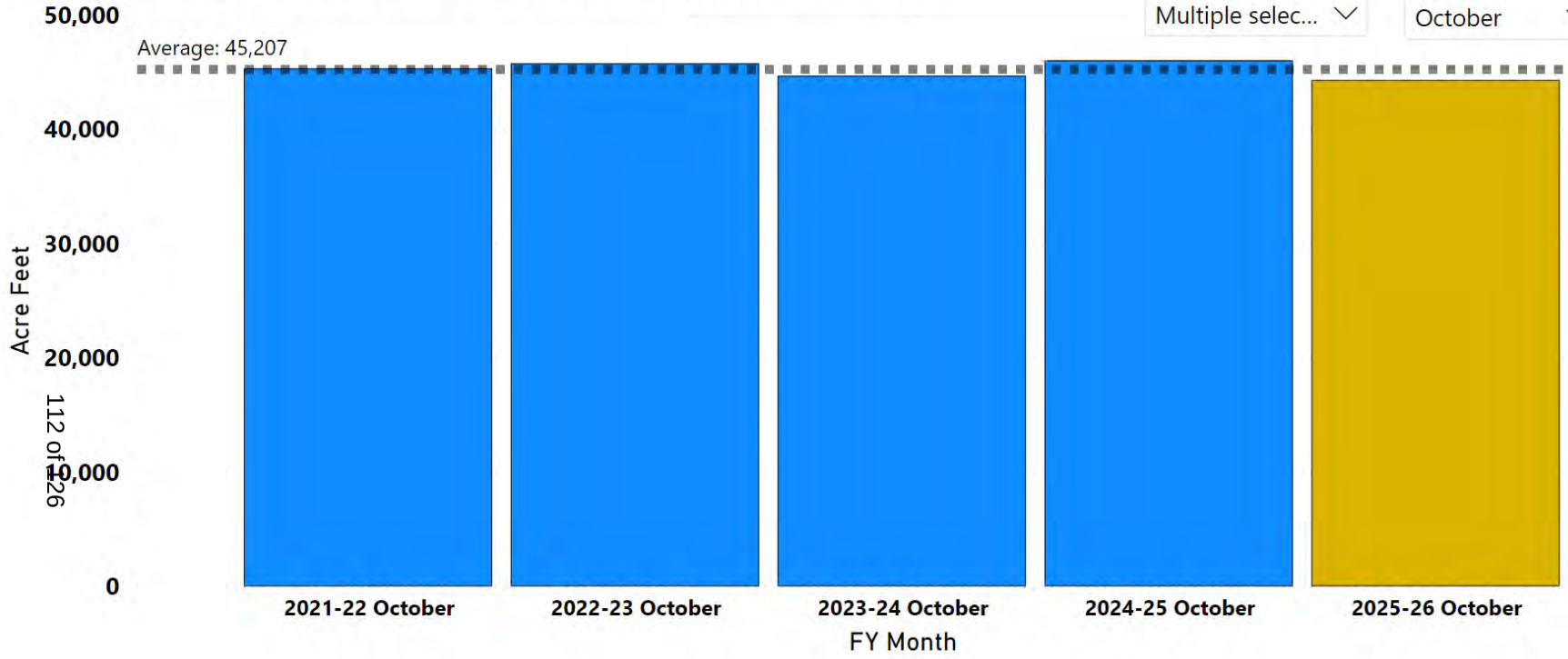


Fig. 2A Partial Year Subtotals

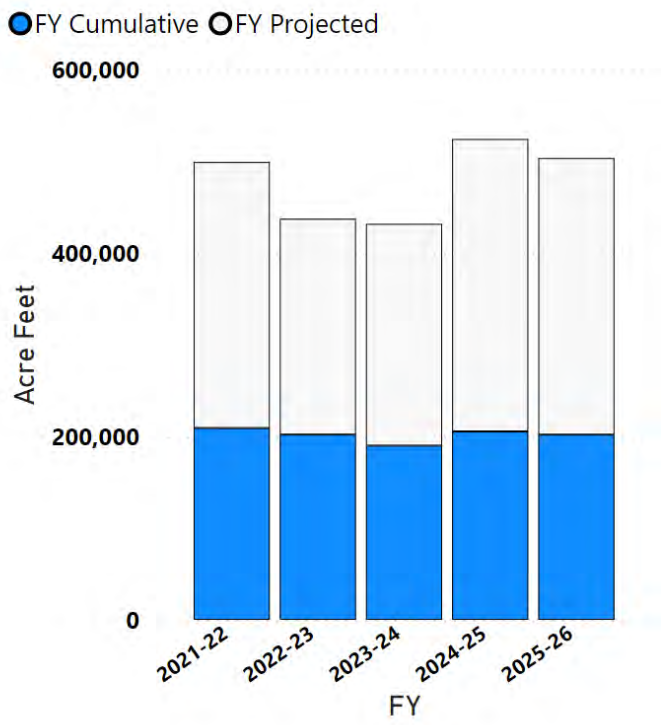
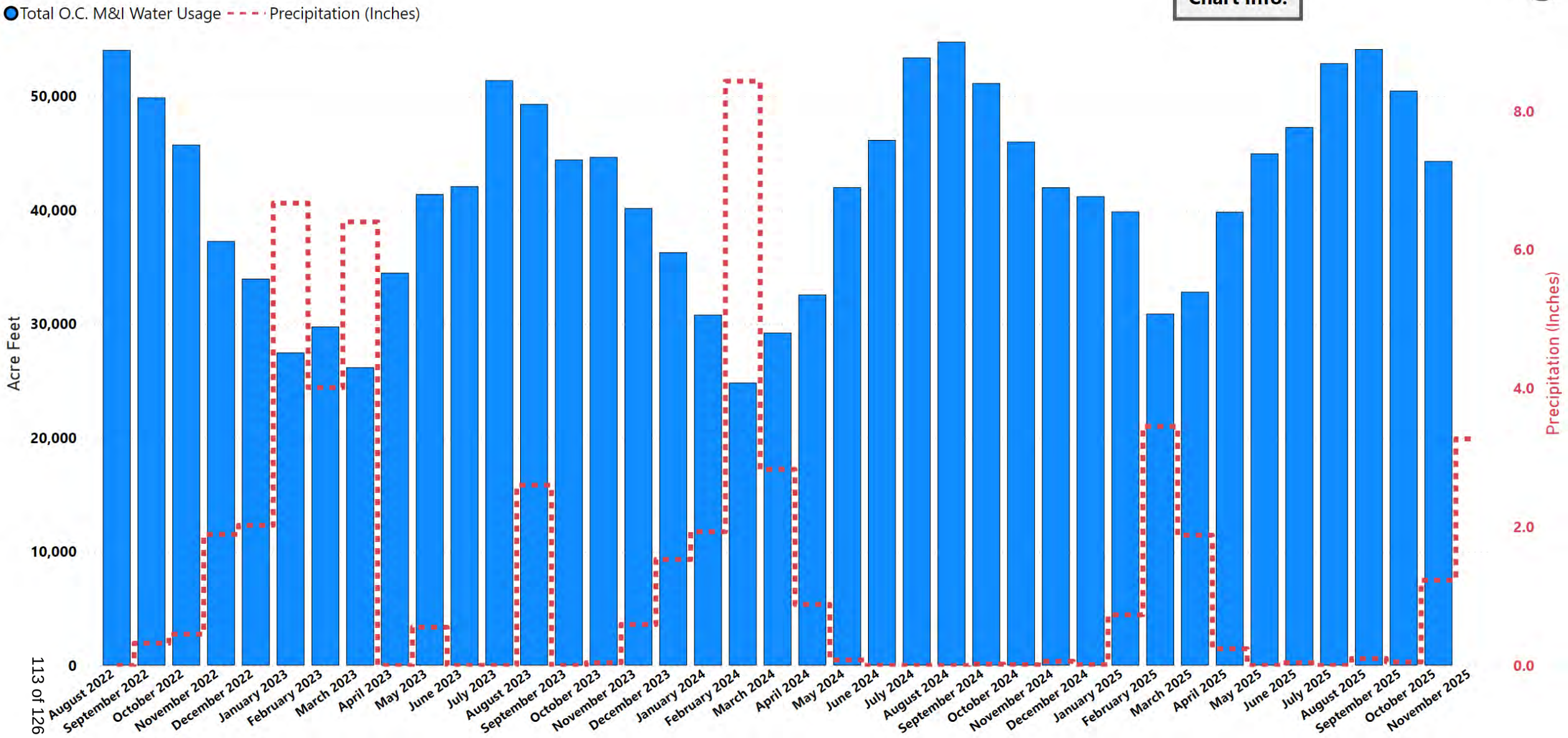


Fig. 3 OC Water Usage Last 3 Years

Chart Info.



