REGULAR MEETING OF THE BOARD OF DIRECTORS

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY 18700 Ward Street, Board Room, Fountain Valley, California November 20, 2019, 8:30 a.m.

AGENDA

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS/PARTICIPATION

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

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

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

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

EMPLOYEE RECOGNITION

NEXT RESOLUTION NO. 2090

CONSENT CALENDAR (Items 1 to 9)

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

1. MINUTES

- a. October 2, 2019 Workshop Board Meeting
- b. October 16, 2019 Regular Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

- a. Planning & Operations Committee Meeting: October 14, 2019
- b. Administration & Finance Committee Meeting: October 9, 2019
- c. Public Affairs & Legislation Committee Meeting: October 21, 2019

d. Executive Committee Meeting: October 17, 2019

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

- a. MWDOC Revenue/Cash Receipt Register as of October 31, 2019
- b. MWDOC Disbursement Registers (October/November)

Recommendation: Ratify and approve as presented.

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of September 30, 2019
- d. PARS Monthly Statement (OPEB Trust)
- e. Water Use Efficiency Projects Cash Flow

Recommendation: Receive and file as presented.

4. FINANCIAL REPORT

- a. Combined Financial Statements and Budget Comparative for the Period ending September 30, 2019
- b. Quarterly Budget Review
- c. FY 2018-19 Draft Audit Report

Recommendation: Receive and file as presented.

5. AUTHORIZATION TO CONTRACT WITH DISTRIBUTION SYSTEM FLUSHING COMPANIES

Recommendation: Authorize the General Manager to enter into five-year contracts

with Reliable Water Solutions, Inc., and ValveTek Utility

Services, Inc. to provide Distribution System Flushing Services to retail water agencies throughout Orange County as part of

MWDOC's Water Loss Control Shared Services.

6. REVISIONS TO DISTRICT ADMINISTRATIVE CODE SECTIONS 7109 & 7110

Recommendation: Approve the recommended changes to Administrative Code

Sections 7109 and 7110 as presented.

7. CALIFORNIA WATER, ENERGY, AND EDUCATION ALLIANCE (WEEA) SPONSORSHIP

Recommendation: Authorize sponsorship (membership) in WEEA in the amount of

\$2,500 (option 1).

8. TRAVEL TO WASHINGTON, DC TO COVER FEDERAL ADVOCACY ISSUES

Recommendation: Review the travel expenses and ratify as reported

9. TRAVEL TO SACRAMENTO TO COVER STATE ADVOCACY ISSUES

Recommendation: Review the travel expenses and ratify as reported

End Consent Calendar

ACTION ITEMS

10-1 CONSIDERATION OF AMENDMENTS TO GENERAL MANAGER CONTRACT

Recommendation: Discuss the General Manager's Employment Agreement and

take action as appropriate.

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

11. GENERAL MANAGER'S REPORT, NOVEMBER 2019 (ORAL AND WRITTEN)

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

12. MWDOC GENERAL INFORMATION ITEMS

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

Recommendation: Receive and file as presented.

CLOSED SESSIONS

13. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 13, 2010, et al., former Los Angeles Superior Court, Case No. BS 126888, transferred on October 21, 2010, to San Francisco Superior Court, Case No. CPF-10-510830. [On Remand from Court of Appeal Case No. A146901]

14. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 10, 2012 to be Effective January 1, 2013 and January 1, 2014; and Does 1-10, et al., former Los Angeles Superior Court, Case No. BS137830, transferred on August 23, 2012, to San

Francisco Superior Court, Case No. CPF-12-512466. [On Remand from Court of Appeal Case No. A148266]

15. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water of Southern California on April 8, 2014, et al., former Los Angeles Superior Court, Case No. BC547139, transferred on December 2, 2014, to San Francisco Superior Court, Case No. CPF-14-514004.

16. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 12, 2016, effective January 1, 2017 and January 1, 2018, et al., former Los Angeles Superior Court, Case No. No. BS161729, transferred to San Francisco Superior Court, Case CPF-16-515282.

17. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California in 2017 to be effective January 1, 2018, et al., Los Angeles Superior Court, Case No. BS 169881, transferred to San Francisco Superior Court Case CGC-17-563350.

18. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 10, 2018 to be effective January 1, 2019, and Jan. 1, 2020, et al., Los Angeles Superior Court, Case No. BS 173868, Transferred to San Francisco Superior Court, Case CPF-18-516389.

ADJOURNMENT

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

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

October 2, 2019

At 8:30 a.m., President Barbre called to order the Regular Meeting of the Municipal Water District of Orange County in the Board Room at the District facilities located in Fountain Valley. Director Joan Finnegan led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS STAFF

Brett R. Barbre*

Larry Dick*

Joan Finnegan

Bob McVicker

Sat Tamaribuchi

Jeffery M. Thomas

Megan Yoo Schneider

Robert Hunter, General Manager

Karl Seckel, Assistant General Manager

Joe Byrne, Legal Counsel

Maribeth Goldsby, Board Secretary

Harvey De La Torre, Associate General Manager

Melissa Baum-Haley, Prin. Water Res. Analyst

Kevin Hostert, Water Resources Analyst

Chris Lingad, Water Resources Analyst

Chris Lingad, Water Resources Analyst
Damon Micalizzi, Director of Public Affairs
Joe Berg, Director of Water Use Eff. Programs
Charles Busslinger, Principal Engineer

Charles Busslinger, Principal Engineer Sarah Wilson, Public Affairs Specialist

OTHER MWDOC MET DIRECTORS

Larry McKenney (absent) Linda Ackerman (absent)

OTHERS PRESENT

Mark Monin El Toro Water District

Mike Dunbar Emerald Bay Service District
Doug Reinhart Irvine Ranch Water District
Paul Weghorst Irvine Ranch Water District

Jim Atkinson Mesa Water

Don Froelich
Kelly Rowe
John Kennedy
Chuck Gibson
Fernando Paludi
Brooke Jones

Moulton Niguel Water District
Orange County Water District
Santa Margarita Water District
Trabuco Canyon Water District
Yorba Linda Water District

Ed Means Consulting

Liz Mendelson-Goossens San Diego County Water Authority

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

^{*}Also MWDOC MET Directors

Mr. John Monsen from the National Parks Conservation Association addressed the Board with respect to SB 307 and noting his opposition to the Cadiz Project; Mr. Monsen distributed a letter to the Board regarding a workshop on the hydrology of the Cadiz Project to be held October 10, 2019 at Three Valleys Municipal Water District.

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

No items were presented.

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

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

No items were presented.

PRESENTATION/DISCUSSION/INFORMATION ITEMS

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

Director Dick highlighted the State Water Project and its importance to Southern California (MET's best investment) as well as the importance of the Delta Conveyance Project. Discussion ensued regarding other projects that would enhance the region's water supply reliability (desalination, the Carson Project, etc.). Director Barbre referenced the coalition put together by MET regarding the Governor's vote of SB 1 and suggested a similar MET coalition be developed to help move the Delta Conveyance Project.

PRESENTATION REGARDING MET'S MID-CYCLE BIENNIAL BUDGET REVIEW

Associate General Manager Harvey De La Torre, reviewed the results of the first year of MET's two-year budget, as well as the outlook for the second year, and he highlighted various financial issues to be addressed in the next biennial budget and rate-setting cycle (which formally begins in February 2020). The information he presented included key budget assumptions, projected rate increases and financial metrics, capital expenditures (and projected expenditures), how to manage expenditures, unrestricted reserves, and issues for the next Biennial Budget (lower water sale projections, review of storage and supply programs, demand management and resource development, and revisions to MET's 10-year forecast).

Considerable discussion ensued regarding the PAYGO fund, bond debt, demand projections (over next 20 years), the importance of the IRP (and messaging the public), and MET's Demand Management Cost Study.

The Board received and filed the report as presented.

WATER SUPPLY AND STORAGE LEVELS

It was noted that the written report was included in the Board packet; the Board received and filed the report.

DELTA CONVEYANCE PROJECT ACTIVITIES UPDATE

Principal Water Resources Analyst Melissa Baum-Haley advised that public negotiations between the State Water Contractors (SWC) and the Department of Water Resources (DWR) began in July and should be completed sometime in the fall.

Discussion ensued regarding the lawsuits (which have all been dismissed) regarding twintunnel proposal, the role of the Federal government, and the need to focus on additional storage. Legal Counsel Byrne provided an overview of the negotiation process.

The Board received and filed the staff report.

MWD ITEMS CRITICAL TO ORANGE COUNTY

- a. MET's Water Supply Conditions
- b. MET's Finance and Rate Issues
- c. Colorado River Issues
- d. Bay Delta/State Water Project Issues
- e. MET's Ocean Desalination Policy and Potential Participation by MET in the Doheny Desalination Project
- f. Orange County Reliability Projects
- g. East Orange County Feeder No. 2
- h. South County Projects

The Board received and filed the report as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary regarding September MET Board Meetings
- b. Review items of significance for the upcoming MET Board and Committee Agendas

The information was received and filed.

President Barbre advised that the Public Affairs Department received numerous awards at a recent conference and asked that the Department be honored at the next Board meeting.

President Barbre also announced that prior Director Wayne Osborne had recently passed away and that a memorial service would be held in early November.

ADJOURNMENT

There being no further business, the meeting adjourned at 9:45 a.m., in memory of Wayne Osborne.

Minutes	October 2, 2019

Maribeth Goldsby Board Secretary

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS MUNICIPAL WATER DISTRICT OF ORANGE COUNTY October 16, 2019

At 8:30 a.m., President Barbre called to order the Regular Meeting of the Municipal Water District of Orange County in the Board Room at the District facilities located in Fountain Valley. Director Finnegan led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre Larry Dick (absent) Joan Finnegan Bob McVicker Sat Tamaribuchi Jeffery M. Thomas Megan Yoo Schneider

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Alisha Winterswyk, Legal Counsel
Maribeth Goldsby, Board Secretary
Cathy Harris, Admin. Services Manager
Damon Micalizzi, Director of Public Affairs
Harvey De La Torre, Associate General Manager
Melissa Baum-Haley, Prin. Water Resources Analyst
Heather Baez, Government Affairs Manager
Tiffany Baca, Public Affairs Manager

Tiffany Baca, Public Affairs Manager Joe Berg, Director of Water Use Efficiency Sarah Wilson, Public Affairs Specialist Bryce Roberto, Public Affairs Coordinator Charles Busslinger, Principal Engineer

ALSO PRESENT

Linda Ackerman MWDOC/MET Director
Peer Swan Irvine Ranch Water District

Jim Atkinson Mesa Water

Kelly Rowe Orange County Water District
Dennis Erdman South Coast Water District
Al Nederhood Yorba Linda Water District

Chris Palmer California Special Districts Association

PUBLIC PARTICIPATION/PUBLIC COMMENT

President Barbre announced members of the public wishing to comment on agenda items could do so after the item has been discussed by the Board and requested members of the public identify themselves when called on. Mr. Barbre asked whether there were any comments on other items which would be heard at this time.

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were received.

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

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

No items were distributed.

PRESENTATION BY CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)

Mr. Chris Palmer (CSDA's Public Affairs Field Coordinator) presented the Board with the CSDA Special District Leadership Foundation's District Transparency Certificate of Excellence Award, as well as the District of Distinction Award.

RECOGNITION OF THE PUBLIC AFFAIRS DEPARTMENT

General Manager Hunter announced that the District received six awards at the recent OCPRSA conference. He recognized the Public Affairs Department for their hard work, and on qualifying and receiving these awards on behalf of the District.

CONSENT CALENDAR

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

Upon MOTION by Director Thomas, seconded by Finnegan, and carried (6-0), the Board approved the Consent Calendar items as follows. Directors Barbre, Finnegan, McVicker, Yoo Schneider, Tamaribuchi, and Thomas and voted in favor; Director Dick was absent.

MINUTES

The following minutes were approved.

September 4, 2019 Workshop Board Meeting September 18, 2019 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: September 3, 2019 Administration & Finance Committee Meeting: September 11, 2019 Public Affairs & Legislation Committee Meeting: September 16, 2019 Executive Committee Meeting: September 19, 2019

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of September 30, 2019 MWDOC Disbursement Registers (September/October)

The following items were received and filed as presented.

MWDOC Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of August 31, 2019

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following items were received and filed as presented.

Unaudited Draft Combined Financial Statements and Budget Comparative for the period ending August 31, 2019

AUTHORIZE NEW CREDIT FOR US BANK VOYAGER FLEET FUEL CARDS

The Board authorized staff to secure a US Bank Voyager Fleet fuel credit card account for the Shared Services Water Loss Control program with a credit limit of \$5,000, and authorized the amendment to Administrative Code Section 2205 (MWDOC Credit Card Advance of Funds) to reflect that future credit card applications and credit card limit authorizations shall be within the authority of the General Manager (rather than Board).

ELECTRICAL SYSTEM REHABILITATION PROJECT – AVRAM CONTRACT – CHANGE ORDERS 4 & 5

The Board approved two change orders to the Avram contract for the Electrical System Rehabilitation Project which are outside of the original scope of work in the amount of \$11,760.00.

AUTHORIZE ATTENDANCE AT THE PUBLIC POLICY INSTITUTE'S "PREPARING CALIFORNIA'S WATER SYSTEM FOR CLIMATE EXTREMES" SYMPOSIUM, NOVEMBER 5, 2019, SACRAMENTO

The Board authorized attendance at the "Preparing California's Water System for Climate Extremes" symposium on November 5, 2019 in Sacramento.

HEALTH SAVINGS ACCOUNT ELECTIONS FOR 2020

The Board approved the annual 2020 Health Savings Account (HSA) contributions to the Consumer Driven Health Plans (CDHP) in accordance with JPIA recommendations, as presented (Option 1).

- END CONSENT CALENDAR -

ACTION CALENDAR

ADOPT RESOLUTION APPROVING AMENDED MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN MWDOC AND THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA) RE THE HEALTH BENEFITS PROGRAM

Upon MOTION by Director Thomas, seconded by Director Yoo Schneider, and carried (6-0), the Board adopted RESOLUTION NO. 2089 approving the amendments to the MOU as presented, and authorized the General Manager to execute the MOU, Option 1. Said RESOLUTION NO. 2089 was adopted by the following roll call vote:

AYES: Directors Barbre, Finnegan, McVicker, Yoo Schneider, Tamaribuchi &

Thomas

NOES: None

ABSENT: Director Dick

ABSTAIN: None

APPROVAL OF REVISED PERSONNEL MANUAL

President Barbre advised that the revised Personnel Manual was before the Board for consideration, without the inclusion of the Civility Policy which would be discussed again by the Administration & Finance Committee in November.

Director Yoo Schneider commented that her support for the proposed policy does not deemphasize the importance of adding a Civility Policy to the Manual. She noted the importance of providing resources to staff.

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (6-0), the Board approved the revisions and additions to the Personnel Manual (Civility Policy removed), as presented, to be effective October 16, 2019. Directors Barbre, Finnegan, McVicker, Yoo Schneider, Tamaribuchi, and Thomas and voted in favor; Director Dick was absent.

AUTHORIZATION TO VOTE ON BEHALF OF MWDOC IN ACWA'S ELECTION OF PRESIDENT, VICE PRESIDENT

President Barbre advised that he would not be attending the ACWA Conference in December, therefore, would not be able to cast the District's ballot. He recommended Director Thomas as primary for voting, and Director Yoo Schneider as alternate.

Upon MOTION by Director Finnegan, seconded by Director Tamaribuchi, and carried (6-0), the Board authorized Director Thomas (as primary), or alternate Director Yoo Schneider, to cast the District's ballot for the ACWA President and Vice President at ACWA's Fall Conference on December 4, 2019. Directors Barbre, Finnegan, McVicker, Yoo Schneider, Tamaribuchi, and Thomas and voted in favor; Director Dick was absent.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, SEPTEMBER 2019

General Manager Hunter advised that the General Manager's report was included in the Board packet.

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS

a. BOARD OF DIRECTORS

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

Director Yoo Schneider advised that she attended the Planning & Operations, Administration & Finance, Public Affairs & Legislation and Executive Committee meetings, as well as the Workshop and Regular Board meetings, the WEFTEC conference, the Delta Stewardship Council meeting, a meeting with the Sweetwater Authority General Manager, the OC Water Summit planning meeting, a meeting with Assemblymember Petrie-Norris, a meeting with Santa Margarita Water District, the Santa Ana College MESA/STEM Panel, and a site visit to Big Canyon Reservoir. Director Yoo Schneider advised that she would be attending the OCWA luncheon later in the day.

Director Thomas noted his attendance at the Planning & Operations, Administration & Finance, Public Affairs & Legislation and Executive Committee meetings, as well as the Workshop and Regular Board meetings, as well as the OC Water Summit planning meeting, and a meeting with South County agencies.

Director McVicker advised that he attended the Planning & Operations, Administration & Finance, Public Affairs & Legislation and Executive Committee meetings, as well as the Workshop and Regular Board meetings, a meeting with representatives from the Garden Grove Utilities Department, the WACO meeting, the CSDA Governance Workshop, the ACWA Region 9 program (and tour), and the MET Committee meetings (via web).

Director Tamaribuchi reported on attending the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), as well as a meeting with representatives from the Newport Beach Utilities Department, the IRWD Water Resources Committee, and the WACO meeting.

Director Finnegan noted her attendance at the Planning & Operations, Administration & Finance, and Public Affairs & Legislation Committee meetings, as well as the Workshop Board meeting, the ISDOC Executive Committee meeting. She announced that the ISDOC luncheon would be

held October 24, 2019, and that Director Wayne Osborne's memorial service would be on November 1, 2019 at 3:00 pm at the Greenbrook Clubhouse in Fountain Valley.

Director Barbre advised that he submitted a written report to Secretary Goldsby. He noted that the written report included the following meetings in his capacity as MET Director: a meeting with Brad Hiltscher, the ACCOC Water Committee meeting, a Colorado River inspection trip, the MWDOC MET Director Caucus (early), OC/Inland Empire MET Caucus meeting, the OCBC Infrastructure Committee meeting, the MET Committee day (early), and the MET Board meeting. In his capacity as MWDOC Director he attended the following meetings: the Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop Board meeting, the Bond Buyer Conference, the YLWD/MWDOC/OCWD Joint meeting, the OC Water Summit planning meeting, and the WACO meeting.

b. REQUESTS FOR FUTURE AGENDA TOPICS

No topics were requested.