8/1/2022 6/1/2026

Fig. 4 Orange County Cumulative Rainfall vs. Average

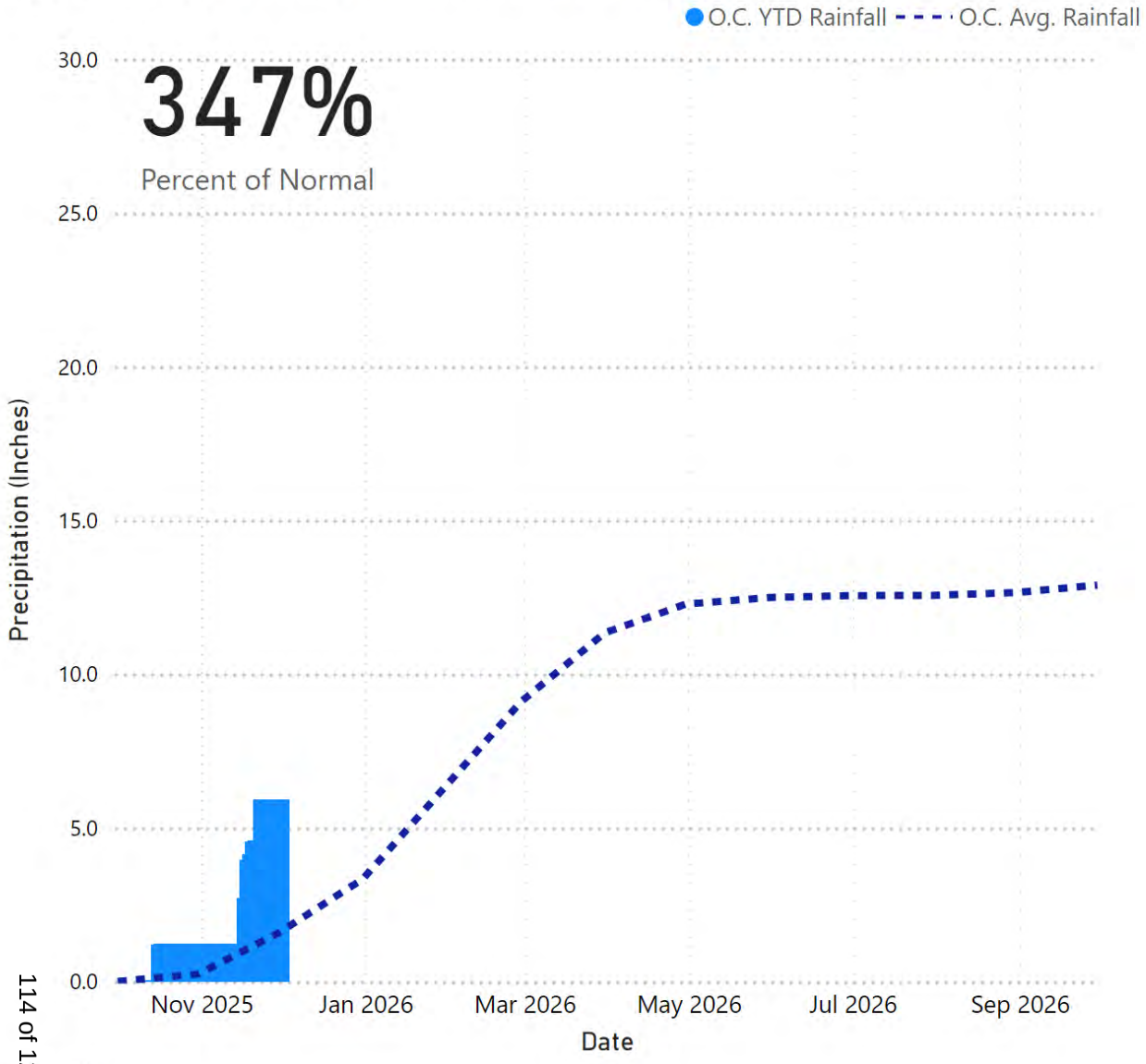
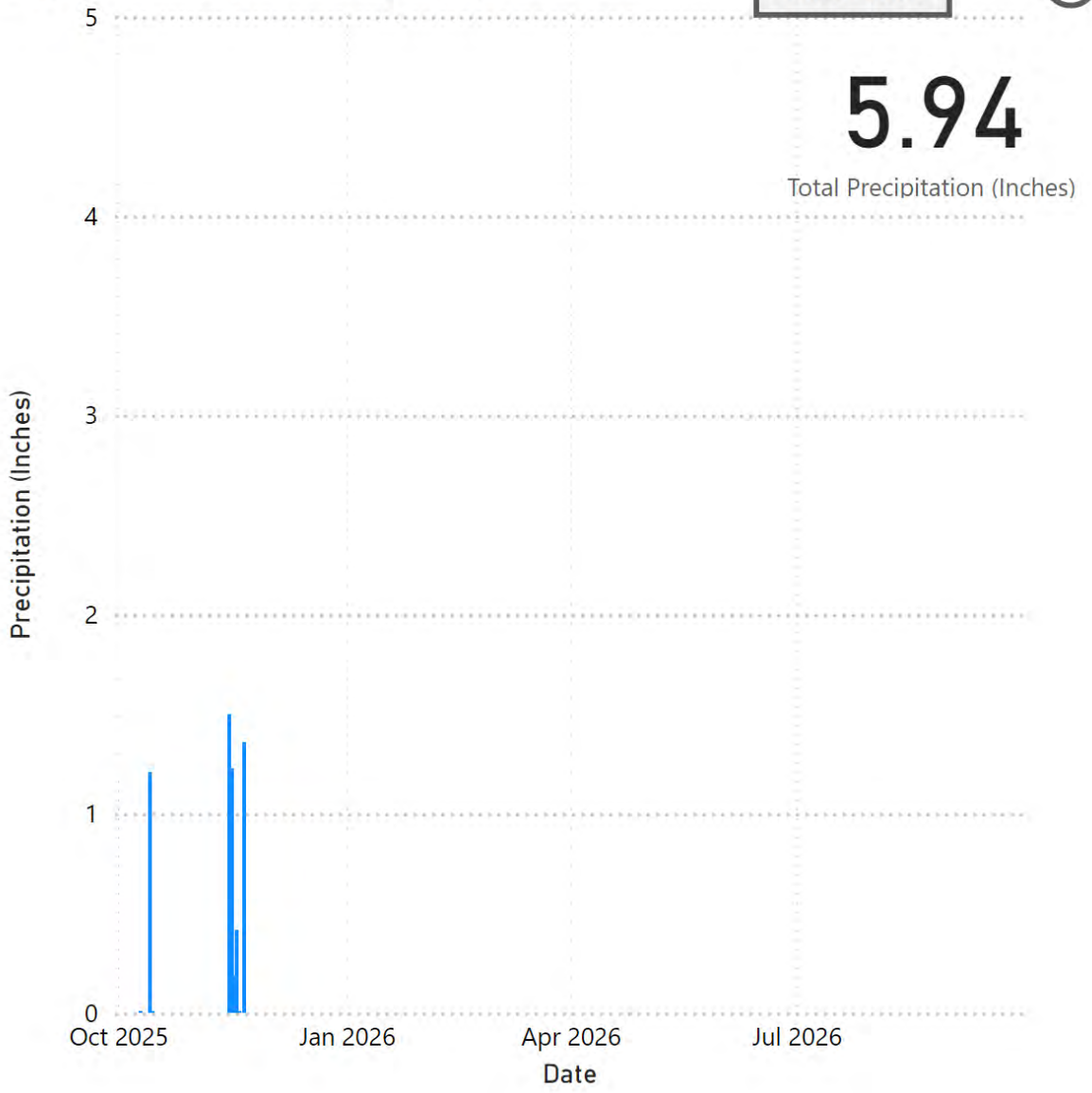


Fig. 4A Orange County Daily Rainfall

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

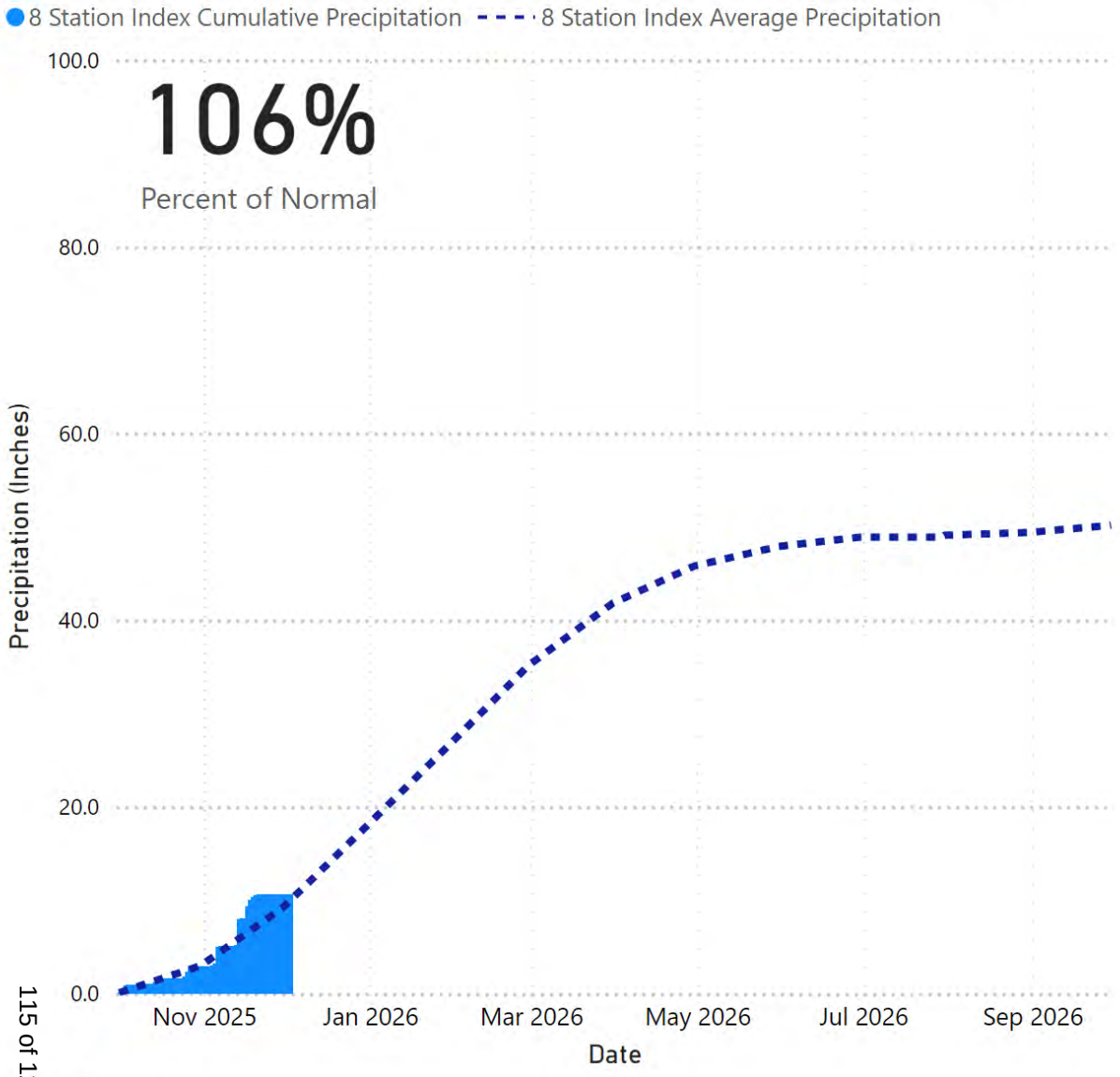
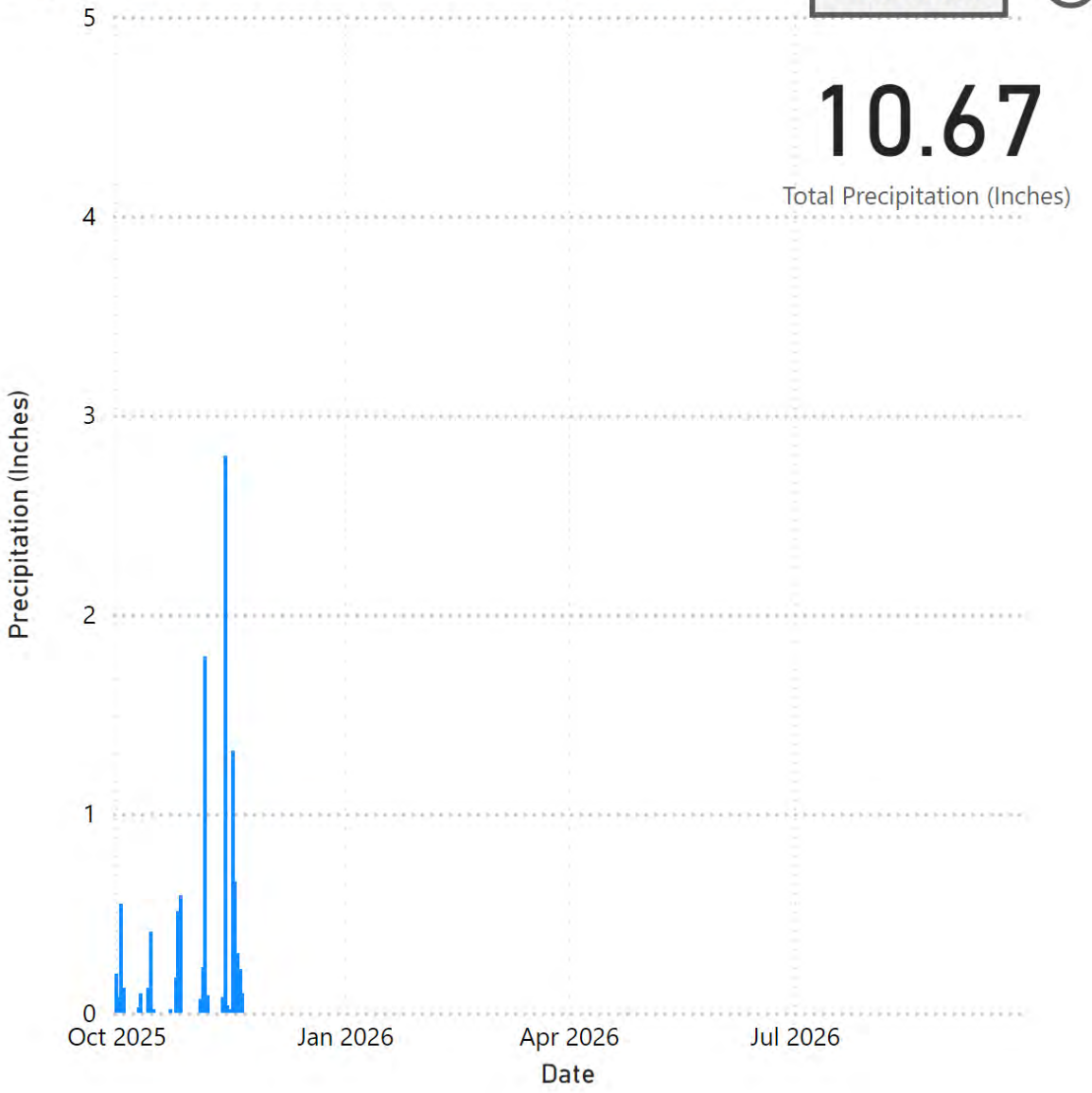


Fig. 5A The 8 Station Index Daily Rainfall

Chart Info.