ADJOURNMENT

There being no further business to come before the Board, President Barbre adjourned t	the
meeting at 8:52 a.m., in memory of Director Wayne S. Osborne.	

Respectfully Submitted,	
Maribeth Goldsby, Secretary	

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Jointly with the

PLANNING & OPERATIONS

October 14, 2019 – 8:33 a.m. to 9:11 a.m. Conference Room 101

P&O Committee:

Director Megan Yoo Schneider (arr 8:33) Director Sat Tamaribuchi Director Larry Dick (absent)

Staff:

Karl Seckel, Joe Berg, Melissa Baum-Haley, Harvey De La Torre, Katie Davanaugh, Daniel Harrison, Charles Busslinger

Also Present:

Director Joan Finnegan
Director Jeff Thomas
Director Bob McVicker
Director Brett Barbre

Adam Hutchinson, Orange County Water Dist.

Director Tamaribuchi called the meeting to order at 8:30 a.m., noting that Director Yoo Schneider was running a few minutes late and Director Dick was on vacation. Directors Finnegan and Barbre sat on the Committee.

PUBLIC COMMENTS

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were received.

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

No items were distributed.

Director Yoo Schneider arrived at 8:35 a.m. and chaired the meeting, with Director Tamaribuchi and Director Barbre as committee members.

INFORMATION ITEMS

WATER CONSERVATION STANDARS IMPLEMENTATION UPDATE

Mr. Berg provided a review of the staff report, highlighting SB 606 and AB 1668 which are designed to implement components of Governor Brown's Executive Order B-37-16 relating to long-term water conservation improvements. The staff report included highlights of the goals of the bill, as well as conservations efforts covered, noting that the recommendations

of the Order were outlined in a report entitled *Making Water Conservation a California Way* of *Life*, *Implementing Executive order B-37-16*. Staff have been appointed to participate in various workgroups to review a host of topics including wholesale water loss, water use studies, annual water supply and demand assessments, data streaming, landscape area measurement, and others. A graph listing actions and reporting requirements of the bills was also included in the staff report.

UPDATE ON AMERICAS WATER INFRASTRUCTURE ACT (AWIA) CONTRACT WITH HERNDON SOLUTIONS GROUP

Mr. Seckel reviewed the America's Water Infrastructure Action of 2018 (AWIA) and MWDOC's efforts with Herndon Solutions Group, in collaboration with MWDOC member agencies, to meet the requirements of this federal law. The staff report included a listing of those member agencies who are participating.

UPDATE ON STATUS OF ORANGE COUNTY AGENCIES ABILITY TO WITHSTAND A 7-DAY SHUTDOWN OF THE DIEMER PLANT IN MARCH 2020

Mr. Seckel reviewed the staff report, noting the concern with PFAS levels and the potential impact they may have on the March 2020 shutdown. A Metropolitan Water District shutdown briefing presentation was included in the staff report.

SECOND LOWER CROSS FEEDER

No comments were received.

STATUS REPORTS

- a. Ongoing MWDOC Reliability and Engineering/Planning Projects
- b. WEROC
- c. Water Use Efficiency Projects
- d. Water Use Efficiency Programs Savings and Implementation Report

All of the informational staff reports were received and filed.

REVIEW OF ISSUES RELATED TO CONSTRUCTION PROGRAMS, WATER USE EFFICIENCY, FACILITY AND EQUIPMENT MAINTENANCE, WATER STORAGE, WATER QUALITY, CONJUNCTIVE USE PROGRAMS, EDUCATION, DISTRICT FACILITIES, AND MEMBER-AGENCY RELATIONS

No information was presented.

ADJOURNMENT

There being no further business before the Committee, the meeting adjourned at 9:11 a.m.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Jointly with the

ADMINISTRATION & FINANCE COMMITTEE

October 9, 2019 – 8:30 a.m. to 9:53 a.m. Conference Room 101

A&F Committee:

Director Jeff Thomas Director Joan Finnegan Director Bob McVicker

Staff:

Rob Hunter, Karl Seckel, Joe Berg, Katie Davanaugh, Harvey DeLaTorre, Hilary Chumpitazi, Cathy Harris,

Maribeth Goldsby, Melissa Baum-Haley, Damon Micalizzi, Charles Busslinger,

Bryce Roberto

Also Present:

Director Sat Tamaribuchi Director Brett Barbre Director Larry Dick

Director Megan Yoo Schneider

MWDOC MET Director Linda Ackerman Joe Byrne, District legal counsel (BBK) Mark Monin, El Toro Water District

Marwan Khalifa, Mesa Water

Peer Swan, Irvine Ranch Water District Jose Vergara, El Toro Water District

Jim Atkinson, Mesa Water

Neely Shahbakhti, El Toro Water District

Director Thomas called the meeting to order at 8:30 a.m.

PUBLIC COMMENTS

Mark Monin noted a date conflict on December 4th for the MWDOC Board Workshop meeting due to the ACWA conference. It was noted that this would be reviewed at the next MWDOC Executive Committee meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were distributed.

PROPOSED BOARD CONSENT CALENDAR ITEMS

TREASURER'S REPORT

a. Revenue/Cash Receipt Report – September 2019

- b. Disbursement Approval Report for the month of October2019
- c. Disbursement Ratification Report for the month of September 2019
- d. GM Approved Disbursement Report for the month of September 2019
- e. Water Use Efficiency Projects Cash Flow September 30, 2019
- f. Consolidated Summary of Cash and Investment August 2019
- g. OPEB and Pension Trust Fund monthly statement

FINANCIAL REPORT

a. Combined Financial Statements and Budget Comparative for the Period ending August 31, 2019

Following review of the Consent Calendar items which included the Treasurer's Report and Financial Report, upon MOTION by Director McVicker, seconded by Director Finnegan and carried (3-0), the Committee recommended the Treasurer's Report and Financial Report for approval at the October 16, 2019 Board meeting. Directors Finnegan, Thomas and McVicker voted in favor.

ACTION ITEMS

HEALTH SAVINGS ACCOUNT ELECTIONS FOR 2020

Mrs. Harris noted that the recommended District contributions to the Health Savings Accounts (related to the Consumer Driven Health Plan) for 2020 are not anticipated to exceed the contributions for 2019. The staff report outlined the proposed contribution amounts. Staff is waiting for additional information from JPIA for the final recommended amounts.

Upon MOTION by Director Thomas, seconded by Director Finnegan and carried (3-0), the Committee recommended the Health Savings Account Elections for 2020 for approval at the October 16, 2019 Board meeting. Directors Finnegan, Thomas and McVicker voted in favor.

SDRMA RESOLUTION

Mrs. Harris noted that this item was presented as a housekeeping item only, updating the MOU with SDRMA as the District currently has dental benefits through SDRMA.

Upon MOTION by Director Thomas, seconded by Director Finnegan and carried (3-0), the Committee recommended the SDRMA Resolution for approval at the October 16, 2019 Board meeting. Directors Finnegan, Thomas and McVicker voted in favor.

APPROVE FUEL CARD FOR SHARED SERVICES

Upon MOTION by Director Finnegan, seconded by Director McVicker and carried (3-0), the Committee recommended approval of the Fuel Card for Shared Services at the October 16, 2019 Board meeting. It was noted that this item is under the General Manager's authority and will not require Board approval in the future. Directors Finnegan, Thomas and McVicker voted in favor.

APPROVAL OF REVISED PERSONNEL MANUAL

It was noted that the Committee has had considerable discussion on the civility policy over the past several months. Discussion continued and the Committee inquired which MWDOC member agencies currently have such a policy. It was noted that the Cities of Seal Beach and Laguna Beach do have such policies. Staff was directed to poll member agencies.

Director Yoo Schneider expressed support for the policy and noted that she recently attended a hostile workplace and harassment prevention training at Chapman University and found the training valuable and shared some of the content of that training. Director McVicker also expressed support for adding a policy. Director Finnegan indicated that she needed additional information prior to taking a position. Director Dick noted that while he is opposed to adding the policy formally, he does support common courtesy and respect in the workplace.

Discussion ensued on the differences between harassment and civility in workplace issues and what could constitute a violation of either subject. Mr. Ortiz noted the importance of adding a civility policy, which would help human resources facilitate addressing issues within the office and provide training and coaching, otherwise they quite often turn into a legal matter. Mr. Hunter also noted that training and review of the manual would take place following Board approval.

Mr. Byrne emphasized the importance of adding the policy to assist in appropriately addressing workplace concerns and discerning offensive, discourteous or illegal conduct. Mr. Hunter noted considerable staff time has been spent over the past several months in addressing and discussing this and it would be preferable to come to a conclusion. Director Thomas noted that a standard of conduct is already appropriately addressed within the personnel manual and that a formal civility policy is not necessary.

The Committee members reaffirmed their positions and suggested the item be referred to the Board, without the addition of the civility policy. The civility policy will be agendized and readdressed at the November Administration & Finance Committee meeting.

Upon MOTION by Director Finnegan, seconded by Director Thomas and carried (2-1) the Revised Personnel Manual was referred to the October 16, 2019 Board meeting for consideration, with omission of the civility policy. Director McVicker opposed.

ELECTRICAL SYSTEM REHABILITATION PROJECT – AVRAM CONTRACT - CHANGE ORDERS 4 & 5

Upon MOTION by Director McVicker, seconded by Director Finnegan and carried (3-0), the Committee recommended approval of the Avram Contract, Change orders 4 and 5 at the October 16, 2019 Board meeting. Directors Finnegan, Thomas and McVicker voted in favor.

AUTHORIZE ATTENDANCE AT THE PUBLIC POLICY INSTITUTE'S "PREPARING CALIFORNIA'S WATER SYSTEM FOR CLIMATE EXTREMES" SYMPOSIUM, NOVEMBER 5, 2019, SACRAMENTO

Upon MOTION by Director Thomas, seconded by Director Finnegan and carried (3-0), the Committee recommended approval of the Preparing California's Water System for Climate Extremes symposium at the October 16, 2019 Board meeting. Directors Finnegan, Thomas and McVicker voted in favor.

INFORMATION ITEMS

HEALTH BENEFIT RATES FOR 2020

The increase to the HMO rates was highlighted.

DISPOSAL OF FIXED ASSETS

The report was received and filed.

CALPERS ANNUAL VALUATION REPORT AS OF JUNE 30, 2018

Director Barbre requested that any surplus funds be applied to any outstanding CalPERS liability. Mr. Hunter responded that the goal has already been established and any change would need to be discussed.

DEPARTMENT ACTIVITIES REPORTS

- a. Administration
- b. Finance and Information Technology

MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

The report was reviewed and filed, following brief discussion about the impact of PFAS on water sales and replenishment volume.

All of the informational reports were received and filed.

OTHER ITEMS

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

No items were received.

CLOSED SESSION ITEMS

At 9:53 a.m., Legal Counsel Byrne announced that the Board would adjourn to closed session (following a brief 7 minute break), regarding the following:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One case

RECONVENE

The Board reconvened at 9:54 a.m., and Legal Counsel Byrne announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business brought before the Committee, the meeting was adjourned at 9:53 a.m.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Jointly with the

PUBLIC AFFAIRS AND LEGISLATION COMMITTEE

October 21, 2019 – 8:30 a.m. to 9:40 a.m. MWDOC Conference Room 101

Committee:

Director Dick, Chairman (absent) Director Thomas (arrived 8:35)

Director McVicker

Staff: R. Hunter, K. Seckel,

Traci Muldoon, K. Davanaugh,

Melissa Baum-Haley,

Damon Micalizzi, Heather Baez,

Bryce Roberto

Also Present:

Director Sat Tamaribuchi Director Joan Finnegan Director Brett Barbre Jim Atkinson, Mesa Water

Mike Gaskins, El Toro Water District

Chuck Gibson, Santa Margarita Water District Alicia Dunkin, Orange County Water District Doug Reinhart, Irvine Ranch Water District Peer Swan, Irvine Ranch Water District

Tim Kearns

Linda Ackerman, MWDOC MET Director Dick Ackerman, MWDOC consultant Paul Weghorst, Irvine Ranch Water District

John Lewis, Lewis Consulting Stacy Taylor, Mesa water District

Frank Prewoznik, Irvine Ranch Water District Jim leach, Santa Margarita Water District

Director McVicker called the meeting to order at 8:30 a.m. Noting Director Dick's absence and that Director Thomas had not yet arrived, Directors Barbre and Finnegan sat on the Committee.

PUBLIC PARTICIPATION

No public comments received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were distributed.

DISCUSSION ITEMS

LEGISLATIVE ACTIVITIES

a. Federal Legislative Report (Barker)

Mr. Jim Barker participated via teleconference and provided an overview of his monthly report, highlighting developments with PFAS and discussion on Homeland Security. Of interest was the progress in the Senate Energy and Water bill that is anticipated to allow South Coast Water District to receive considerable grant funds for the ocean desalination project.

Mr. Barker also noted that the Water Conservation Rebate Tax Parity Act has been gaining traction. The act proposes that funds received for turf removal rebates is taxable and is expected to pass.

b. State Legislative Report (BBK)

Mr. Syrus Devers also participated via teleconference and noted that the California legislature is in the middle of interim recess but did expand on his report on water contamination and PFAS/PFOS concerns and regulatory efforts to ensure safe drinking water. Discussion was also held on making the producers/manufacturers of PFAS/PFAS responsible for efforts to clean-up and treat the contamination.

Discussion turned to the topic of emergency back-up generators and AQMD rules that restrict the use of generators due to air pollution. Robust discussion was held due to the controversy of generator use due to more frequent wild fires and planned outages, especially in wildfire prone areas. ACWA is reviewing legislative proposals related to the use of emergency generators and MWDOC staff and legal counsel will prepare a draft letter to ACWA indicating our support for legislation that would address the hours limitation on testing and maintenance of emergency standby generators, and outlie the concerns we have with the current regulations. This topic is highly controversial due to AQMD pollution concerns, versus means necessary to provide power and water to hospital facilities during either emergency or planned power outages.

c. County Legislative Report (Lewis)

Mr. John Lewis reported that Mr. Ed Royce, Sr., former MWDOC Board member and respected colleague, passed away last week. Mr. Lewis then reviewed his written report on latest political polls.

d. Legal and Regulatory Report (Ackerman)

Mr. Dick Ackerman highlighted the information on bioreactors and the impact on pollution segment in his written report.

e. MWDOC Legislative Matrix

The MWDOC Legislative Matrix was received and filed without discussion.

f. MET Legislative Matrix

The MET Legislative Matrix was received and filed without discussion.

MWDOC'S LEGISLATIVE POLICY PRINCIPLES ANNUAL UPDATE

Government Affairs Manager Heather Baez reported that water quality and PFAS policy concerns were added to this year's review of the legislative policy principles. Director Barbre requested that a section be added to address increasing above ground storage projects, and that funding for surface storage versus groundwater storage should be separate. Ms. Baez requested that the MWDOC Board members forward to her any requested changes to inclusion in the final policy. This report will be returned in October for further review. Ms. Stacy Taylor of Mesa Water District shared a few suggested changes that their district would like to see and indicated that she will email them to be included for next month for consideration.

INFORMATION ITEMS

WATER POLICY SUMMIT PLANNING UPDATE

The Committee received and filed the report.

CALIFORNIA ENVIRONMENTAL LITERACY INITIATIVE

The Committee received and filed the report.

EDUCATION PROGRAMS UPDATE

The Committee received and filed the report.

PUBLIC AFFAIRS AND GOVERNMENT AFFAIRS ACTIVITIES REPORT

The Committee received and filed the report.

OTHER ITEMS

It was reported that the ACWA DC annual luncheon is scheduled for February 26th. Director Barbre requested that save the date cards be sent out.

ADJOURNMENT

There being no further business brought before the Committee, Director Dick adjourned the meeting at 9:40 a.m.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY jointly with the

EXECUTIVE COMMITTEE

October 17, 2019, 8:30 a.m. to 8:58 a.m. Conference Room 102

Committee: Staff:

Director Barbre, President Director Finnegan, Vice President (absent) Director Dick (absent) R. Hunter, M. Goldsby

Also Present:

Director Thomas
Director McVicker
Director Tamaribuchi
Director Yoo Schneider

At 8:30 a.m., President Barbre called the meeting to order. In the absence of Directors Finnegan and Dick, Directors McVicker and Tamaribuchi served on the Committee.

PUBLIC PARTICIPATION

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

At the beginning of the meeting, Staff distributed the draft agendas for the upcoming month.

EXECUTIVE COMMITTEE PROPOSALS FOR FUTURE AGENDAS

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

a. MWDOC/OCWD Joint Planning Committee Meeting

Following discussion regarding OCWD senior staff not able to attend the meeting, the Committee recommended the October 23, 2019 MWDOC/OCWD Joint Planning Committee meeting be cancelled. It was noted the next meeting would be held January 22, 2019.

b. Planning & Operations Committee Meeting

Discussion was held regarding a possible evaluation on the impact of changes since the Reliability Study was released (e.g., single tunnel, PFAS, etc.).

Mr. Hunter advised that the MET Board approved an amendment to the MET Administrative Code which will enable deliveries of member agency water supplies in MET's system during an emergency event. President Barbre asked that Legal Counsel review any liability issues. This item will be agendized as an information item in November, with action in December.

c. Workshop Board Meeting

No new items were added to the agenda.

d. Administration & Finance Committee meeting

No new items were added to the agenda.

e. Public Affairs & Legislation Committee

No new items were added to the agenda.

f. Executive Committee

No new items were added to the agenda.

DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE

General Manager Hunter advised that the memorial service for Wayne Osborne would be held November 1, 2019 at 3:00 p.m. at the Greenbrook Clubhouse and that flowers would be sent.

MEMBER AGENCY RELATIONS

No information was discussed.

GENERAL MANAGER'S REPORTS

No information was discussed.

REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

Director McVicker highlighted the ACWA Region 9 program he attended regarding training water professionals. He suggested it would be prudent for Orange County to establish a similar program (adding educational classes to the high school curriculum --similar to shop classes). Discussion ensued with emphasis on partnering with the BIA on such issues. It was noted that Directors Tamaribuchi and McVicker would meet to discuss ideas for a possible presentation to the Public Affairs & Legislation Committee sometime in the future.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 8:58 a.m.

Municipal Water District of Orange County-REVENUE / CASH RECEIPT REPORT October 2019

WATER REVENUES

Date	From	Description	Amount
10/01/19	City of La Habra	August 2019 Water deliveries	45,250.14
10/01/19	City of Newport Beach	August 2019 Water deliveries	303,609.20
10/03/19	City of La Palma	August 2019 Water deliveries	3,298.97
10/07/19	City of Buena Park	August 2019 Water deliveries	599,006.65
10/07/19	Santa Margarita Water District	August 2019 Water deliveries	2,605,327.13
10/07/19	City of Seal Beach	August 2019 Water deliveries	79,835.97
10/07/19	Trabuco Canyon Water District	August 2019 Water deliveries	168,948.52
10/09/19	South Coast Water District	August 2019 Water deliveries	489,612.31
10/09/19	Laguna Beach County Water District	August 2019 Water deliveries	122,514.22
10/10/19	City of Westminster	August 2019 Water deliveries	200,981.05
10/10/19	Mesa Water	August 2019 Water deliveries	52,142.01
10/10/19	City of Orange	August 2019 Water deliveries	596,145.22
10/11/19	City of Garden Grove	August 2019 Water deliveries	1,005,056.65
10/15/19	East Orange County Water District	August 2019 Water deliveries	375,017.55
10/15/19	El Toro Water District	August 2019 Water deliveries	685,989.01
10/15/19	Orange County Water District	August 2019 Water deliveries	363,914.80
10/15/19	City of San Juan Capistrano	August 2019 Water deliveries	612,251.96
10/15/19	Moulton Niguel Water District	August 2019 Water deliveries	2,598,026.16
10/15/19	Golden State Water Company	August 2019 Water deliveries	441,591.28
10/15/19	Yorba Linda Water District	August 2019 Water deliveries	426,207.75
10/15/19	Irvine Ranch Water District	August 2019 Water deliveries	1,265,146.36
10/24/19	Trabuco Canyon Water District	September 2019 Water deliveries	184,692.57
10/25/19	City of Huntington Beach	September 2019 Water deliveries	1,330,274.43
10/28/19	City of Newport Beach	September 2019 Water deliveries	237,434.55
10/30/19	Serrano Water District	September 2019 Water deliveries	5,997.97

TOTAL REVENUES \$ 14,798,272.43

Municipal Water District of Orange County REVENUE / CASH RECEIPT REPORT October 2019

MISCELLANEOUS REVENUES

Date	From	Description	Amount
10/31/19	Paypal	ISDOC Registrations	659.23
10/03/19	3 Checks	Reimbursement for Thomas Guide purchase	162.18
10/31/19	Paypal	Girl Scouts Patch Clinic	392.93
10/31/19	US Bank	Monthly Interest	15.98
10/01/19	Keith Lyon	October 2019 Retiree Health insurance	288.99
10/03/19	Stan Sprague	October 2019 Retiree Health insurance	244.77
10/01/19	Judy Pfister	Oct-Dec 2019 Retiree Health insurance	121.44
10/30/19	Keith Lyon	November 2019 Retiree Health insurance	288.99
10/15/19	El Toro Water District	August 2019 Smartimer rebate program	39.19
10/21/19	Mesa Water	August 2019 Smartimer rebate program	166.48
10/25/19	Irvine Ranch Water District	August 2019 Smartimer rebate program	1,635.94
10/17/19	City of Westminster	August 2019 Turf Removal rebate program	111.00
10/18/19	City of San Clemente	August 2019 Smartimer and Turf Removal rebate program	178.73
10/21/19	Moulton Niguel Water District	August 2019 Smartimer and Turf Removal rebate program	56,761.25
10/25/19	Trabuco Canyon Water District	August 2019 Smartimer and Turf Removal rebate program	375.00
10/04/19	El Toro Water District	August 2019 So Cal Watersmart rebate program	345.00
10/15/19	Moulton Niguel Water District	August 2019 So Cal Watersmart rebate program	5,800.00
10/17/19	Trabuco Canyon Water District	August 2019 So Cal Watersmart rebate program	300.00
10/18/19	City of San Clemente	August 2019 So Cal Watersmart rebate program	375.00
10/25/19	Irvine Ranch Water District	August 2019 So Cal Watersmart rebate program	10,112.81
10/03/19	Mesa Water	Leak Detection Shared Services Elections for FY 19-20	47,540.00
10/11/19	Yorba Linda Water District	Leak Detection Shared Services Elections for FY 19-20	30,580.00
10/07/19	City of Buena Park	Leak Detection Shared Services Elections for FY 19-20	1,047.00
10/15/19	City of Orange	Leak Detection Shared Services Elections for FY 19-20	8,340.00
10/03/19	Mesa Water	Water Loss Control technical assistance - WSO, Inc.	9,850.00
10/15/19	East Orange County Water District	Water Loss Control technical assistance - WSO, Inc.	12,872.00
10/25/19	City of Huntington Beach	Water Loss Control technical assistance - WSO, Inc.	18,872.00
10/01/19	Santa Margarita Water District	FY 2019-2020 Choice Programs Billing Invoice	113,050.37
10/03/19	City of La Palma	FY 2019-2020 Choice Programs Billing Invoice	1,921.71
10/04/19	City of Orange	FY 2019-2020 Choice Programs Billing Invoice	43,413.75
10/04/19	City of San Clemente	FY 2019-2020 Choice Programs Billing Invoice	32,078.17
10/04/19	City of Tustin	FY 2019-2020 Choice Programs Billing Invoice	34,537.56
10/15/19	City of Santa Ana	FY 2019-2020 Choice Programs Billing Invoice	18.62
10/15/19	Golden State Water Company	FY 2019-2020 Choice Programs Billing Invoice	14,903.45
10/17/19	South Coast Water District	FY 2019-2020 Choice Programs Billing Invoice	21,312.08
10/18/19	City of Fullerton	FY 2019-2020 Choice Programs Billing Invoice	188.79
10/25/19	City of Huntington Beach	FY 2019-2020 Choice Programs Billing Invoice	64,246.10
10/07/19	Moulton Niguel Water District	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
10/22/19	South Coast Water District	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
10/28/19	City of Garden Grove	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
10/11/19	City of Anaheim	WEROC Funding for FY 19-20	17,402.00

TOTAL MISCELLANEOUS REVENUES \$ 596,163.51

TOTAL REVENUES \$ 15,394,435.94

Robert J. Hunter, General Manager

Hilary Chumpitazi, Treasurer

Invoice#	Vendor / Description	Amount to Pay
Core Expenditu	res:	
	Richard C. Ackerman	
1256	October 2019 Consulting on legal and regulatory matters	2,500.00
2230	*** Total ***	2,500.00
	ACWA	
2020	2020 Annual membership dues	21,610.00
	*** Total ***	21,610.00
	ACWA Joint Powers	
M005-2019	10/1/19-10/1/20 Auto and General Liability insurance	97,985.07
	*** Total ***	97,985.07
	Aleshire & Wynder LLP	
53947	October 2019 Legal services	867.00
	*** Total ***	867.00
	Alta FoodCraft	
51920553	10/16/19 Coffee & tea supplies	243.70
	*** Total ***	243.70
	American Water Works Association	
7001720963	2020 Annual membership dues	1,729.00
	*** Tota ***	1,729.00
	Assoc. of Metropolitan Water Agencies	
2020	2020 Annual membership dues	20,426.00
	*** Total ***	20,426.00
	AVRAM Electric	
PRNO4	October 2019 Progress billing for MWDOC Electrical System Rehabilitation project	23,421.30
PRNO5	Final retention billing for MWDOC Electrical System Rehabilitation project	12,229.00
	*** Total ***	35,650.30
	Best Best and Krieger LLP	
861209	September 2019 State legislative advocacy services	8,000.00
55401-SEP19	September 2019 Legal services	14,417.46
	*** Total ***	22,417.46
	California Special Districts Assn	
352-2020	2020 Annual membership dues	7,615.00
	*** Total ***	7,615.00
	CSU Fullerton ASC	
AR169625	FY 19/20 2nd Quarter Center for Demographic Research support	12,538.95
	*** Total ***	12,538.95

Invoice#	Vendor / Description	Amount to Pay
57159681	GovConnection, Inc. Annual support for Cisco network equipment *** Total ***	1,491.17 1,491.17
1205	Hashtag Pinpoint Corporation October 2019 Strategic digital communications consulting services *** Total ***	7,917.00 7,917.00
100002	Herndon Group LLC September 2019 Services to assist with America's Water Infrastructure Act compliance *** Total ***	6,293.95 6,293.95
103019PAYPAL 102419REG	Independent Special Dist of OC 9/12/19-10/30/19 PayPal receipts for 10/24/19 meeting 10/24/19 ISDOC meeting registrations for K. Seckel, Directors Finnegan, McVicker and Thomas *** Total ***	659.23 68.00 727.23
192369011	Inland Group, LLC 75,000 Ricki Raindrop booklets for elementary school programs *** Total ***	21,444.20 21,444.20
105-1019	James C. Barker, P.C. October 2019 Federal legislative advocacy services *** Total ***	8,000.00 8,000.00
10689	Jill Promotions 12 Customized boxes with MWDOC logo for speaker gifts *** Total ***	512.53 512.53
404194 404850 405583	Lawnscape Systems, Inc. 9/13/19 Landscape maintenance for atrium 10/2/19 Landscape maintenance for atrium 11/1/19 Landscape maintenance for atrium *** Total ***	295.00 295.00 295.00 885.00
JUL-SEP2019	Phil Letrong July-September 2019 Retiree medical premium *** Total ***	406.50 406.50
2019-154	Lewis Consulting Group October 2019 Consulting services *** Total ***	2,312.50 2,312.50
MWDOC-1076	Edward G. Means III October 2019 Consulting on MET issues and guidance to Engineering staff *** Total ***	1,512.76 1,512.76

Invoice#	Vendor / Description	Amount to Pay
	Michael Baker International, Inc.	
1056257	September 2019 Services to provide GIS data package for OC Regional	2,850.00
	Water/Wastewater Multijurisdictional Hazardous Mitigation Plan update *** Total ***	2,850.00
	Municipal Resource Group, LLC	
03-19-461	July-September 2019 Services for Performance Management Evaluation and	9,104.40
	Implementation *** Total ***	9,104.40
	NDS	
719558	10/19/19 Delivery charges for Board packets	172.01
	*** Total ***	172.01
	Office Depot, Inc.	295.05
386542942001	10/8/19 Office supplies	295.05 51.87
394273298001	10/24/19 Office supplies *** Total ***	346.92
	Office Solutions	
1-01651655	10/7/19 Office supplies	264.11
I-01661617	10/24/19 Office supplies	553.41
I-01661787	10/25/19 Office supplies	217.50
I-01662057	10/25/19 Office supplies	14.58
I-01664364	10/30/19 Office supplies	86.19 164.14
I-01668920	11/7/19 Office supplies *** Total ***	1,299.93
	Orange County Water District	
20851	September 2019 50% share of WACO expense	246.25
20901	September 2019 Postage, shared office and maintenance expense	6,627.48
20941	October 2019 50% share of WACO expense	246.25
	*** Total ***	7,119.98
	Law Office of Amy J. Osborne	000 50
150	October 2019 Legal services	906.50 906.50
	*** Total ***	906.50
11111	Patricia Kennedy Inc. November 2019 Plant maintenance	214.00
****	*** Total ***	214.00
	PDC Interiors	
2793-19A	Joint Board Room glass door replacement with new MWDOC logo	2,016.54
	*** Total ***	2,016.54

#** Total *** 1,154.30 Lester A. Rosenberg	Invoice#	Vendor / Description	Amount to Pay
#** Total *** Robert Half Int'l, Inc.		Raftelis	
Robert Half Int', Inc. 10/14/19-10/18/19 Temporary administration help 885.65 54598608 10/21/19-10/25/19 Temporary administration help 26.86.5 1.154.30	13491		5,562.47
10/14/19-10/18/19 Temporary administration help 268.55 54598608 10/21/19-10/25/19 Temporary administration help 268.65 **** Total *** 1,154.30		*** Total ***	5,562.47
10/21/19-10/25/19 Temporary administration help 268.65 1,154.30 1,154		Robert Half Int'l, Inc.	
#** Total *** 1,154.30 Lester A. Rosenberg 19-30 March - October 2019 Engineering services for replacement of air conditioning unit for MWDOC IT server room *** Total *** 2,500.00 Joey C. Soto MWDOC#017 September 2019 Grant Research & Acquisition assistance 2,999.88 *** Total *** 2,999.88 SPS Data Communications Inc. O0101920 October 2019 Services to install cabling for 6 workstations 713.00 *** Total *** 713.00 Steven Enterprises, Inc. Photographic paper for plotter 230.72 *** Total *** 230.72 *** Total *** 1,250.00 Talent Assessment and Development, ILC September 2019 Services for prospective new hire interview assessment 1,250.00 *** Total *** 1,157.67 Tangram 612846 Steelcase chair 1,157.67 *** Total *** 1,157.67 Top Hat Productions 95600 10/17/19 Lunch for MET Managers' meeting 467.10 *** Total *** 467.10 WageWorks, Inc. October 2019 Cafeteria plan administration 196.07 *** Total *** 196.07 *** Total *** 196.07 *** Total *** 196.07 *** Total *** 196.07	54526678	10/14/19-10/18/19 Temporary administration help	885.65
19-30 March - October 2019 Engineering services for replacement of air conditioning unit for MWDOC IT server room	54598608	· · · · · · · · · · · · · · · · · · ·	268.65
19-30 March - October 2019 Engineering services for replacement of air conditioning unit for MWDDC IT server room **** Total *** 2,500.00 **** Total *** 2,500.00 **** Total *** 2,500.00 **** Total *** 2,999.88 *** Total *** 230.72 *** Total *** 240.76 250.00 *** Total *** 250.00 *** Total *** 260.00 *** Total ***		*** Total ***	1,154.30
Unit for MWDOC IT server room *** Total *** Joey C. Soto MWDOC#017 September 2019 Grant Research & Acquisition assistance *** Total *** SPS Data Communications Inc. 00101920 October 2019 Services to install cabling for 6 workstations *** Total *** 713.00 *** Total *** 230.72 *** Total *** 230.72 *** Total *** 1,250.00 *** Total *** 1,250.00 *** Total *** 1,250.00 *** Total *** 1,157.67 *** Total *** 1,157.67 *** Total *** 1,157.67 *** Total *** 1,157.67 *** Total *** 467.10 *** Total *** WageWorks, Inc. October 2019 Cafeteria plan administration *** Total *** 196.07 *** Total *** 196.07 *** Total *** 196.07		Lester A. Rosenberg	
#** Total *** 10ey C. Soto	19-30		2,500.00
MWDOC#017 September 2019 Grant Research & Acquisition assistance 2,999.88 *** Total *** 2,999.88 SPS Data Communications Inc. 00101920 October 2019 Services to install cabling for 6 workstations 713.00 *** Total *** 713.00 Steven Enterprises, Inc. 0423342-IN Photographic paper for plotter 230.72 *** Total *** 230.72 *** Total *** 230.72 *** Total *** Total *** 1,250.00 *** Total *** 1,250.00 *** Total *** 1,157.67 *** Total *** 1,157.67 *** Total *** 1,157.67 *** Total *** 467.10 *** Total *** 467.10 *** Total *** 196.07 *** Total *** 196.07			2,500.00
MWDOC#017 September 2019 Grant Research & Acquisition assistance 2,999.88 *** Total *** 2,999.88 SPS Data Communications Inc. 00101920 October 2019 Services to install cabling for 6 workstations 713.00 *** Total *** 713.00 Steven Enterprises, Inc. 0423342-IN Photographic paper for plotter 230.72 *** Total *** 230.72 *** Total *** 230.72 *** Total *** Total *** 1,250.00 *** Total *** 1,250.00 *** Total *** 1,157.67 *** Total *** 1,157.67 *** Total *** 1,157.67 *** Total *** 467.10 *** Total *** 467.10 *** Total *** 196.07 *** Total *** 196.07		laev C Sata	
*** Total *** SPS Data Communications Inc. October 2019 Services to install cabling for 6 workstations *** Total *** O423342-IN Photographic paper for plotter *** Total *** 230.72 *** Total *** 230.72 Talent Assessment and Development, LLC September 2019 Services for prospective new hire interview assessment 1,250.00 *** Total *** 1,250.00 Tangram 612846 Steelcase chair *** Total *** 1,157.67 *** Total *** 1,157.67 Top Hat Productions 95600 10/17/19 Lunch for MET Managers' meeting *** Total *** 467.10 WageWorks, Inc. INV1711272 October 2019 Cafeteria plan administration *** Total *** 196.07	MWDOC#017		2 999 88
00101920 October 2019 Services to install cabling for 6 workstations 713.00 *** Total *** 713.00 Steven Enterprises, Inc. 0423342-IN Photographic paper for plotter 230.72 *** Total *** 230.72 Talent Assessment and Development, LLC 4076 September 2019 Services for prospective new hire interview assessment 1,250.00 *** Total *** 1,157.67 Tangram \$1,157.67 *** Total *** 1,157.67 *** Total *** 467.10 WageWorks, Inc. INV1711272 October 2019 Cafeteria plan administration 196.07 *** Total *** 196.07			
#** Total *** 713.00		SPS Data Communications Inc.	
#** Total *** 713.00	00101920	October 2019 Services to install cabling for 6 workstations	713.00
Photographic paper for plotter		-	713.00
### Total ### 230.72 Talent Assessment and Development, LLC September 2019 Services for prospective new hire interview assessment 1,250.00 ### Total ### 1,250.00 Tangram 612846 Steelcase chair 1,157.67 ### Total ### 1,157.67 Top Hat Productions 10/17/19 Lunch for MET Managers' meeting 467.10 ### Total ### 467.10 WageWorks, Inc. INV1711272 October 2019 Cafeteria plan administration 196.07 ### Total ### 196.07		Steven Enterprises, Inc.	
### Total *** Talent Assessment and Development, LLC September 2019 Services for prospective new hire interview assessment 1,250.00 *** Total *** 1,250.00 Tangram Steelcase chair 1,157.67 *** Total *** 1,157.67 *** Total *** 467.10 ### Total *** 467.10 WageWorks, Inc. INV1711272 October 2019 Cafeteria plan administration 196.07 *** Total *** 196.07	0423342-IN	Photographic paper for plotter	230.72
4076 September 2019 Services for prospective new hire interview assessment *** Total *** 1,250.00 *** Tangram 612846 Steelcase chair *** Total *** 1,157.67 *** Total *** 1,157.67 *** Total *** 467.10 *** Total *** WageWorks, Inc. INV1711272 October 2019 Cafeteria plan administration *** Total *** 1,250.00 1,250.00 1,157.67 467.10 467.10 467.10 467.10 196.07 *** Total *** 196.07		*** Total ***	230.72
#** Total *** 1,250.00 Tangram 612846 Steelcase chair 1,157.67 *** Total *** 1,157.67 Top Hat Productions 95600 10/17/19 Lunch for MET Managers' meeting 467.10 *** Total *** 467.10 WageWorks, Inc. INV1711272 October 2019 Cafeteria plan administration 196.07 *** Total *** 196.07		Talent Assessment and Development, LLC	
Tangram 612846 Steelcase chair 1,157.67 *** Total *** 1,157.67 Top Hat Productions 95600 10/17/19 Lunch for MET Managers' meeting 467.10 *** Total *** 467.10 WageWorks, Inc. WageWorks, Inc. INV1711272 October 2019 Cafeteria plan administration 196.07 *** Total *** 196.07	4076	September 2019 Services for prospective new hire interview assessment	1,250.00
612846 Steelcase chair		*** Total ***	1,250.00
*** Total *** Top Hat Productions 95600 10/17/19 Lunch for MET Managers' meeting *** Total *** 467.10 WageWorks, Inc. INV1711272 October 2019 Cafeteria plan administration *** Total *** 1,157.67 467.10 467.10 196.07		Tangram	
### Total *** Top Hat Productions 10/17/19 Lunch for MET Managers' meeting *** Total *** WageWorks, Inc. October 2019 Cafeteria plan administration *** Total *** 196.07	612846		1,157.67
95600 10/17/19 Lunch for MET Managers' meeting 467.10 *** Total *** 467.10 *** WageWorks, Inc. INV1711272 October 2019 Cafeteria plan administration 196.07 *** Total *** 196.07		*** Tota ***	1,157.67
*** Total *** *** Total *** *** Total *** WageWorks, Inc. October 2019 Cafeteria plan administration 196.07 *** Total *** 196.07		•	
WageWorks, Inc. INV1711272 October 2019 Cafeteria plan administration 196.07 *** Total *** 196.07	95600		467.10
INV1711272 October 2019 Cafeteria plan administration 196.07 *** Total *** 196.07		*** Total ***	467.10
*** Total *** 196.07			
	INV1711272	•	
Total Core Expenditures 315,346.81		*** Total ***	196.07
		Total Core Expenditures	315,346.81