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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

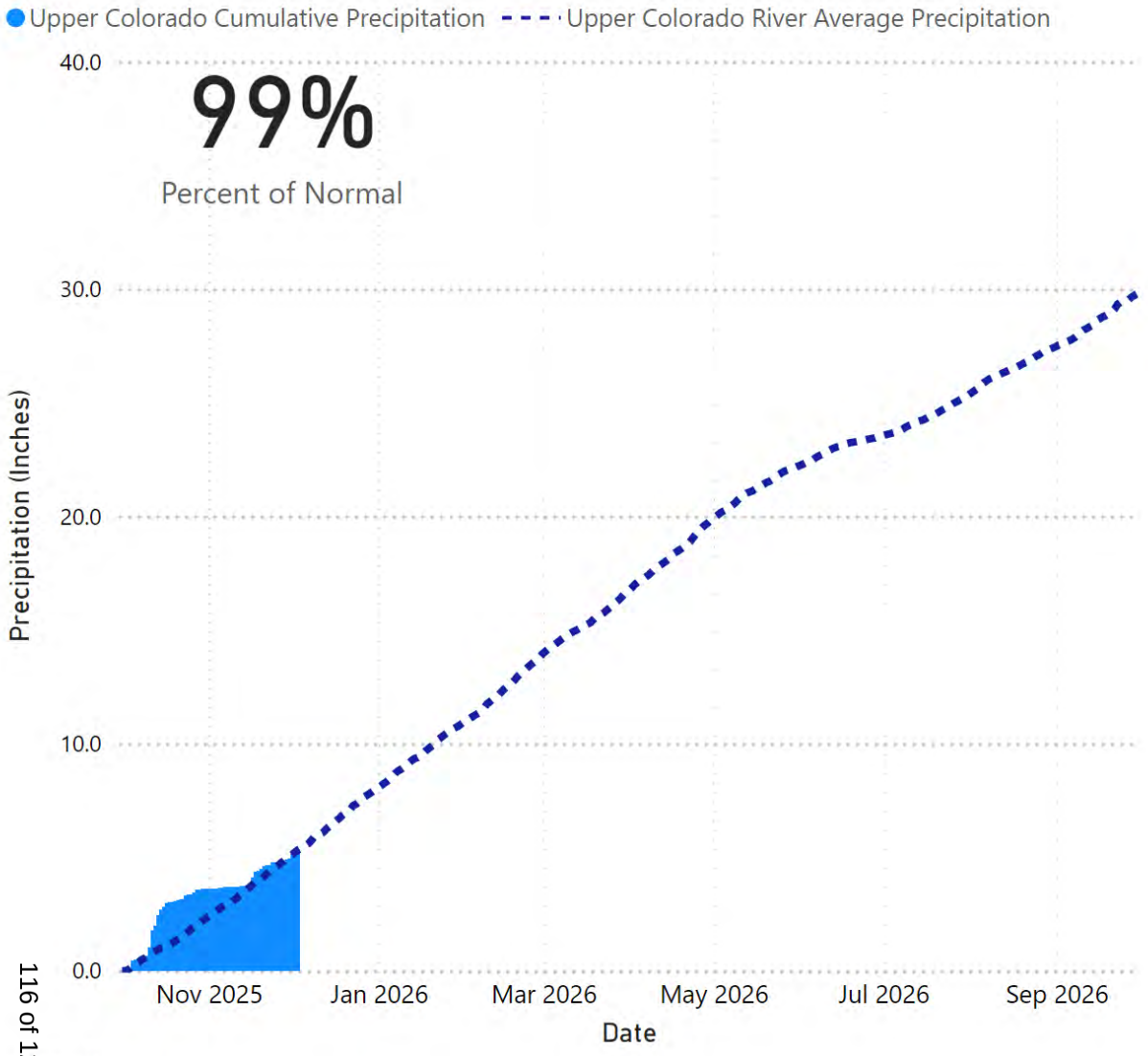

Fig. 6A Upper Colorado River Basin Daily Rainfall

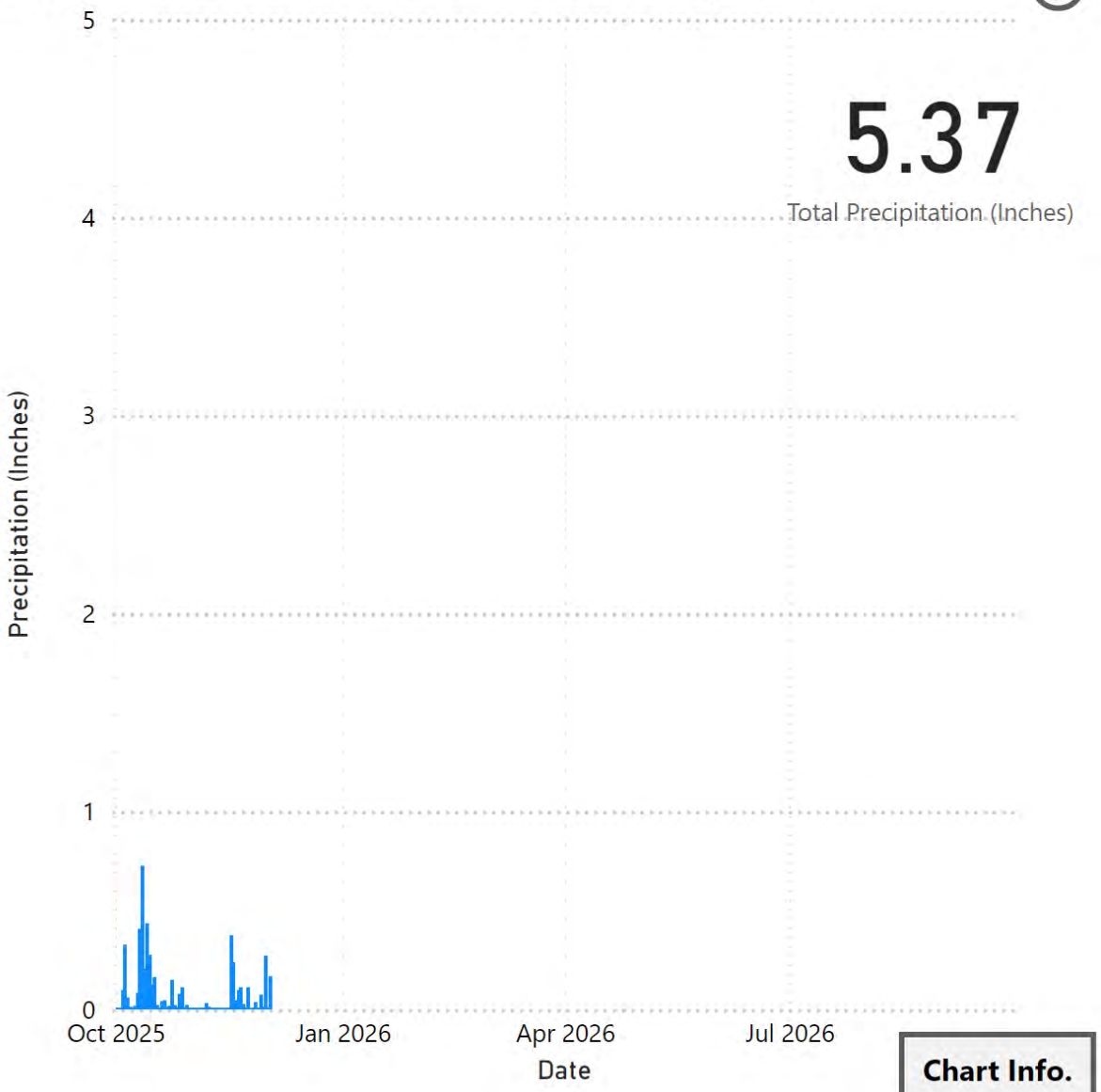

Chart Info.

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. 7 Lake Mathews Storage



Fig. 8 Diamond Valley Lake Storage



Fig. 9 Lake Oroville Storage vs. Historical Average

Chart Info.