Invoice#	Vendor / Description	Amount to Pay
Choice Expendi	tures:	
	Building Block Entertainment Inc.	
3333-1	October 2019 Elementary school program for grades K-2	7,650.00
3333-1	*** Total ***	7,650.00
	Discovery Science Center	
1238	October 2019 Elementary school program for grades 3-6	5,798.98
	*** Total ***	5,798.98
	Inland Group, LLC	
192387011	300 Pressure Regulating Valve Replacement program flyers for Laguna Beach County Water District	174.23
192388011	600 Pressure Regulating Valve Replacement program door hangers for Laguna Beach	231.06
	County Water District *** Total ***	405.29
	Mission RCD	
2754	September 2019 Field verifications for Water Use Efficiency rebate programs	7,039.65
2767	October 2019 Field verifications for Water Use Efficiency rebate programs	4,233.37
	*** Total ***	11,273.02
	Orange County Water District	
20901	September 2019 Postage for Water Use Efficiency rebate programs	20.03
	*** Total ***	20.03
	Pollardwater	
0147802	2 Meter Box Lid Lifters for Water Loss Control Shared Services *** Total ***	91.74 91.74
	Valvetek Utility Services Inc.	
3439	October 2019 Services to provide Distribution System Flushing for City of Westminster	14,220.00
	*** Total ***	14,220.00
	Total Choice Expenditures	39,459.06
Other Funds Ex	penditures:	
	Herndon Group LLC	
100002	September 2019 Services to assist with America's Water Infrastructure Act compliance	154,517.15
	*** Total ***	154,517.15

Invoice#	Vendor / Description	Amount to Pay
	Large Plumbing	
25113	October 2019 Services for Pressure Regulating Valve Replacement program	2,395.00
	*** Total ***	2,395.00
	Mission RCD	
2754	September 2019 Field verifications for Water Use Efficiency rebate programs	2,662.45
2767	October 2019 Field verifications for Water Use Efficiency rebate programs	6,001.78
	*** Total ***	8,664.23
	Raftelis	
13491	March-October 2019 Water Budget Evaluation for DWR grant	3,924.87
	*** Total ***	3,924.87
	Total Other Funds Expenditures	169,501.25
	Total Expenditures	524,307.12

Municipal Water District of Orange County Disbursement Ratification Report For the month of October 2019

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Disbu	rsements	;		
139201	10/9/19	<i>SPECTB</i> 0375210100119	Spectrum Business October 2019 Telephone and internet expense ***Total ***	1,099.18 1,099.18
139202	10/9/19	VERIZO 9838731822	Verizon Wireless September 2019 4G Mobile broadband unlimited service ***Total ***	114.03 114.03
139214	10/15/19	<i>IRONMO</i> BZWL660	Iron Mountain October 2019 Archived document storage fees ***Total ***	258.26 258.26
139223	10/15/19	SPECTB 0343564101019	Spectrum Business October 2019 Telephone expense for 3 analog fax lines ***Total ***	108.33 108.33
139226	10/15/19	USBANK 0403/0640/5443-SEP19	U.S. Bank 8/23/19-9/23/19 Cal Card charges ***Total *** (See attached sheet for details)	21,830.33 21,830.33
ACH004269	10/15/19	ACKEEX 093019	Linda Ackerman September 2019 Business expense ***Total ***	97.44 97.44
ACH004272	10/15/19	BAEZHE 093019	Heather Baez September 2019 Business expense ***Total ***	217.34 217.34
ACH004274	10/15/19	BERGJO 093019	Joseph Berg September 2019 Business expense ***Total ***	352.56 352.56
ACH004277	10/15/19	BUIJEA 093019	Jeannie Bui September 2019 Business expense ***Total ***	70.70 70.70
ACH004278	10/15/19	DICKEX 093019	Larry Dick September 2019 Business expense ***Total ***	114.26 114.26
ACH004279	10/15/19	<i>FAHLBE</i> 093019	Beth Fahl September 2019 Business expense ***Total ***	60.88 60.88

Municipal Water District of Orange County Disbursement Ratification Report For the month of October 2019

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
A.C.U.O.O.43.03	10/15/10	HOSTER	Varia Hartort	
ACH004282	10/15/19	093019	Kevin Hostert September 2019 Business expense	239.93
		033013	***Total ***	239.93
ACH004283	10/15/19	HIINTER	Robert J. Hunter	
7.07.00-12.03	20, 20, 20	092219	September 2019 Business expense	92.53
			***Total ***	92.53
		LINGAD	Christopher S. Lingad	
ACH004287	10/15/19	082919	August 2019 Business expense	24.24
ACH004288	10/15/19	092619	September 2019 Business expense	86.61
			***Total ***	110.85
ACH004302	10/15/19	MCVICK	Robert McVicker	
		093019	September 2019 Business expense	64.98
			***Total ***	64.98
ACH004303	10/15/19	ROBERT	Bryce Roberto	
		093019	September 2019 Business expense	103.64
			***Total ***	103.64
ACH004304	10/15/19	SCHNEI	Megan Yoo Schneider	
		093019	September 2019 Business expense	312.97
			***Total ***	312.97
ACH004306	10/15/19		Jeffery Thomas	
		093019	September 2019 Business expense	164.72
			***Total ***	164.72
ACH004308	10/15/19		Rachel Waite	
		093019	September 2019 Business expense	82.82
			***Tota ***	82.82
ACH004309	10/31/19		Tiffany Baca	
		093019	September 2019 Business expense	150.20
			***Total ***	150.20
ACH004312	10/31/19		Joan Finnegan	
		093019	September 2019 Business expense	74.36
			***Tota ***	74.36
ACH004313	10/31/19		Leah Frazier	
		103119	October 2019 Business expense	484.07
			***Total ***	484.07
ACH004315	10/31/19		Melissa Baum Haley	
		093019	September 2019 Business expense	332.02
			***Total ***	332.02

Municipal Water District of Orange County Disbursement Ratification Report For the month of October 2019

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH004316	10/31/19	HARRIS 103119	Cathleen M. Harris October 2019 Business expense ***Total ***	190.97 190.97
ACH004324	10/31/19	TAMARI 093019	Satoru Tamaribuchi September 2019 Business expense ***Total ***	123.54 123.54
ACH004329	10/31/19	WILSON 093019	Sarah C. Wilson September 2019 Business expense ***Total ***	60.73 60.73
			Total Core Disbursements	26,911.64
Choice Dist	oursemen	ts:		
139224	10/15/19	<i>THORSE</i> 100119	Jason Thorsell September 2019 Business expense ***Total ***	232.52 232.52
139226	10/15/19	USBANK 0640-SEP19	U.S. Bank 8/23/19-9/23/19 Cal Card charges ***Total *** (See attached sheet for details)	600.10 600.10
ACH004273	10/15/19	BERGJO 083019	Joseph Berg August 2019 Business expense ***Total ***	108.58 108.58
139267	10/31/19	THORSE 103119	Jason Thorsell October 2019 Business expense ***Total ****	192.31 192.31
			Total Choice Disbursements	1,133.51
Other Fund	ls Disburs	ements:		
139202	10/9/19	VERIZO 9838731822	Verizon Wireless September 2019 4G Mobile broadband unlimited service ***Total ***	76.02 76.02
139204	10/15/19	ATTUVEOC 1812-OCT19	AT&T October 2019 U-verse internet service for WEROC N. EOC ***Total ***	53.50 53.50

Municipal Water District of Orange County Disbursement Ratification Report For the month of October 2019

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
139205	10/15/19	ATTCALN 000013672427	AT&T September 2019 Telephone expense for WEROC N. EOC	308.05
			and S. EOC	
		000013672428	September 2019 Telephone expense for WEROC N. EOC	107.31
			***Total ***	415.36
139211	10/15/19	HARRISD	Daniel Harrison	
		093019	September 2019 Business expense	170.93
			***Total ***	170.93
139226	10/15/19	USBANK	U.S. Bank	
		0604-SEP19A	8/23/19-9/23/19 Cal Card charges	1,691.50
			***Total ***	1,691.50
			(See attached sheet for details)	
ACH004305	10/15/19	SCHWENE	Leslie Schwene	
		093019	September 2019 Business expense	21.34
			***Total ***	21.34
139233	10/22/19	SCHUNK	Janine Schunk	
	,,	102219	October 2019 Business expense	1,189.59
			***Total ***	1,189.59
420224	40/20/40	DDIDDD	Supervito Deia December	
139234	10/29/19	S2D2-R-SM-38698-17387	Spray to Drip Program	220.40
		32D2-R-3W-36096-17367	S. Waegner ***Total ***	220.40
			rotal	220.40
		TURFRP	Turf Removal Program	
139235	10/29/19	TR12-R-SM-38526-37432	N. Hang	9,936.00
139236		TR12-R-IRWD-29209-29128	H. Sahni	2,936.00
139237		TR12-R-BP-35333-35260	V. Balakumar	4,925.65
139238		TR12-R-MNT-38462-37376	D. McCluskey	1,254.00
139239		TR12-R-IRWD-38498-37405	D. Bateman	792.00
139240		TR12-C-SM-26542-37421	Casta Del Sol HOA (Mission Viejo)	95,088.00
139241		TR12-R-LH-38534-37438	R. Eckheart Cadigan Tustin Plaza (Tustin)	3,364.00
139242 139243		TR12-C-TUST-38564-37467 TR12-R-MNT-38567-37470	J. Lahners	3,687.50 2,526.00
139243		TR12-R-ETWD-38626-37532	M. Majowicz	929.25
139245		TR12-R-MNT-38657-37565	W. Adams	2,505.00
139246		TR12-R-BREA-38661-37569	L. Bent	4,052.00
139247		TR12-R-MNT-38677-37579	M. Hashemimoghadam	3,468.00
139248		TR12-R-O-38695-37594	H. Butler	938.98
139249	10/29/19	TR12-R-SM-38698-37596	S. Waegner	5,040.00
139250	10/29/19	TR12-R-LB-38715-37615	A. Oswald	2,434.00
139251	10/29/19	TR13-R-MNT-24411-37628	L. Maldonado	2,283.00
139252		TR13-R-HB-38730-37632	R. Bird	1,397.18
139253		TR13-R-MNT-38731-37633	A. Ross	489.00
139254		TR13-R-MNT-38774-37677	R. Nielsen	1,362.00
139255	10/29/19	TR13-R-IRWD-38775-37678	B. Braun	442.00

Municipal Water District of Orange County Disbursement Ratification Report For the month of October 2019

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
onesh n				
139256	10/29/19	TR13-R-MNT-38787-37689	Ĵ. Hill	237.00
139257	10/29/19	TR13-R-MNT-38795-37696	C. Amsden	1,416.00
139258	10/29/19	TR13-R-MNT-38797-37698	V. Zhang	3,513.00
139259	10/29/19	TR13-R-MNT-38809-37711	J. Whitson	1,368.00
139260	10/29/19	TR13-R-MNT-38819-37723	S. Akhtar	771.00
139261	10/29/19	TR13-R-MNT-38825-37729	S. Raphael	2,313.00
			***Total ***	159,467.56
400064	10/21/10	HARRICO	Daniel Harrison	
139264	10/31/19	HARRISD 101819	October 2019 Business expense	390.53
		101819	***Total ***	390.53
			Total	330.33
139266	10/31/19	SANTI1	Santiago Aqueduct Commission	
	William & Committee Service Services	AUG2019	August 2019 SAC Pipeline Operation surcharge	3,025.89
			***Total ***	3,025.89
4.04.00.40.00	40/04/40	CANTARA	Santa Margarita Water District	
ACH004323	10/31/19		August 2019 SCP Pipeline Operation surcharge	32,768.38
		AUG2019	***Total ***	32,768.38
			Total	32,700.30
EFT-191031	10/31/19	METWAT	Metropolitan Water District	
	1 / 1 / 1 / 1 / 1 / 1 / 1 / 1 / 1 / 1 /	9827	August 2019 Water deliveries	15,223,916.07
			***Total ***	15,223,916.07
			Total Other Funds Disbursements	15,423,407.07
			Total Disbursements	15,451,452.22

Robert J. Hunter, General Manager

Hilary Chumpitazi, Treasurer

Cal Card Charges Statement Date: August 22, 2019 Payment Date: September 30, 2019

Date	Description	Amount
Public Affairs C	ard	
8/28/2019	Lunch for Inspection Trip meeting	66.71
8/29/2019	International Awards Associates Inc. GlobalTrend award entry fee for Girl Scout Patch program	375.00
9/3/2019	Zipper tote for 9/5/19 Water Policy Dinner guest speaker's gift	32.33
9/7/2019	Westin Hotel room for 9/5/19 Water Policy Dinner guest speaker	188.19
9/9/2019	Lunch for Environmental Literacy Planning meeting	50.38
9/12/2019	California Association of Public Information Officials membership for S. Wilson	225.00
9/17/2019	Lunch for 2020 Summit meeting	76.81
9/18/2019	Lunch for Public Affairs staff meeting	21.83
	Total	1,036.25

Statement Date: August 22, 2019 Payment Date: September 30, 2019

Date	Description	Amount
Seckel Card		
8/21/2019	Colorado River Water Users Association conference in Las Vegas, NV	505.00
	from Dec. 11-13, 2019 - Registration and membership for M. Baum Haley	
8/21/2019	Colorado River Water Users Association conference in Las Vegas, NV	565.08
	from Dec. 11-13, 2019 - Accommodations deposit for M. Baum Haley	
8/24/2019	7/24/19-8/23/19 Web hosting service for MWDOC website	15.65
8/25/2019	FedEx delivery charges for ACCO Engineered Systems on Aug. 22, 2019	19.95
8/26/2019	Lunch for Reservoir Analysis and Strand Ranch meeting	57.01
8/26/2019	California Chamber of Commerce upgrade to membership	60.00
8/26/2019	UPS Delivery charges for Board packets on Aug. 16, 2019	28.66
8/26/2019	Traffic Control Coning & Flagging training	1,195.00
8/26/2019	Watersmart Innovations conference in Las Vegas, NV from Oct. 2-3, 2019 - Airfare for R. Waite	103.98
8/27/2019	Work boots for Water Loss Control Shared Services employee	160.39
8/27/2019	10 Online California Harassment Prevention trainings for MWDOC employees	265.52
8/27/2019	Computer supplies	49.98
8/27/2019	Lunch for MET Managers' meeting	84.35
8/27/2019	ACWA Federal Affairs Committee meeting in Sacramento, CA on Sep. 12, 2019 - Airfare for H. Baez	405.96
8/29/2019	Careers in Government job posting for Director of Emergency Management position	375.00
8/30/2019	5 Pairs of workpants for Water Loss Control Shared Services employee	125.01
8/30/2019	Office supplies from Costco	282.55
8/30/2019	Brown Caldwell Water Jobs employment posting for Director of Emergency Management position	200.00
8/31/2019	1 Year subscription for Cloud Cam storage for security camera	69.99
9/2/2019	UPS Delivery charges for Board packets on Aug. 29, 2019	56.14
9/2/2019	9/1/19-9/30/19 E-mail service for California Sprinkler Adjustment Notification system	14.95
9/3/2019	California Emergency Services Association conference in Rohnert Park, CA from Oct. 21-24, 2019 - Airfare for D. Harrison	361.96
9/3/2019	California Emergency Services Association conference in Rohnert Park, CA from Oct. 21-24, 2019 - Registration for D. Harrison	774.00
9/4/2019	ACWA Regulatory Summit in Sacramento, CA on Oct. 17, 2019 - Registration for H. Baez	290.00
9/4/2019	Small tools for WEROC EOCs	179.99
9/4/2019	ACWA Regulatory Summit in Sacramento, CA on Oct. 17, 2019 - Airfare for H. Baez	539.96
9/4/2019	ACWA State Legislative Committee meeting in Sacramento, CA on Oct. 25, 2019 - Airfare for H. Baez	539.96
9/5/2019	4 Pairs of workpants for Water Loss Control Shared Services employee	133.51
9/5/2019	Locksmith service call	92.96
9/5/2019	Lunch for Wellness Lunch and Learn for staff	347.66
9/5/2019	Colorado River Water Users Association conference in Las Vegas, NV from Dec. 11-13, 2019 - Accommodations deposit for H. De La Torre	415.42