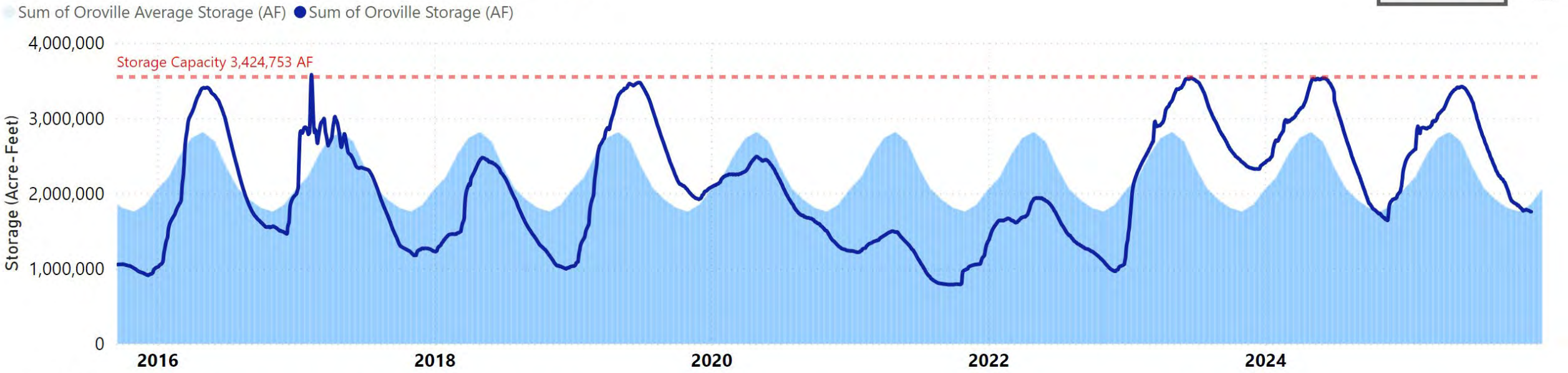

Fig. 10 San Luis Storage vs. Historical Average

Date

9/19/2015

12/31/2025

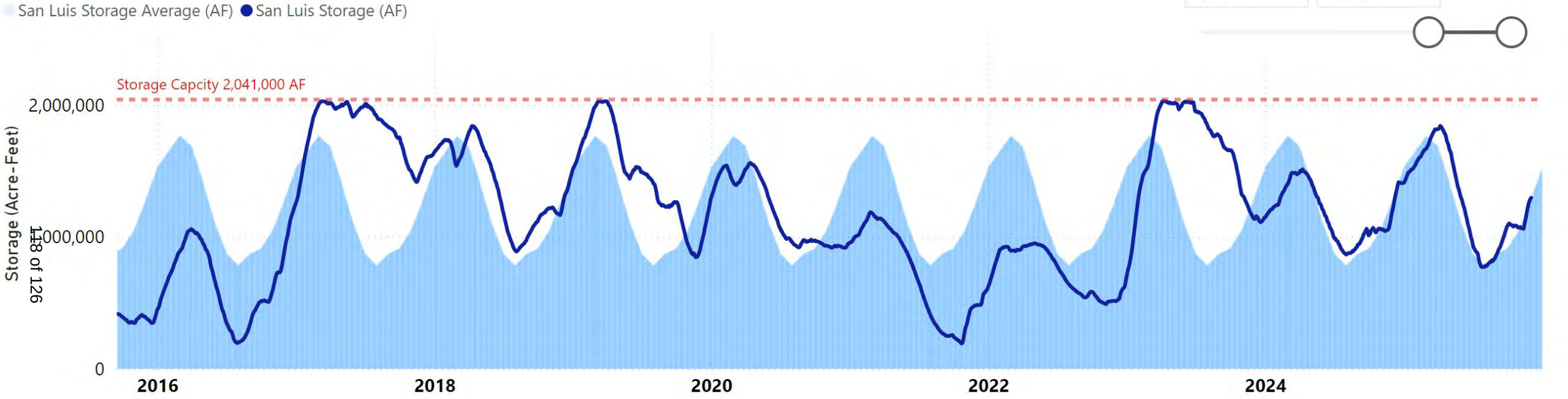

Fig. 11 Northern California SWE vs. Average

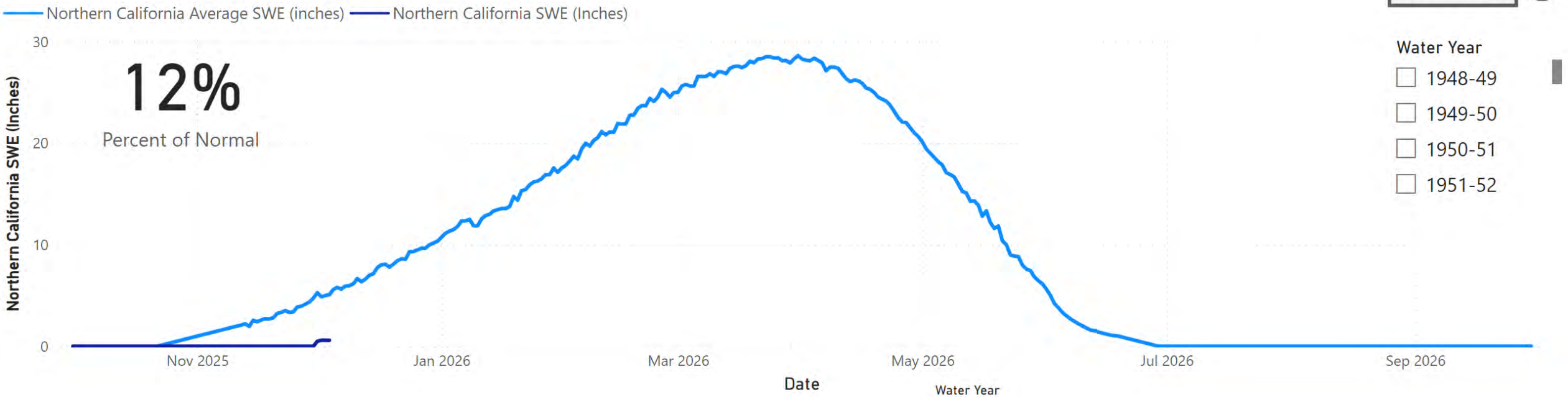

Fig. 11A Northern California SWE April 1st Peak (Inches) by Water Year

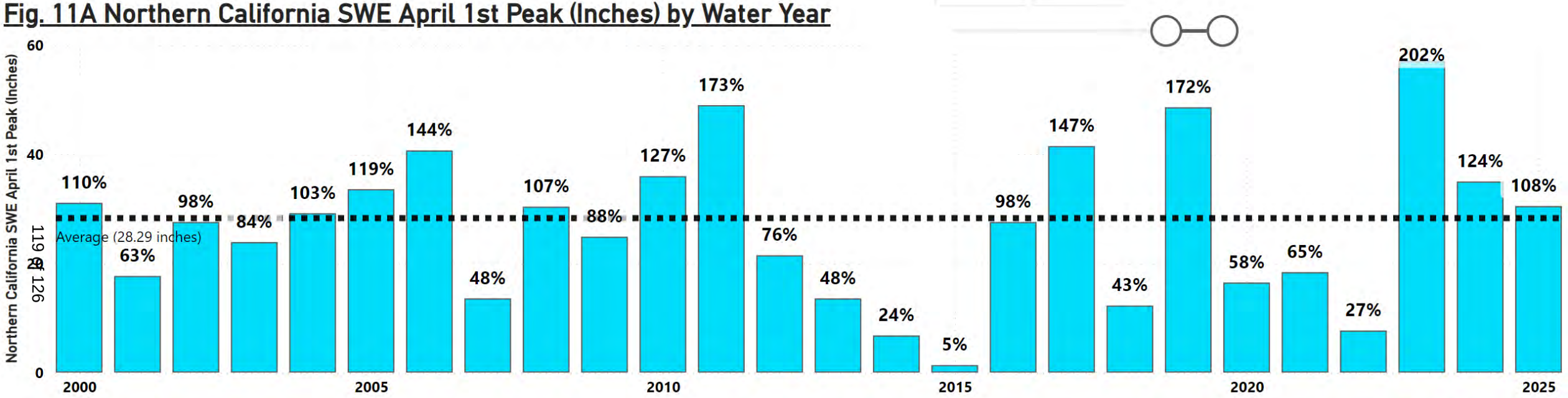

Fig. 12 Upper Colorado SWE vs. Average

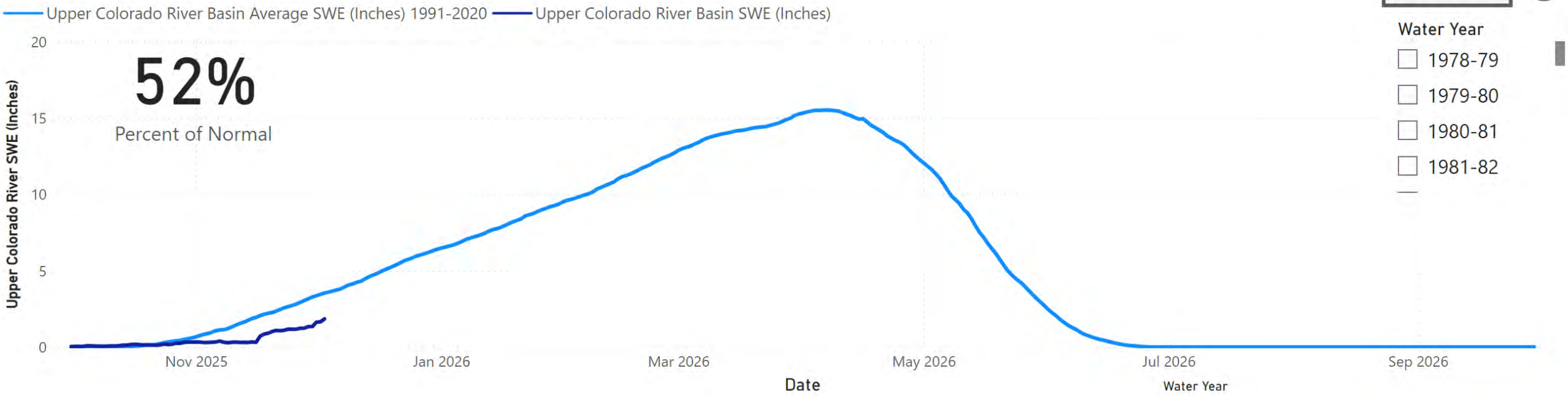

Fig. 12A Upper Colorado SWE April 15th Peak (Inches) by Water Year

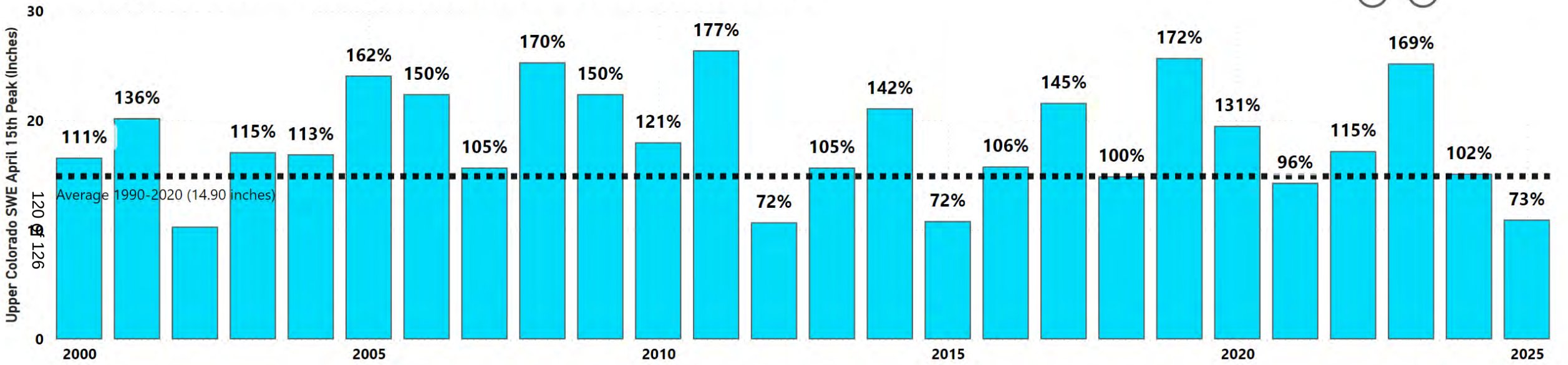

Fig. 13 SWP Table A Allocation Percentage

Chart Info.

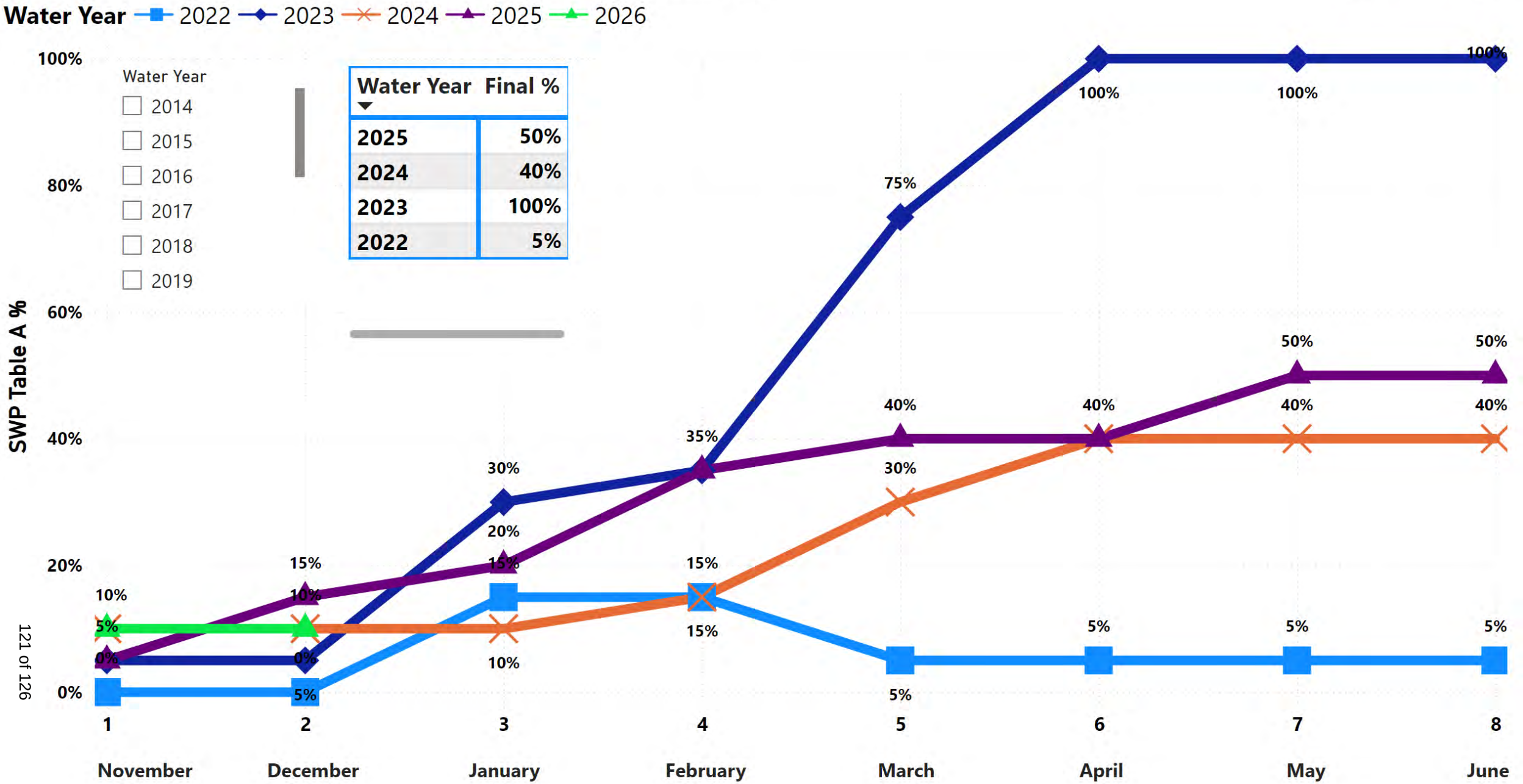

Fig. 14 Lake Mead Levels: Historical and Projected

Chart Info.