Statement Date: August 22, 2019 Payment Date: September 30, 2019

Date	Description	Amount
Seckel Card	(Continued)	
9/5/2019	Watersmart Innovations conference in Las Vegas, NV from Oct. 2-3, 2019 - Accommodations deposit for R. Waite	213.76
9/5/2019	Watersmart Innovations conference in Las Vegas, NV from Oct. 2-3, 2019 - Accommodations deposit for R. Davis	213.76
9/6/2019	Public Relations Society of America International conference in San Diego, CA from Oct. 20-22, 2019 - Registration for T. Baca	1,395.00
9/6/2019	Public Relations Society of America International conference in San Diego, CA from Oct. 20-22, 2019 - Registration for S. Wilson	1,395.00
9/9/2019	5 Pairs of workpants for Water Loss Control Shared Services employee	166.24
9/9/2019	3 Wireless keyboards	130.11
9/9/2019	UPS Delivery charges for Board packets on Sep. 6, 2019	7.38
9/10/2019	6 ESRI ArcGIS Licenses for Water Loss Control mapping and analytics software	2,300.00
9/10/2019	Urban Water Institute Spring Water conference in Palm Springs from Feb. 19-21, 2020 - Accommodations deposit for R. Hunter	194.11
9/10/2019	Urban Water Institute Spring Water conference in Palm Springs from Feb. 19-21, 2020 - Accommodations deposit for K. Seckel	194.11
9/10/2019	Urban Water Institute Spring Water conference in Palm Springs from Feb. 19-21, 2020 - Accommodations deposit for M. Baum Haley	194.11
9/10/2019	Urban Water Institute Spring Water conference in Palm Springs from Feb. 19-21, 2020 - Accommodations deposit for D. Micalizzi	194.11
9/10/2019	Urban Water Institute Spring Water conference in Palm Springs from Feb. 19-21, 2020 - Accommodations deposit reserved for a director	194.11
9/10/2019	Urban Water Institute Spring Water conference in Palm Springs from Feb. 19-21, 2020 - Accommodations deposit reserved for a director	194.11
9/10/2019	Urban Water Institute Spring Water conference in Palm Springs from Feb. 19-21, 2020 - Accommodations deposit reserved for a director	194.11
9/12/2019	Water Distribution Operator Certification online class - Registration for L. Schwene	99.00
9/13/2019	Water District Jobs employment post for Senior Engineer position	145.00
9/13/2019	Food for staff development meeting	30.49
9/13/2019	North American Water Loss conference in Nashville, TN from Dec. 3-5, 2019 - Airfare for J. Berg	977.69
9/16/2019	UPS Delivery charges for Board packets on Sep. 6, 11 & 13, 2019	107.88
9/17/2019	Government Finance Officers Association Intermediate Governmental Accounting class in Garden Grove, CA from Oct. 23-24, 2019 - Registration for L. Gunawan	576.00
9/17/2019	State Water Resources Control Board workshop and California Water Efficiency Partnership Membership meeting in Sacramento, CA from Sep. 23-24, 2019 - Airfare for J. Berg	497.96
9/18/2019	Orange County Water Association Operator Expo in Irvine, CA on Sep 19, 2019 - Registration for D. Harrison	45.00
9/18/2019	Office supplies from Costco	313.97
9/19/2019	Computer supplies	33.68

Statement Date: August 22, 2019 Payment Date: September 30, 2019

Date	Description	Amount
K. Seckel Card	(Continued)	
9/20/2019	Cordless drill and accessories for WEROC S. EOC	231.55
9/20/2019	Solar panel kit for MWDOC generator	411.85
	Total	\$ 18,965.68

Accommodations with Caesars Palace canceled, deposit refunded on 10/10/19

2 Pants were returned, refunded on 10/2/19

Accommodations with Caesars Palace canceled, deposit refunded on 10/10/19

Airline reservation was canceled \$593.69 refunded on 10/1/19 and \$384.00 is available for future travel

Statement Date: August 22, 2019 Payment Date: September 30, 2019

Date	Description	Amount
R. Hunter Card		
8/23/2019-9/23/19	Meals for R. Hunter's meetings	84.89
8/26/2019	Bond Buyer's California Public Finance conference in San Francisco, CA from from Sep. 23-25, 2019 - Airfare for Director Barbre	459.60 1
8/31/2019	Legislative activities in Washington DC from Sep. 11-13, 2019 - Accommodations for R. Hunter	696.58
9/4/2019	Colorado River Water Users Association conference in Las Vegas, NV from Dec. 11-13, 2019 - Registration and membership for R. Hunter	505.00
9/4/2019	Legislative activities in Washington DC from Sep. 11-13, 2019 - Airline seat charge for R. Hunter	61.72 2
9/4/2019	Colorado River Water Users Association conference in Las Vegas, NV from Dec. 11-13, 2019 - Accommodations deposit for R. Hunter	149.66 3
9/5/2019	Colorado River Water Users Association conference in Las Vegas, NV from Dec. 11-13, 2019 - Accommodations deposit for Director Thomas	415.42 4
9/9/2019	ACWA Region 10 program in Mission Viejo, CA on Jul. 30, 2019 - Registration for R. Hunter	80.00
9/11/2019	Legislative activities in Washington DC from Sep. 11-13, 2019 - Transportation for R. Hunter	31.13
9/12/2019	Legislative activities in Washington DC from Sep. 11-13, 2019 - Meal for R. Hunter and 2 Guests	283.12
9/13/2019	Legislative activities in Washington DC from Sep. 11-13, 2019 - Meals for R. Hunter	47.70
9/13/2019	Legislative activities in Washington DC from Sep. 11-13, 2019 - Transportation for R. Hunter	17.00
9/13/2019	Legislative activities in Washington DC from Sep. 11-13, 2019 - Parking for	60.00
9/13/2019	R. Hunter Legislative activities in Washington DC from Sep. 11-13, 2019 -	697.75 5
9/13/2019	Accommodations cancellation fee for Director Barbre Legislative activities in Washington DC from Sep. 11-13, 2019 - Meal for	20.43
9/17/2019	R. Hunter LinkedIn job posting for Director of Emergency Management position	510.00
	Total	\$ 4,120.00

Director Barbre reimbursed MWDOC \$236.99

2 American airfare \$772.00 paid for with travel voucher

Accommodations with Caesars Palace canceled, deposit refunded on 10/10/19

Accommodations with Caesars Palace canceled, deposit refunded on 10/10/19

Director Barbre reimbursed MWDOC \$697.75

Municipal Water District of Orange County GM Approved Disbursement Report (1) For the month of October 2019

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Disbu	rsements	i.		
ACH004271	10/15/19	AVRAME	Avram Electric	400 400 70
		PRN03	September 2019 Progress billing for MWDOC Electrical System Rehabilitation project	100,439.70
			***Total ***	100,439.70
ACH004295	10/15/19	OSBORNE	Law Office of Amy Osborne	0 200 00
		147	September 2019 Legal services for personnel issues ***Total ***	8,399.00 8,399.00
ACH004322	10/31/19	ROBERTH	Robert Half Int'l, Inc.	
		54477682	10/7/19-10/11/19 Temporary administration help ***Total ***	895.50 895.50
			Total Core Disbursements	109,734.20
Choice Dist	hursaman	ite:		
Choice Disi	oursemen	11.5.	Total Choice Disbursements	- SAII
			Total Choice Disbursements	-
Other Fund	ds Disburs	sements:		
139207	10/15/19	DAYWIR 617438	Day Wireless Systems	1,760.00
		617428	Installation of fixed mast antennas for satellite phones at WEROC N. and S. EOCs	1,760.00
			***Total ***	1,760.00
139263	10/31/19	DAYWIR 617613	Day Wireless Systems Installation of fixed mast antenna for satellite phone	1,260.63
		01/013	at MWDOC EOC and materials for all EOC installations	00 ob 200000 essenti
			***Total *** -	1,260.63
			Total Other Funds Disbursements	3,020.63
	1,1		Total Disbursements	112,754.83
X	MIL		•	

(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.



Municipal Water District of Orange County Consolidated Summary of Cash and Investment

September 30, 2019

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

> > Brett R. Barbre President

Joan C. Finnegan Vice President

> Larry D. Dick Director

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

Megan Yoo Schneider, P.E. Director

> Sat Tamaribuchi Director

Jeffery M. Thomas Director

Robert J. Hunter 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 City of San Juan Capistrano 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 District investments and cash balances are held in various funds designated for certain purposes as follows:

Fund	Book Value	% of Portfolio
Designated Reserves	# gr	
General Operations	\$3,341,910	16.19%
Grant & Project Cash Flow	1,500,000	7.27%
Election Expense	608,000	2.95%
Building Repair	385,408	1.87%
OPEB	297,147	<u> 1.44%</u>
Total Designated Reserves	6,132,465	29.72%
General Fund	11,075,873	53.65%
Water Fund	3,204,554	15.52%
Conservation Fund	(568,532)	(2.75%)
WEROC Fund	767,855	3.72%
Trustee Activities	29,433	0.14%
Total	\$20,641,648	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.71%	\$147,171	\$147,171
Short-term investment			
• LAIF	60.74%	\$12,538,027	\$12,538,027
OCIP	23.52%	4,854,765	4,854,765
Long-term investment			
 Corporate Bond 	5.58%	1,151,685	1,153,281
 Certificates of Deposit 	9.45%	1,950,000	1,991,556
Total	100.00%	\$20,641,648	\$20,684,800

The average number of days to maturity/call as of September 30, 2019 equaled 135 and the average yield to maturity is 2.288%. During the month, the District's average daily balance was \$27,710,158.41. Funds were invested in Federal Agency Issues, Certificates of Deposit, Negotiable CD's, Miscellaneous Securities, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of September 2019.

The \$43,152 difference between the book value and the market value on September 30, 2019 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Robert J. Hunter General Manager Hilary Chumpitazi
Treasurer



Portfolio Management - Portfolio Summary

September 30, 2019

9/30/2019	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,950,000.00	1,991,556.00	1,950,000.00	9.52	1,121	2.519
Corporate Bond	1,150,000.00	1,153,280.50	1,151,684.78	5.61	482	2.290
Local Agency Investment Funds	12,538,027.15	12,538,027.15	12,538,027.15	61.18	Ħ	2.272
Orange County Investment Pool	4,854,765.47	4,854,765.47	4,854,765.47	23.69	H	2.236
Total Investments	20,492,792.62	20,537,629.12	20,494,477.40	100.00	135	2.288
Cash						
Cash	147,170.55	147,170.55	147,170.55		1	0.00
Total Cash and Investments	20,639,963.17	20,684,799.67	20,641,647.95		135	2,288
Total Earnings	Month Ending September	Fiscal Year to Date		5		
Current Year	53,751.93	141,568.31				
Average Daily Balance	27,710,158.41					
Effective Rate of Return	2,288%					

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 Union Bank. Per Resolution 2059 there are no compliance exceptions to report.

Robert J. Hunter, General Manager

Robert J. Hunter, General Manager

Date
Hilary Chumpitazi, Treasurer

Date

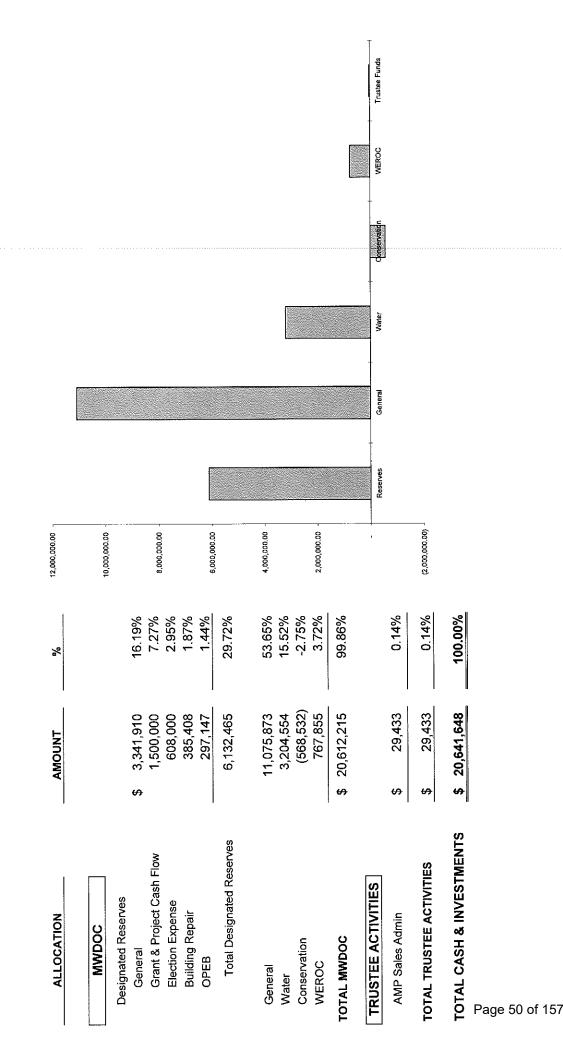
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Portfolio Management Long-Term Portfolio Details - Investments September 30, 2019

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									
Barclays Bank	06740KKY2	9/27/2017	250,000.00	253,180.00	250,000.00	2.250	2,250	1,093	9/27/2022
Capital One Bank	14042TBQ9	8/7/2019	250,000.00	253,630.00	250,000.00	2,250	2.250	1,773	8/7/2024
Capital One NA	14042RMJ7	7/24/2019	250,000.00	253,075.00	250,000.00	2.200	2.200	1,759	7/24/2024
Citibank	17294XUN4	7/31/2019	250,000.00	251,297.50	250,000.00	2.200	2.200	305	7/31/2024
Comenity Capital	20033AUX2	7/25/2017	200,000.00	200,706.00	200,000.00	2.000	2.000	655	7/16/2021
Discover Bank	254673RV0	7/25/2018	250,000.00	263,387.50	250,000.00	3.300	3,300	1,394	7/25/2023
Goldman Sachs Bank	38148PT98	8/8/2018	250,000.00	263,970.00	250,000.00	3.350	3.350	1,408	8/8/2023
Morgan Stanley Bank	61747MJ36	2/1/2018	250,000.00	252,310.00	250,000.00	2.500	2.500	490	2/1/2021
Sub Total			1,950,000.00	1,991,556.00	1,950,000.00	2.519	2.519	1,121	
Corporate Bond									
JP Morgan Chase	46625HKA7	11/2/2015	500,000.00	500,130.00	500,146,45	2.250	2.152	84	1/23/2020
National Rural Util Coop	63743FE51	7127/2017	200,000.00	199,234.00	200,000.00	2.500	2.500	1,019	7/15/2022
Wells Fargo	94974BGR5	1/13/2016	250,000.00	251,342.50	250,390.96	2.550	2.409	434	12/7/2020
Westpac Banking Сотр	961214DQ3	7/25/2017	200,000.00	202,574.00	201,147.37	2.500	2.278	1,002	6/28/2022
Sub Total		l	1,150,000.00	1,153,280.50	1,151,684.78	2.402	2.290	482	
Total Investments			3,100,000.00	3,144,836.50	3,101,684.78	2.476	2.434	884	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Portfolio Management Short-Term Portfolio Details - Cash and Investments September 30, 2019

investments	CUSIP/Ticker Settlement Date	ettlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds	HAI	6/30/2010	12.538.027.15	12.538.027.15 12.538.027.15	12,538,027.15	2.272	2.272		N/A
Sub Total		 - -	12,538,027.15	12,538,027.15	12,538,027.15	2.272	2.272	-	
Orange County Investment Pool County of Orange LGIP	OCIP	6/29/2005	4,854,765.47	4,854,765.47	4,854,765.47	2.236	2.236	_	¥/N
Sub Total			4,854,765.47	4,854,765.47	4,854,765.47	2.236	2.236	*	
Total Investments			17,392,792.62	17,392,792.62	17,392,792.62	2.262	2.262		
Cash									:
Petty Cash Cash	CASH	7/1/2010 7/25/2018	500.00	500.00	500.00	0.000	0.000		∀ ∀ Z
Total Cash			147,170.55	147,170.55	147,170.55	0.000	0.000	• ••••	
Total Cash and Investments			17,539,963.17	17,539,963.17	17,539,963.17	2.262	2.262		
Total Earnings		Month	Month Ending September	Ę	Fiscal Year To Date				
Current Year			47,560.28		120,466.81				

Municipal Water District of Orange County Cash and Investments at September 30, 2019





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

Account Report for the Period 9/1/2019 to 9/30/2019

Rob Hunter General Manager Municipal Water Dist of Orange County 18700 Ward Street Fountain Valley, CA 92708

		Accoun	t Summary				
Source	Beginning Balance as of 9/1/2019	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 9/30/2019
OPEB PENSION	\$2,213,684.89 \$424,493.96	\$0.00 \$0.00	\$16,316.14 \$3,128.53	\$461.18 \$88.44	\$0.00 \$0.00	\$0.00 \$0.00	\$2,229,539.85 \$427,534.05
Totals	\$2,638,178.85	\$0.00	\$19,444.67	\$549.62	\$0.00	\$0.00	\$2,657,073.90