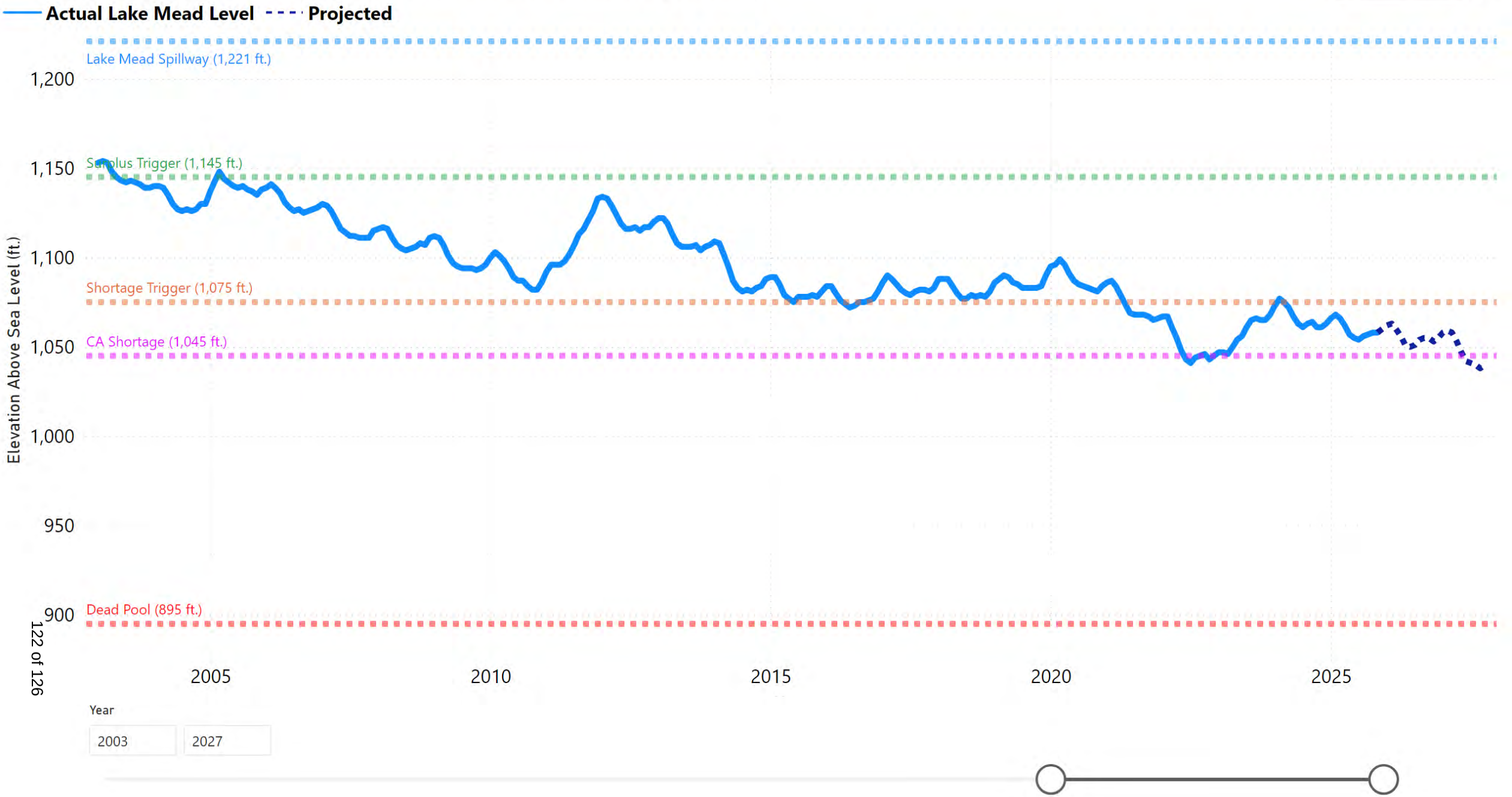

Fig. 15 Lake Powell Levels: Historical and Projected

Chart Info.

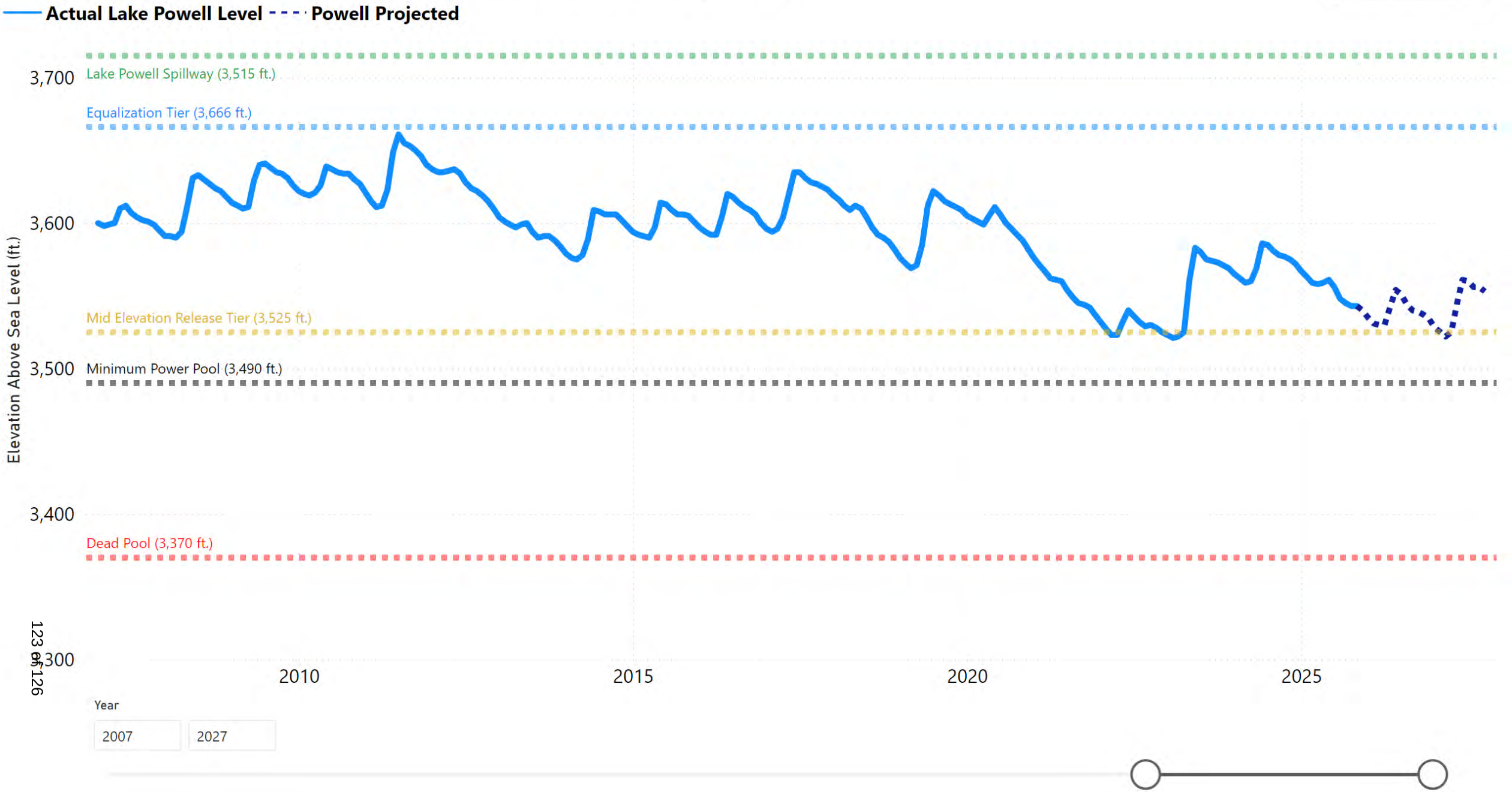

Fig. 16 Northern California SWE April 1st Peak (Inches) and Northern California Runoff (MAF) by Water Year

Chart Info.

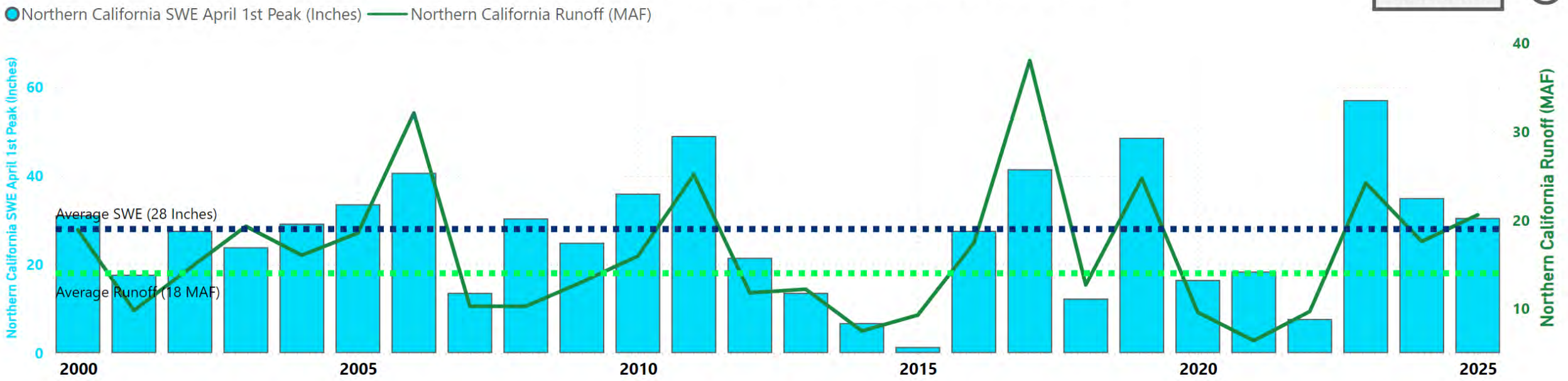

Fig. 17 Upper Colorado SWE April 15th Peak (Inches) and Actual Lake Powell Inflow (MAF) by Water Year

Water Year

2000 2025

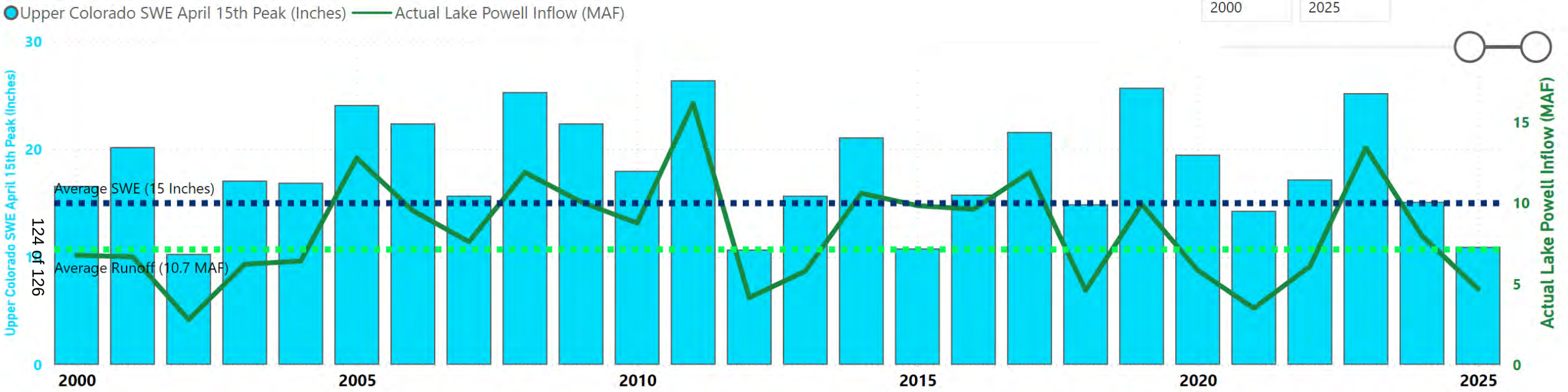

Fig. 18 Accumulated Overdraft of the OCWD Groundwater Basin

Chart Info.

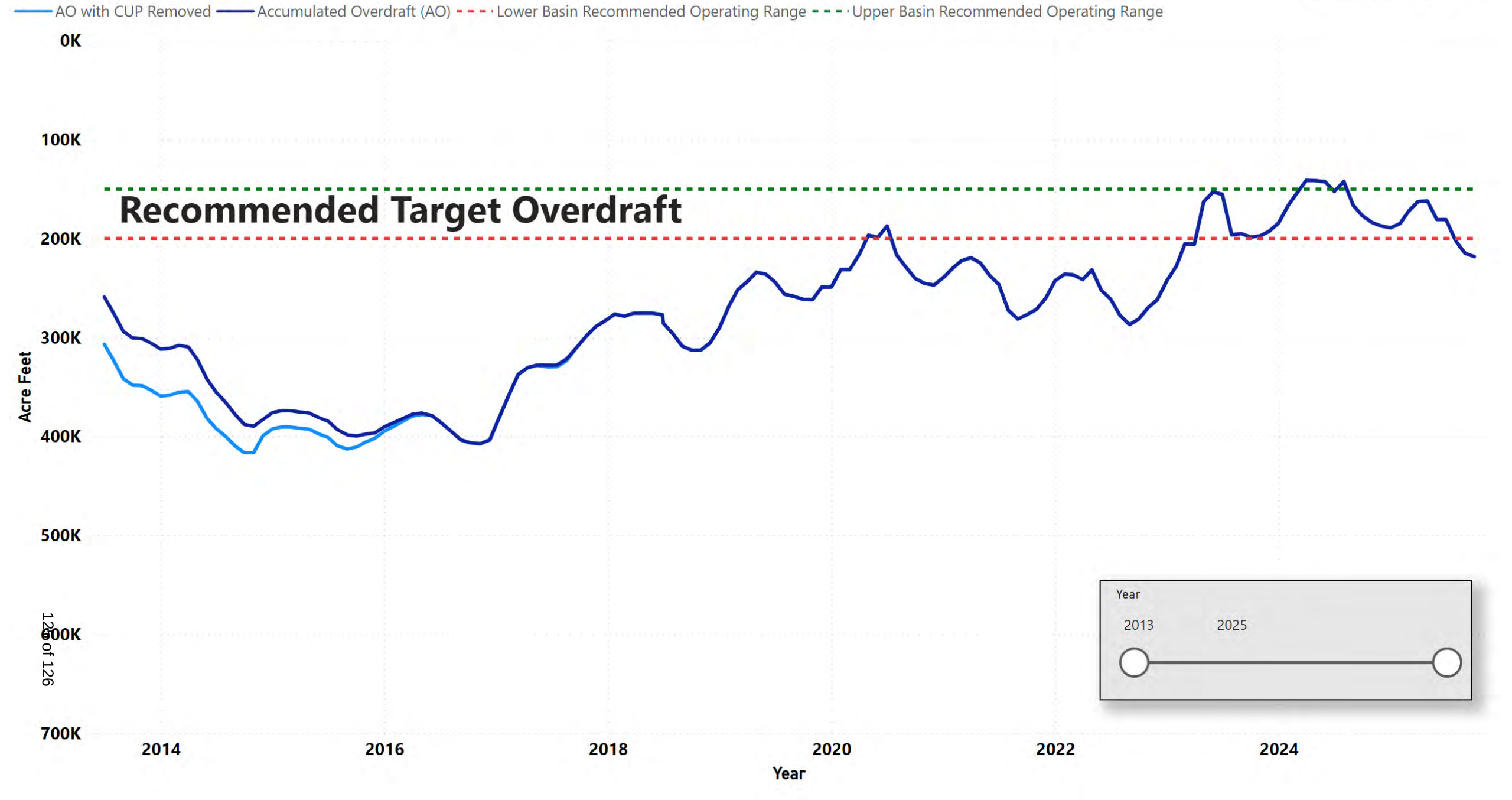

Fig. 19 MWD Historical Dry Year Storage

Chart Info.