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

Investment Return

				A	nnualized Retu	rn	
Source	1-Month	3-Months	1-Year	3-Years	5-Years	10-Years	Plan's Inception Date
OPEB PENSION	0.74% 0.74%	0.85% 0.92%	4.91% 4.98%	7.05%	5.81%	-	10/26/2011 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

Headquarters - 4350 Von Karman Ave., Suite 100, Newport Beach, CA 92660 800.540.6369 Fax 949.250.1250 www.pars.org

NET PERFORMANCE FEE ANALYSIS

As of September 30, 2019

Over 1 Year			
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Over 3 Years

Over 5 Years

PARS/HIGHMARK **Moderate Active Strategy** 6.44% 7.039 (-) 0.259(-) 0.349PARS/HIGHMARK minus weighted HighMark investment management fee **Moderate Active Strategy** minus weighted PARS administration fee 3-Year Net Return (46% Fixed Income) (-) 0.25% 4.50% 5.09% (-) 0.34%PARS/HIGHMARK investment management fee **Moderate Active Strategy** minus weighted HighMark minus weighted PARS administration fee 1-Year Net Return (46% Fixed Income)

5 22%	5-Vear Net Return	%
(-) 0.34%	minus weighted HighMark investment management fee	%
(-) 0.25%	minus weighted PARS administration fee	%5
5.81%	(46% Fixed Income)	3%

CALPERS CERBT	Strategy 2 6.56% (43% Fixed Income) 5.49%	10% minus fees (-) 0.10%	6.47% 5-Year Net Return 5.40%
CALPERS CERBT	Strategy 2 (43% Fixed Income) 6.5	minus fees (-) 0.10%	3-Year Net Return 6.4 ⁻
CALPERS CERBT	Strategy 2 (43% Fixed Income) 7.70%	minus fees (-) 0.10%	1-Year Net Return 7.61%

yject to change due to rebalancing; fees are based on assets under \$5 million;	past performance does not guarantee future results
yject to change due to rebalancin	past pe



INVESTMENT RETURN COMPARISONS

NET PERFORMANCE FEE ANALYSIS

As of September 30, 2019

Over 1 Year

Over 3 Years

Over 5 Years

PARS/HIGHMARK

PARS/HIGHMARK

PARS/HIGHMARK

5.81%

Moderate Active Strategy

7.03%

Moderate Active Strategy

Moderate Active Strategy

	2.09%	
וסמרו מנל הנוועל הנומנים	16% Fixed Income)	

(-) 0.25%	(-) 0.34%
minus weighted PARS administration fee	minus weighted HighMark

investment management fee

minus weighted HighMark investment management fee minus weighted PARS administration fee (46% Fixed Income)

(-) 0.25%(-) 0.34%minus weighted HighMark investment management fee minus weighted PARS administration fee (46% Fixed Income)

(-) 0.34%

(-) 0.25%

5.22% 5-Year Net Return

6.44%

3-Year Net Return

4.50%

1-Year Net Return

CALPERS CERBT

CALPERS CERBT

Strategy 3 (49% Fixed Income)	5.43
minus fees	(-) 0.10

9.07%

Strategy 3 (49% Fixed Income)

(-) 0.10%

minus fees

CALPERS CERBT	
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4.85%	(-) 0.10%
Strategy 3 (49% Fixed Income)	minus fees
%	%

4.76%

5-Year Net Return

5.34%

3-Year Net Return

8.98%

1-Year Net Return

ncing; fees t performa	to rebalar pasi	change due	* Subject to
are based on assets u	ncing; fees are based on assets u	to rebalancing; fees are based on assets under \$5 million;	* Subject to change due to rebalancing; fees are based on assets under \$5 milli
ince does not guaran	t performance does not guaran	past performance does not guarantee future results	past performance does not guarantee future res.
are based	ncing; fees are based	to rebalancing; fees are based	change due to rebalancing; fees are based
ınce does ı	t performance does 1	past performance does i	past performance does i
	ncing; fees	to rebalancing; fees	change due to rebalancing; fees
	t perform	past perform	past perform



Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS

261.00 225.00 222.00 1,968.72 111.00 5,846.19 43,617.51 680.17 133,633.41 1,486.86 16,271.90 1,720.00 2,413.74 3,740.00 30,204.36 19,500.00 5,382.00 137,221.54 21,663.40 324,463.07 5,218.62 49,393.62 405,426.38 1,576.68 512,549.41 TOTALS (699,211.69) (699,211.69) Jun 2020 (699,211.69) (69,211.69) May 2020 (699,211.69) \$ (699,211.69) \$ (699,211.69) \$ (699,211.69) Apr 2020 (69,211.69) Mar 2020 (699,211.69) Feb 2020 (699,211.69) Jan 2020 (699,211.69) (699,211.69) Dec 2019 (699,211.69) (69),211.69) Nov 2019 (568,531.76) \$ (699,211.69) \$ (568,531.76) \$ 384.19 11,748.75 21,663.40 553.73 111.00 166.48 62,561.25 675.00 19,500.00 220.40 76,200.40 206,880.33 159,467.56 5,218.62 Oct 2019 (605,357.98) 207.24 115,504.83 13,476.61 49,393.62 924.00 6,790.00 114.00 455.00 111.00 111.00 324.60 38,571.48 765.00 150,261.08 187,087.30 Sep 2019 110,600.00 (605,357.98) (564,751.37) 101,394.48 5,382.00 150.00 222.00 333.00 1,924.00 18,446.65 306.45 878.64 25,127.90 273.96 78,311.95 8,985.40 1,031.68 2,125.00 118,918.56 30,204.36 Aug 2019 (564,751.37) \$ (592,088.66) 11.00 515.00 2,614.00 6,632.11 17,249.94 36,055.78 537.90 63,826.73 1,720.00 850.00 36,489.44 Jul 2019 6,476.15 25,029.55 Recycled Water On Site Retrofit program Laguna Beach County Water District Budget Based Tiered Rates, Raftelis East Orange County Water District El Toro Water District Irvine Ranch Water District Water Savings Incentive Program Department of Water Resources Total Expenditures City of San Clemente
City of San Juan Capistrano
City of Santa Ana
City of Tustin
City of Meyort Beach
City of Orange
City of Westminster Trabuco Canyon Water District Santa Margarita Water District Golden State Water Company Orange County Water District Moulton Niguel Water District Water Systems Optimization Metropolitan Water District South Coast Water District Yorba Linda Water District
Miscellaneous Revenues Metropolitan Water District City of Huntington Beach City of Huntington Beach Multi Family HET Direct Aiscellaneous Expenses City of Buena Park City of Buena Park City of Fountain Valley Cash - Beginning Balance Spray to Drip program City of Garden Grove Laguna Beach CWD Mesa Water District Cash - Ending Balance Miscellaneous Interest Expense County of Orange Interest Revenue GardenSoft Corp City of La Habra EXPENDITURES: Salary & Benefit City of Fullerton Turf Removal Mission RCD Pollard Water SMWD Droplet

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY COMBINED FINANCIAL STATEMENTS

AND

BUDGET COMPARATIVE

JULY 1, 2019 THRU SEPTEMBER 30, 2019

Municipal Water District of Orange County Combined Balance Sheet As of September 30, 2019

ASSETS Cash in Bank Investments Accounts Receivable Accounts Receivable - Other Accrued Interest Receivable Prepaids/Deposits Leasehold Improvements Furniture, Fixtures & Equipment Less: Accum Depreciation	Amount 147,170.55 20,494,477.40 30,547,244.03 194,268.95 138,928.46 336,975.76 3,833,004.08 573,533.87 (3,128,507.24)
TOTAL ASSETS	\$53,137,095.86
LIABILITIES AND FUND BALANCES Liabilities Accounts Payable Accounts Payable - Other Accrued Salaries and Benefits Payable Other Liabilities Unearned Revenue Total Liabilities	31,474,415.47 107.99 385,446.31 615,862.70 802,012.18 33,277,844.65
Fund Balances Restricted Fund Balances Water Fund - T2C Total Restricted Fund Balances	1,012,367.51 1,012,367.51
Designated Reserves General Operations Grant & Project Cash Flow Election Expense Building Repair OPEB Total Designated Reserves	3,341,910.36 1,500,000.00 608,000.00 385,407.45 297,147.00 6,132,464.81
General Fund General Fund Capital WEROC Capital WEROC Total Unrestricted Fund Balances	4,246,251.93 525,009.00 114,948.58 250,873.05 11,269,547.37
Excess Revenue over Expenditures Operating Fund Other Funds Total Fund Balance TOTAL LIABILITIES AND FUND BALANCES	7,303,015.73 274,320.60 19,859,251.21 53,137,095.86

Municipal Water District of Orange County Revenues and Expenditures Budget Comparative Report General Fund From July thru September 2019

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge Ground Water Customer Charge	0.00 0.00	7,888,929.60 598,248.00	7,888,930.00 598,248.00	100.00% 100.00%	0.00 0.00	0.40 0.00
Water rate revenues	0.00	8,487,177.60	8,487,178.00	100.00%	0.00	0.40
Interest Revenue	52,991.78	138,900.41	580,000.00	23.95%	0.00	441,099.59
Subtotal	52,991.78	8,626,078.01	9,067,178.00	95.14%	0.00	441,099.99
Choice Programs	0.00	1,193,865.52	1,472,622.00	81.07%	0.00	278,756.48
Miscellaneous Income	421.66	12,782.82	3,000.00	426.09%	0.00	(9,782.82)
Revenue Other	0.00	1,088.00	0.00	0.00%	0.00	(1,088.00)
School Contracts	6,145.94	6,145.94	118,213.00	5.20%	0.00	112,067.06
Transfer-In From Reserve	0.00	0.00	(42,870.00)	0.00%	0.00	(42,870.00)
Subtotal	6,567.60	1,213,882.28	1,550,965.00	78.27%	0.00	337,082.72
TOTAL REVENUES	59,559.38	9,839,960.29	10,618,143.00	92.67%	0.00	778,182.71

Municipal Water District of Orange County Revenues and Expenditures Budget Comparative Report General Fund From July thru September 2019

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
EXPENSES			·			
Salaries & Wages	310,391.63	949,063.00	4,052,038.00	23.42%	0.00	3,102,975.00
Salaries & Wages Salaries & Wages - Grant Recovery	0.00	0.00	(5,500.00)	0.00%	0.00	(5,500.00)
Salaries & Wages - Recovery	(933.24)	(3,722.88)	0.00	0.00%	0.00	3,722.88
Director's Compensation	19,957.76	56,754.88	268,132.00	21.17%	0.00	211,377.12
MWD Representation	9,355.20	32,119.52	153,218.00	20.96%	0.00	121,098.48
Employee Benefits	92,071.19	287,198.20	1,261,651.00	22.76%	0.00	974,452.80
CalPers Unfunded Liability Contribution	0.00	207,000.00	207,000.00	100.00%	0.00	0.00
Employee Benefits - Recovery	(177.76)	(709.12)	0.00	0.00%	0.00	709.12
Director's Benefits	11,461.85	30,998.45	93,947.00	33.00%	0.00	62,948.55
Health Insurance for Retirees	6,798.24	15,263.22	70,287.00	21.72%	0.00	55,023.78
Training Expense	2,036.52	3,347.02	32,000.00	10.46%	18,000.00	10,652.98
Tuition Reimbursement	0.00	2,552.62	5,000.00	51.05%	0.00	2,447.38
Temporary Help Expense	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Personnel Expenses	450,961.39	1,579,864.91	6,142,773.00	25.72%	18,000.00	4,544,908.09
Engineering Expense	4,784.73	76,831.54	435,000.00	17.66%	235,747.67	122,420.79
Legal Expense	23,624.86	76,047.05	200,000.00	38.02%	154,452.95	(30,500.00)
Audit Expense	8,000.00	15,500.00	29,240.00	53.01%	4,267.00	9,473.00
Professional Services	99,196.17	220,050.40	1,487,330.00	14.79%	785,505.85	481,773.75
Professional Fees	135,605.76	388,428.99	2,151,570.00	18.05%	1,179,973.47	583,167.54
Conference-Staff	4,110.00	10,610.00	40,535.00	26.17%	0.00	29,925.00
Conference-Directors	0.00	6,025.00	28,440.00	21.18%	0.00	22,415.00
Travel & AccomStaff	7,513.81	11,618.87	89,131.00	13.04%	0.00	77,512.13
Travel & AccomDirectors	656.03	5,461.72	46,625.00	11.71%	0.00	41,163.28
Travel & Conference	12,279.84	33,715.59	204,731.00	16.47%	0.00	171,015.41
Membership/Sponsorship	345.00	61,773.33	114,966.00	53.73%	0.00	53,192.67
CDR Support	0.00	12,538.95	50,156.00	25.00%	37,616.85	0.20
Dues & Memberships	345.00	74,312.28	165,122.00	45.00%	37,616.85	53,192.87
Business Expense	154.41	673.40	5,200.00	12.95%	0.00	4,526.60
Maintenance Office	5,753.16	24,905.84	138,527.00	17.98%	109,564.12	4,057.04
Building Repair & Maintenance	1,357.03	2,961.29	20,000.00	14.81%	7,038.71	10,000.00
Storage Rental & Equipment Lease	258.26	759.53	3,616.00	21.00%	1,856.47	1,000.00
Office Supplies	2,255.46	7,935.52	36,000.00	22.04%	2,627.64	25,436.84
Supplies - Water Loss Control	892.10	4,027.41	2,033.00	198.10%	77.76	(2,072.17)
Postage/Mail Delivery	359.29	1,126.63	9,400.00	11.99%	2,038.60	6,234.77
Subscriptions & Books	120.00	280.61	1,500.00	18.71%	0.00	1,219.39
Reproduction Expense	0.00	1,534.38	61,000.00	2.52%	2,965.62	56,500.00
Maintenance-Computers	213.77	790.51	8,000.00	9.88%	1,948.40	5,261.09
Software Purchase	0.00	9,507.36	34,500.00	27.56%	3,678.15	21,314.49
Software Support	4,661.15	17,514.51	59,134.00	29.62%	1,800.00	39,819.49
Computers and Equipment	0.00	19,929.14	49,450.00	40.30%	0.00	29,520.86
Automotive Expense	1,903.41	5,814.64	19,300.00	30.13%	0.00	13,485.36
Vehicle Expense Toll Road Charges	303.64 61.46	330.08 303.23	13,160.00 2,400.00	2.51% 12.63%	0.00 0.00	12,829.92 2,096.77
Insurance Expense	10,014.19	30,177.71	140,000.00	21.56%	0.00	109,822.29
Utilities - Telephone	2,051.67	5,899.25	25,773.00	22.89%	1,028.91	18,844.84
Bank Fees	0.00	88.33	1,200.00	7.36%	0.00	1,111.67
Miscellaneous Expense	6,579.07	16,781.07	108,100.00	15.52%	636.83	90,682.10
MWDOC's Contrb. to WEROC	19,081.50	57,244.50	273,367.00	20.94%	0.00	216,122.50
Depreciation Expense	3,482.30	10,446.89	0.00	0.00%	0.00	(10,446.89)
Other Expenses	59,501.87	219,031.83	1,011,660.00	21.65%	135,261.21	657,366.96
Building Expense	118,220.53	241,196.07	835,831.00	28.86%	173,058.11	421,576.82
Capital Acquisition	0.00	394.89	106,456.00	0.37%	76,518.55	29,542.56
TOTAL EXPENSES	776,914.39	2,536,944.56	10,618,143.00	23.89%	1,620,428.19	6,460,770.25
NET INCOME (LOSS)	(717,355.01)	7,303,015.73	0.00			

Municipal Water District of Orange County Revenues and Expenditures Budget Comparative Report Water Fund From July thru September 2019

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
WATER REVENUES					
Water Sales	14,762,351.60	41,206,964.20	232,376,274.00	17.73%	191,169,309.80
Readiness to Serve Charge	838,872.80	2,516,618.40	10,071,282.00	24.99%	7,554,663.60
Capacity Charge CCF	299,996.67	899,990.01	3,615,440.00	24.89%	2,715,449.99
SCP/SAC Pipeline Surcharge	32,830.38	100,892.42	350,000.00	28.83%	249,107.58
Interest	1,963.41	5,987.95	20,000.00	29.94%	14,012.05
TOTAL WATER REVENUES	15,936,014.86	44,730,452.98	246,432,996.00	18.15%	201,702,543.02
WATER PURCHASES					
Water Sales	14,762,351.60	41,206,964.20	232,376,274.00	17.73%	191,169,309.80
Readiness to Serve Charge	838,872.80	2,516,618.40	10,071,282.00	24.99%	7,554,663.60
Capacity Charge CCF	299,996.67	899,990.01	3,615,440.00	24.89%	2,715,449.99
SCP/SAC Pipeline Surcharge	32,830.38	100,892.42	350,000.00	28.83%	249,107.58
TOTAL WATER PURCHASES	15,934,051.45	44,724,465.03	246,412,996.00	18.15%	201,688,530.97
EXCESS OF REVENUE OVER EXPENDITURES	1,963.41	5,987.95	20,000.00		

Municipal Water District of Orange County WUE Revenues and Expenditures (Actuals vs Budget) From July thru September 2019

	Year to Date	Annual	
	Actual	Budget	% Used
Spray To Drip Conversion			
Revenues	1,578.28	110,562.00	1.43%
Expenses	1,785.89	110,562.00	1.62%
Excess of Revenues over Expenditures	(207.61)	0.00	
Member Agency Administered Passthru			
Revenues	203,400.00	616,000.00	33.02%
Expenses	110,600.00	616,000.00	17.95%
Excess of Revenues over Expenditures	92,800.00	0.00	
ULFT Rebate Program			
Revenues	3,402.81	27,500.00	12.37%
Expenses	3,402.81	27,500.00	12.37%
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	30,142.45	300,000.00	10.05%
Expenses Expenses of Revenues over Expenditures	29,981.78	300,000.00	9.99%
Excess of Revenues over Expenditures	160.67	0.00	
CII Rebate Program			
Revenues	0.00	305,000.00	0.00%
Expenses	0.00	305,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Turf Removal Program			
Revenues	173,736.71	835,776.00	20.79%
Expenses	175,210.21	835,776.00	20.96%
Excess of Revenues over Expenditures	(1,473.50)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	13,738.96	110,558.00	12.43%
Expenses	13,097.29	116,450.00	11.25%
Excess of Revenues over Expenditures	641.67	(5,892.00)	
Recycled Water Program	0.00	10.750.00	0.00%
Revenues Expenses	0.00	19,750.00 19,750.00	0.00% 0.00%
Excess of Revenues over Expenditures	0.00	0.00	0.00%
·	0.00	0.00	
WSIP - Industrial Program			
Revenues	0.00	45,000.00	0.00%
Expenses Excess of Revenues over Expenditures	0.00	45,000.00	0.00%
	0.00	0.00	
WUE Projects			
Revenues	425,999.21	2,370,146.00	17.97%
Expenses	334,077.98	2,376,038.00	14.06%
Excess of Revenues over Expenditures	91,921.23	(5,892.00)	
WEROC			
Revenues	286,222.50	652,564.00	43.86%
Expenses	107,478.47	624,478.00	17.21%
Excess of Revenues over Expenditures	178,744.03	28,086.00	



Memorandum

DATE: November 13, 2019

TO: Administrative & Finance Committee

(Directors Thomas, Finnegan, McVicker)

FROM: Robert Hunter

SUBJECT: Quarter ending September 2019 Fiscal YTD Financials Actual versus Budget

The following reports are attached:

- Revenues and Expenditures Actual versus Budget for the General Fund
- Revenues and Expenditures Actual versus Budget Detailed Comparative Report for the General Fund
- Revenues and Expenditures Actual versus Budget for Water Funds
- Revenues and Expenditures Actual versus Budget for Other Funds
- Revenues and Expenditures Actual versus Budget for the Water Use Efficiency Projects

Revenues and Expenditures Actual versus Budget Summary Report Fiscal Year to Date ending September 2019 (Unaudited) (\$000 Omitted)

General Fund and Reserve Fund

GENERAL FUND

	YTD Actual	Annual <u>Budget</u>	% Used
<u>REVENUES</u>			
Water Rate revenues:			
Retail Connection Charge	7,889	7,889	100.00%
Ground Water Customer Charge	598	598	100.00%
Subtotal	8,487	8,487	100.00%
Other Revenues:			
Interest income	139	580	23.95%
Choice Programs ⁽¹⁾	1,194	1,473	81.07%
School Contracts ⁽²⁾	6	118	5.20%
Other income ⁽³⁾	14	3	462.37%
Transfer in from Reserve ⁽⁴⁾	0	(43)	0.00%
Subtotal	1,353	2,131	63.48%
TOTAL REVENUES	9,840	10,618	92.67%
<u>EXPENSES</u>			
Personnel Expenses (incl. Dir.)	1,580	6,143	25.72%
Professional services ⁽⁵⁾	236	1,517	15.53%
Outside engineering (6)	77	435	17.66%
Legal expense ⁽⁷⁾	76	200	38.02%
Travel & Conference ⁽⁸⁾	34	205	16.47%
Dues and memberships ⁽⁹⁾	74	165	45.00%
General & Admin expense	219	1,012	21.65%
Building repair & expense	241	836	28.86%
Capital acquisition (not including building repairs) ⁽¹⁰⁾	0	106	0.37%
TOTAL EXPENSES	2,537	10,618	23.89%
EXCESS OF REVENUES OVER EXPENSES	7,303		
RESERVE FUND			
Beginning Balance	5,520		
Nov 2018 - excess from FY 17-18 General Fund	612		
TOTAL RESERVE FUND	6,132		

- (1) Choice Programs are billed and paid in the beginning of the fiscal year
- (2) School Contracts begin in September
- (3) Other Income Refund of unspent technical assistance research from Doheny (8 years ago) and a delinquent water payment
- (4) Transfer in from Reserves is moved at year-end
- (5) Professional Services Projects in process
- (6) Outside Engineering Projects in process
- (7) Legal expense includes unanticipated events
- (8) Travel & Conference scheduled throughout the fiscal year
- (9) Dues and memberships are generally paid early in the fiscal year
- (10) Capital acquisition projects awaiting city approval

Municipal Water District of Orange County Revenues and Expenditures Actual vs Budget Line Item Report Fiscal Year to Date ending September 2019 (Unaudited) General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge Ground Water Customer Charge	7,888,930 598,248	7,888,930 598,248	100.00% 100.00%
Water Rate Revenues	8,487,178	8,487,178	100.00%
Choice Programs Interest Revenue Miscellaneous Income School Contracts Transfer in from Reserve Other Revenues	1,193,865 138,900 13,871 6,146 0	1,472,622 580,000 3,000 118,213 (42,870) 2,130,965	81.07% 23.95% 462.37% 5.20% 0.00%
TOTAL REVENUES	9,839,960	10,618,143	92.67%

OPERATING EXPENSES			
Salaries & Wages	949,063	4,052,038	23.42%
less Recovery's	(3,723)	(5,500)	67.69%
Directors' Compensation	56,755	268,132	21.17%
MWD Representation	32,120	153,218	20.96%
Employee Benefits	287,198	1,261,651	22.76%
less Recovery's	(709)	0	0.00%
CALPERS Unfunded Liability Contribution	207,000	207,000	100.00%
Directors Benefits	30,998	93,947	33.00%
Health Insurances for Retirees	15,263	70,287	21.72%
Training Expense	3,347	32,000	10.46%
Tuition Reimbursement	2,553	5,000	51.06%
Temporary Help Expense	0	5,000	0.00%
Personnel Expenses	1,579,865	6,142,773	25.72%
Engineering Expense	76,832	435,000	17.66%
Legal Expense	76,047	200,000	38.02%
Audit Expense	15,500	29,240	53.01%
Professional Services	220,050	1,487,330	14.79%
Professional Fees	388,429	2,151,570	18.05%
Conference-Staff	10,610	40,535	26.17%
Conference-Directors	6,025	28,440	21.18%
Travel & AccomStaff	11,619	89,131	13.04%
Travel & AccomDirectors	5,462	46,625	11.71%
Travel & Conference	33,716	204,731	16.47%
Membership/Sponsorship	61,773	114,966	53.73%
CDR Support	12,539	50,156	25.00%
Dues & Memberships	74,312	165,122	45.00%

Municipal Water District of Orange County Revenues and Expenditures Actual vs Budget Line Item Report Fiscal Year to Date ending September 2019 (Unaudited) General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	673	5,200	12.94%
Maintenance Office	24,906	138,527	17.98%
Building Repair & Maintenance	2,961	20,000	14.81%
Storage Rental & Equipment Lease	760	3,616	21.02%
Office Supplies	7,936	36,000	22.04%
Supplies - Water Loss Control	4,027	2,033	198.08%
Postage/Mail Delivery	1,127	9,400	11.99%
Subscriptions & Books	281	1,500	18.73%
Reproduction Expense	1,534	61,000	2.51%
Maintenance-Computers	791	8,000	9.89%
Software Purchase	9,507	34,500	27.56%
Software Support	17,514	59,134	29.62%
Computers and Equipment	19,929	49,450	40.30%
Automotive Expense	5,815	19,300	30.13%
Vehicle Expense	330	13,160	2.51%
Toll Road Charges	303	2,400	12.63%
Insurance Expense	30,178	140,000	21.56%
Utilities - Telephone	5,899	25,773	22.89%
Bank Fees	88	1,200	7.33%
Miscellaneous Expense	16,781	108,100	15.52%
MWDOC's Contribution to WEROC	57,245	273,367	20.94%
Depreciation Expense	10,447	0	0.00%
MWDOC Building Expense	241,196	835,831	28.86%
Capital Acquisition	395	106,456	0.37%
Other Expenses	460,623	1,953,947	23.57%
TOTAL EXPENSES	2,536,945	10,618,143	23.89%
EXCESS OF REVENUES OVER EXPENSES	7,303,015	0	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Statement of Revenues and Expenditures Fiscal Year to Date ending September 2019 (Unaudited) Water Funds

	YTD Actual	Annual Budget	Balance
Water Revenues			
Water Sales Readiness to Serve Charge Capacity Charge CCF SCP/SAC Pipeline Surcharge Interest Total Water Revenues	41,206,964 2,516,618 899,990 100,892 5,988 44,730,452	232,376,274 10,071,282 3,615,440 350,000 20,000 246,432,996	(191,169,310) (7,554,664) (2,715,450) (249,108) (14,012) (201,702,544)
<u>Water Purchases</u>			
Water Sales Ready to Serve Charge Capacity Charge SCP/SAC Pipeline Surcharge	41,206,964 2,516,618 899,990 100,892	232,376,274 10,071,282 3,615,440 350,000	(191,169,310) (7,554,664) (2,715,450) (249,108)
Total Water Purchases	44,724,464	246,412,996	(201,688,532)
EXCESS OF REVENUES OVER EXPENDITURES	5,988	20,000	(14,012)

Revenues and Expenditures Actual versus Budget Fiscal Year to Date ending September 2019 (Unaudited) Other Funds

	YTD Actual	Annual Budget	Balance
WEROC			
Revenues	286,222	652,564	(366,342)
Expenditures	107,478	624,478	(517,000)
Excess of Revenues over Expenditures	178,744	28,086	150,658
WILE Projecto (details on most man)			
WUE Projects (details on next page)			
Revenues	425,999	2,370,146	(1,944,147)
Expenditures	334,078	2,376,038	(2,041,960)
Excess of Revenues over Expenditures	91,921	(5,892)	97,813

Footnote:

- 1) The excess of expense over revenue is waiting for reimbursement.
- 2) USBR (Federal) Grant is billed in October and April with funds being received one month later.
- 3) DWR is billed quarterly to county and takes a few months to a year to receive funds.

Revenues and Expenditures Actual versus Budget Fiscal Year to Date ending September 2019 (Unaudited) Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance %</u>	Fiscal Year <u>Budget</u>	% of Budget	Projected Final FY Budget
Spray to Drip Conversion					
Revenues	1,578		110,562	1.43%	110,562
Expenditures	1,786		110,562	1.62%	110,562
Excess of Revenues over Expenditures	(208)	-13%	_	•	_
Actual Variance: Payment to Program Participants ahead of	Grant, Metropolitan	(on water bill), and	l Retail Water Agencie	es reimburseme	ents.
<u>Budget Variance:</u> To be on target the % of Budget should be numbers. All reporting is current. Have requested marketing			plementation year left	, there is time to	o increase the
Member Agency Administered Pass thru					
Revenues	203,400		616,000	33.02%	616,000
Expenditures	110,600		616,000	17.95%	616,000
Excess of Revenues over Expenditures	92,800	46%	<u> </u>	•	
Actual Variance: Posted revenues out ahead of expenditure	es. Revenue comes f	rom reporting to M	letropolitan on prograi	m activity.	
Budget Variance: Slightly ahead of target set at this time of	year to be 25%.				
ULFT Rebate Program					
Revenues	3,403		27,500	12.37%	27,500
Expenditures	3,403		27,500	12.37%	27,500
Excess of Revenues over Expenditures	-	0%	<u> </u>	•	· · ·
Actual Variance: This tracks MWDOC member agencies ac	tivities to provide sup	pplemental funding	to increase activity in	their service to	erritories.
Budget Variance: Actual Budget is at 12.37%, still time to ac	chieve 100% by year	s end.			
HECW Rebate Program					
Revenues	30,142		300,000	10.05%	300,000
Expenditures	29,982		300,000	9.99%	300,000
Excess of Revenues over Expenditures	160	1%		-	
Actual Variance: This tracks MWDOC member agencies ac	tivities to provide sup	pplemental funding	to increase activity in	their service te	erritories.
Budget Variance: Actual Budget is at 10.05%, still time to ac	chieve 100% by year	s end.			
CII Rebate Program					
Revenues	_		305,000	0.00%	305,000
Expenditures	-		305,000	0.00%	305,000
Excess of Revenues over Expenditures	-	0%	<u> </u>	•	
Actual Variance: This tracks MWDOC member agencies ac Currently a handful of agencies who indicated they would pr they no longer would provide supplemental funding.					
Budget Variance: See Actual Variance explanation					
· ·					_

Notes:

^[1] Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.

^[2] Fiscal year budget versus Actual

^[3] With each quarterly report the projected fiscal year end budget may be re-adjusted.

Revenues and Expenditures Actual versus Budget Fiscal Year to Date ending September 2019 (Unaudited) Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance %</u>	Fiscal Year <u>Budget</u>	% of Budget	Projected Final <u>FY Budget</u>
Turf Removal Program					
Revenues	173,737		835,776	20.79%	835,776
Expenditures	175,210		835,776	20.96%	835,776
Excess of Revenues over Expenditures	(1,473)	-1%		•	
Actual Variance: On target. All reporting current.					
Budget Variance: On target. All reporting current.					
Comprehensive Landscape (CLWUE)					
Revenues	13,739		110,558	12.43%	110,558
Expenditures	13,097	_	116,450	11.25%	116,450
Excess of Revenues over Expenditures	642	5%	(5,892)	•	_
Actual Variance: Grant funded program. All reporting is curr	-ent				
Budget Variance: Actual Budget is at 12.43%, still time to ac		's and			
Duget Variance. Actual Budget is at 12.45%, still time to ac	Theve 100 % by year	s enu.			
Beautaled Water Bream					
Recycled Water Program Revenues			10.750	0.00%	10.750
Expenditures	-		19,750 19,750	0.00%	19,750 19,750
·	-		19,750	0.00%	19,750
Excess of Revenues over Expenditures	-	0%			
Actual Variance: Funding activity for this program comes from a USBR grant agreement. Agreement term began Oct 1, 2019. Grant funds to be expended throughout the remaining fiscal year.					
Budget Variance: See Actual Variance explanation					
-					
WSIP - Industrial Program					
Revenues	-		45,000	0.00%	45,000
Expenditures	-		45,000	0.00%	45,000
Excess of Revenues over Expenditures	-	0%		•	
Actual Variance: Funding for the program comes from 3 grants sources that we currently have or will come on line within the coming months. Should see activity on these projects prior to the end of the fiscal year.					
Budget Variance: Several projects in the queue to finish this	year.				

Notes

^[1] Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.

^[2] Fiscal year budget versus Actual

^[3] With each quarterly report the projected fiscal year end budget may be re-adjusted.



FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

MWD₀C

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OFFICE LOCATIONS: Los Angeles Sacramento San Diego Manila

Report of Independent Auditors

The Honorable Members of the Board of Directors Municipal Water District of Orange County

Report on the Financial Statements

We have audited the accompanying financial statements of the Municipal Water District of Orange County (the District) which comprise the statement of net position as of June 30, 2019, the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.







Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2019 and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the District's 2018 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated November 14, 2018. In our audit opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it was derived.

Other Matters

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 and Related Ratios, Schedule of OPEB Contributions, Schedule of the District's Proportionate Share of the Net Pension Liability and Schedule of Contributions for the Cost Sharing Retirement Plan on pages 3 through 9 and 37 through 41 be presented to supplement the basic financial statements. Such information, 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November , 2019 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 the District's 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.

Glendale, California November ___, 2019





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, 2019. 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 \$173.8 million in FY 2018-19, compared to \$232.3 million in the prior fiscal year, a 25.2% decrease.
- The District's expenses were \$172.5 million in FY 2018-19, compared to \$230.9 million in the prior fiscal year, a 25.3% decrease.
- The District's assets at June 30, 2019 were \$34.9 million, a 33.5% decrease compared to total assets of \$52.6 million at June 30, 2018.
- The District's liabilities at June 30, 2019 were \$25.1 million, a 43.2% decrease compared to total liabilities of \$44.2 million at June 30, 2018.
- The District's net position at June 30, 2019 was \$10.4 million, a 13.8% increase compared to net position of \$9.2 million at June 30, 2018.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

All of the current year's revenues and expenses are accounted for in the *Statements of Revenues*, *Expenses*, *and Changes in Net Position*. These statements measure 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 *Statements of Cash Flows* which presents information about the District's cash receipts and cash payments during the reporting period classified as cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities. These statements also provide 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 Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and changes in them. You can think of the District's net position (the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources) as one way to measure financial health or financial position. Over time, increases or decreases in the District's Net Position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors, such as changes in economic conditions, population growth, changes in rates and charges and new or changed government legislation or accounting standards.

STATEMENT OF NET POSITION

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

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

	F	Y 2019	F	PY Y 2018		ariance	Total Percent Change
	•	0.404	•	0.500	•	(440)	(45.00()
Current Restricted Assets	\$	2,181	\$	2,593	\$	(412)	(15.9%)
Current Unrestricted Assets		31,502		48,639		(17,137)	(35.2%)
Capital Assets		1,289		1,352		(63)	(4.7%)
Total Assets		34,972		52,584		(17,612)	(33.5%)
Deferred Outflows of Resources		852		1,024		(172)	(16.8%)
Liabilities Payable from Restricted							
Current Assets		880		1,401		(521)	(37.2%)
Liabilities Payable from Unrestricted						, ,	, ,
Current Assets		21,775		40,256		(18,481)	(45.9%)
Noncurrent Unrestricted Liabilities		2,481		2,573		(92)	(3.6%)
Total Liabilities		25,136		44,230		(19,094)	(43.2%)
Deferred Inflows of Resources		219		179		40	22.3%
Net Position:							
Investment in Capital Assets,							
Net of Related Debt		1,288		1,352		(64)	(4.7%)
Restricted for Trustee Activities		1,301		1,192		109	9.1%
Unrestricted		7,880		6,655		1,225	18.4%
Total Net Assets	\$	10,469	\$	9,199	\$	1,270	13.8%

- Total Assets decreased by \$17.6 million due to lower water sales of \$17.5 million and Conservation rebates paid upfront for \$917 thousand. This is offset by an increase in interest income of \$227 thousand and \$612 thousand went to reserves.
- Total Liabilities decreased by \$19.0 million. Under Restricted we had \$366 thousand less MET Conservation accrued liability and \$150 thousand less unearned revenue used in our conservation programs. Unrestricted had \$18 million less outstanding invoices compared to prior fiscal year because of lower water purchases due to lower water sales.

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 \$1,270 thousand for the year ended June 30, 2019, as compared to an increase of \$1,391 thousand for the year ended June 30, 2018. 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 Assets
(In thousands of dollars)

						Total Percent
	F	Y 2019	 FY 2018		ariance	Change
Water Sales	\$	170,399	\$ 229,707	\$	(59,308)	(25.8%)
Special Projects, Federal and State Grant Revenue		2,706	2,343		363	15.5%
Non-operating Revenues		699	253		446	176.3%
Total Revenues		173,804	232,303		(58,499)	(25.2%)
Operating Expense		169,637	228,404		(58,767)	(25.7%)
Special Projects Expense		2,706	2,343		363	15.5%
Depreciation Expense		191	165		26	15.8%
Total Expenses		172,534	 230,912	-	(58,378)	(25.3%)
Change in Net Position		1,270	1,391		(121)	(8.7%)
Beginning Net Position		9,199	7,808		1,391	17.8%
Ending Net Position	\$	10,469	\$ 9,199	\$	1,270	13.8%

The sources of change in net position are the following:

- Water Sales Revenues and Operating Expenses are lower due to lower water sales.
- Non-operating Revenues are higher due to a \$210 thousand increase in fair value of investments and \$227 thousand more in interest revenue.
- Net position increased due to capital and building expense projects being carried over in to the new fiscal year.

CAPITAL ASSETS

The following is a summary of the District's capital assets at June 30, 2019 and June 30, 2018.

TABLE 3 Capital Assets (In thousands of dollars)

	F	Y 2019	<u>_</u> F	Y 2018	Vai	riance	Total Percent Change
Leasehold Improvements Furniture, Equipment & Computer Equipment	\$	3,804 602	\$	3,728 571	\$	76 31	2.0% 5.4%
Subtotal		4,406		4,299		107	2.5%
Less Accumulated Depreciation		(3,118)		(2,947)		(171)	5.8%
Net Capital Assets	\$	1,288	\$	1,352	\$	(64)	(4.7%)

The District upgraded the phone and virtual server and began research and prep work for an office remodel and seismic retrofit. Additional information regarding capital assets can be found in Notes 1 and 4 of the notes to the financial statements.

DEBT ADMINISTRATION

The District had no debt outstanding as of June 30, 2019. No new long-term debt was incurred in the year ended June 30, 2019, and the District does not plan to issue new debt in the year ending June 30, 2020.

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. The legal level of budgetary control is at the total fund level. An actual vs. budget comparison schedule for FY 2018-19 is presented in Table 4 to demonstrate compliance with the adopted budget.

TABLE 4
FY 2019 Actual vs FY 2019 Budget
(In thousands of dollars)

	Actual	ı	Budget	Variance	Total Percent Change
Revenues:					
From Operations	\$ 173,105	\$	216,680	\$ (43,575)	(20.1%)
Non-operating Revenues	699		406	293	72.2%
Total Revenues	 173,804		217,086	(43,282)	(19.9%)
Expenses:					
From Operations					
Cost of Water	161,016		204,099	43,083	21.1%
Other Operating	11,327		13,060	1,733	13.3%
Depreciation	191		150	(41)	(27.3%)
Total Expenses	 172,534		217,309	44,775	20.6%
Change In Net Assets	\$ 1,270	\$	(223)	\$ 1,493	(669.5%)

The variances on the budget to actual are as follows:

- Revenues from Operations were \$43.5 million less than budget due to a decrease in water sales.
- Non-Operating Revenues is higher due to investment values increasing and higher interest rates.
- Expenses from Cost of Water purchased were \$43.0 million lower than budget due to a decrease in water sales.
- Other Operating Expenses were \$1.7 million lower mainly due to projects taking longer and a reduction of applicants in the conservation rebate programs.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's Board of Directors and management considered many factors during preparation and approval of the annual budget for FY 2019-20. The budgeted operating expenses total \$256.7 million and operating and non-operating revenues total \$257.0 million.

Historically, the District has recouped the cost of water purchased from the resale of imported water to the District's 28 water agencies located in Orange County. In addition MWDOC has charged both a per acre-foot surcharge and a per retail meter charge to cover its operating budget. In past history, the District's operating revenue has been approximately 65% from per retail connection charges, and 35% from per acre-foot charges. Beginning in 2011-12, MWDOC began transitioning from the two-component rate structure to one involving only a single component. Over a five year period, ending in 2015-16, MWDOC had been transitioning from a water rate structure involving a per acre-foot charge and a fixed per retail meter charge to a 100% on the per retail meter charge. Beginning FY 2016-17 MWDOC has established two classes of customers, a retail meter and a groundwater customer. The District's budget is now allocated between retail meter customers and groundwater customers. In addition MWDOC's agencies will also pay for the resale cost of imported water.

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, 2019, and to demonstrate the District's accountability for the funds it receives. If you have questions about this report or need additional information, you may contact the Municipal Water District of Orange County, Finance Dept., at 18700 Ward Street, Fountain Valley, CA 92708, (714) 963-3058, www.mwdoc.com.



Statement of Net Position
June 30, 2019
(with comparative data as of June 30, 2018)

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Current Assets:		
Restricted Assets:		
Cash and Cash Equivalents (Note 2)	\$ 744,317	\$ 1,635,790
Accounts Receivable Other	1,432,806	951,057
Accrued Interest Receivable	 4,056	 6,453
Total Restricted Assets	 2,181,179	 2,593,300
Unrestricted Assets:		
Cash and Cash Equivalents (Note 2)	9,984,416	5,738,482
Investments (Note 2)	3,114,873	6,550,065
Accounts Receivable:		
Water Sales	18,019,979	35,580,199
Other	74,090	510,987
Accrued Interest Receivable	121,695	75,267
Deposits and Prepaid Expenses	 187,146	 183,576
Total Unrestricted Assets	 31,502,199	48,638,576
Total Current Assets	 33,683,378	 51,231,876
Noncurrent Assets:		
Unrestricted Assets:		
Capital Assets, Net (Note 4)	1,288,478	 1,351,853
Total Noncurrent Assets	1,288,478	 1,351,853
TOTAL ASSETS	34,971,856	52,583,729
DEFENDED OUTELOWS OF DESCURCES		
DEFERRED OUTFLOWS OF RESOURCES	0=0 0=-	
Deferred Amount Related to Pensions (Note 7)	852,253	1,023,601
Deferred Amount Related to OPEB (Note 8)	 161	 215
TOTAL DEFERRED OUTFLOWS OF RESOURCES	852,414	1,023,816

Statement of Net Position (Continued)
June 30, 2019
(with comparative data as of June 30, 2018)

<u>LIABILITIES</u>	<u>2019</u>			<u>2018</u>
Current Liabilities:				
Payable from Restricted Assets Accrued Liabilities Advances from Participants	\$	80,266 799,951	\$	446,371 954,312
Total Payable from Restricted Assets		880,217		1,400,683
Unrestricted Liabilities: Accounts Payable, Metropolitan Water District of Southern California Accrued Liabilities		20,434,703 1,340,676		38,407,556 1,848,316
Total Unrestricted Liabilities		21,775,379		40,255,872
Total Current Liabilities		22,655,596		41,656,555
Noncurrent Liabilities: Unrestricted Liabilities: Net Pension Liability (Note 7) Net OPEB Liability (Note 8)		2,214,703 266,409		2,276,032 297,147
Total Noncurrent Liabilities		2,481,112		2,573,179
TOTAL LIABILITIES		25,136,708		44,229,734
DEFERRED INFLOWS OF RESOURCES Deferred Amount Related to Pensions (Note 7) Deferred Amount Related to OPEB (Note 8) TOTAL DEFERRED INFLOWS OF RESOURCES		210,752 7,883 218,635		178,707 - 178,707
<u>NET POSITION</u>				
Net Investment in Capital Assets Restricted Unrestricted		1,288,478 1,300,962 7,879,487		1,351,853 1,192,617 6,654,635
TOTAL NET POSITION	\$	10,468,927	\$	9,199,105

Statement of Revenues, Expenses and Changes in Net Position For the Fiscal Year Ended June 30, 2019 (with comparative data as of June 30, 2018)

	<u>2019</u>	<u>2018</u>
Operating Revenues:		
Water Sales	\$ 170,399,375	\$ 229,706,556
Special Projects Revenue	1,520,451	1,364,076
Federal Grant Revenue	169,354	428,303
State Grant Revenue	1,015,737	550,750
Total Operating Revenues	173,104,917	232,049,685
Operating Expenses:		
Cost of Water Sold	161,016,026	220,617,185
Salaries and Employee Benefits	5,263,408	4,879,337
General and Administrative	3,357,762	2,907,711
Special Project Expenses	2,705,543	2,343,129
Depreciation	191,366	165,049
Total Operating Expenses	172,534,105	230,912,411
Operating Income	570,812	1,137,274
Nonoperating Revenues:		
Investment Income	669,506	233,523
Other Income	29,504	19,938
Total Nonoperating Revenues	699,010	253,461
Change in Net Position	1,269,822	1,390,735
NET POSITION - BEGINNING OF YEAR	9,199,105	7,808,370
NET POSITION - END OF YEAR	\$ 10,468,927	\$ 9,199,105

Statement of Cash Flows

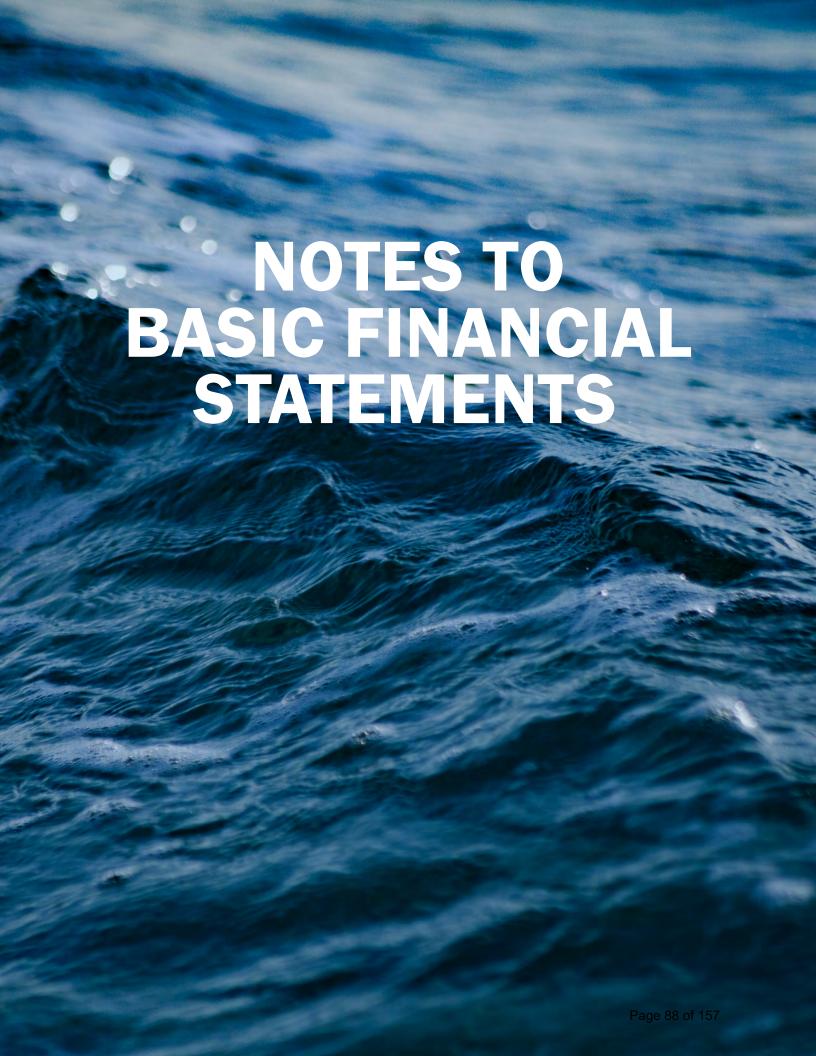
For the Fiscal Year Ended June 30, 2019 (with comparative data for the Year Ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Cash received from member agencies-water deliveries Cash (payments) to Metropolitan Water District of Southern California Cash (payments) for salaries and employee benefits Cash (payments) for general and administrative expenses Cash received from special projects Cash (payments) for special projects Other income	\$ 187,959,595 (178,988,878) (5,144,145) (3,432,075) 1,857,688 (2,859,904) 29,504	226,494,561 215,239,164) (4,670,237) (3,223,997) 3,761,877 (3,103,004) 19,938
Net Cash Provided/(Used) by Operating Activities	 (578,215)	 4,039,974
Cash Flows from Capital and Related Financing Activity:		
Acquisition of capital assets	(127,991)	(153,299)
Net Cash Used by Capital and Related Financing Activity	 (127,991)	(153,299)
Cash Flows from Investment Activities:		
Investment income	669,506	233,523
Investments matured/(purchased)	3,391,161	 (3,584,501)
Net Cash Provided/(Used) by Investment Activities	 4,060,667	 (3,350,978)
Net increase in cash and cash equivalents	3,354,461	535,697
Cash and Cash equivalents at beginning of year	 7,374,272	 6,838,575
Cash and Cash Equivalents at End of Year	\$ 10,728,733	\$ 7,374,272
Financial Statement Presentation:		
Cash and Cash Equivalents (Restricted)	\$ 744,317	\$ 1,635,790
Cash and Cash Equivalents (Unrestricted)	 9,984,416	 5,738,482
Totals	\$ 10,728,733	\$ 7,374,272

Statement of Cash Flows (Continued)

For the Fiscal Year Ended June 30, 2019 (with comparative data for the Year Ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating Income to Net Cash Provided (Used)		
by Operating Activities		
Operating Income	\$ 570,812	\$ 1,137,274
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activites:		
Depreciation	191,366	165,049
Other Income	29,504	19,938
Change in Assets and Liabilities:		
(Increase)/Decrease in accounts receivable - water sales	17,560,220	(3,211,996)
(Increase)/Decrease in accounts receivable - other	436,897	(372,639)
(Increase) in deposits and prepaid expenses	(3,570)	(7,145)
(Increase)/Decrease in accounts receivable - special projects	(481,749)	1,303,699
(Increase)/Decrease in deferred outflows - pension/OPEB related	171,402	(133,525)
Increase/(Decrease) in accrued and other liabilities	(507,640)	63,498
Increase/(Decrease) in restricted accrued liabilities	(366,105)	115,048
(Decrease) in advances from participants	(154,361)	(759,874)
Increase/(Decrease) in accounts payable to	,	,
Metropolitan Water District of Southern California	(17,972,852)	5,378,022
Increase/(Decrease) in net pension and OPEB liability	(92,067)	394,997
Increase/(Decrease) in deferred inflows - pension/OPEB related	 39,928	 (52,372)
Total Adjustments	 (1,149,027)	 2,902,700
Net Cash Provided(Used) by Operating Activities	\$ (578,215)	\$ 4,039,974
Noncash investing activity:		
Unrealized gain (loss) on investments	\$ 125,479	\$ (84,182)
Total noncash investing activity	\$ 125,479	\$ (84,182)



Notes to Basic Financial Statements For the Year Ended June 30, 2019

(1) Organization and Summary of Significant Accounting Policies

Reporting Entity

The Municipal Water District of Orange County (the District) was formed as a municipal water district on January 11, 1951 under the Municipal Water District Act of 1911. The District is a wholesale water supplier and resource planning agency that serves all of Orange County through 28 cities and water agencies (except the Cities of Anaheim, Fullerton, and Santa Ana which are independent member agencies of Metropolitan Water District of Southern California (Metropolitan). As a public agency member of Metropolitan, the District purchases imported water from Metropolitan and provides water to the District's 28 member agencies, which provide retail or wholesale water services to over 2.3 million residents within the District's service area of approximately 600 square miles. The District's primary sources of water from Metropolitan are the California State Water Project (SWP) and the Colorado River Aqueduct.

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

The District's reporting entity includes the accounts of the District and the Municipal Water District of Orange County Water Facilities Corporation (WFC). Formed as a separate California nonprofit corporation on April 20, 1978 to assist in the financing of the Allen-McColloch Pipeline (AMP) and the Flow Augmentation Project (FAP), the WFC has no employees. The WFC is governed by a seven-member board comprised of the District's board members. The WFC had no activity or balances for the year ended June 30, 2019 and is kept active for potential future financing arrangements. WFC is a blended component unit of the District and the District has operational responsibility for WFC.

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.

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, 2019.

Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

Net Position

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

- Net investment in capital assets This amount consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets as applicable.
- Restricted net position This amount consists of restricted assets reduced by liabilities.
 Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported or a resource subject to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position This amount is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of investment in capital assets or the restricted component of net position.

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

Operating and Nonoperating Revenues and Expenses

The District's primary purpose is to provide a dependable wholesale supply of imported water for its 28 member agencies. Accordingly, operating revenues such as water sales, result from exchange transactions associated with the principal activity of the District, which is the purchase and resale of imported water to the District's member agencies.

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

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

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

Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

Investments

Fair Value Measurements

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

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

Cash and Cash Equivalents

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

Accounts Receivable

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

Capital Assets

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

Deposits and Prepaid Expenses

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

Deferred Outflows and Inflows of Resources

The District reported deferred outflows and inflows of resources related to pensions and OPEB. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net position by the district that is applicable to a future period. Refer to Note 7 and 8 for items identified as deferred inflows and outflows as of June 30, 2019.

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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

Compensated Absences

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

Unearned Revenue / Advances from Participants

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Estimates

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

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information

Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

(2) Cash and Investments

Cash and investments at June 30, 2019, are classified in the accompanying financial statements as follows:

Statement of net position:

\$ 744,317
9,984,416
3,114,873
\$ 13,843,606
\$ \$

Cash and investments as of June 30, 2019 consist of the following:

Cash on hand	\$	500
Deposits with financial institutions		255,741
Investments		13,587,365
T. (10.)		
Total Cash and Investments	<u>\$</u>	13,843,606

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

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

Municipal Water District of Orange County
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

(2) Cash and Investments (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One
U.S. Treasuries	5 years	100%	100%
U.S. Government Agencies	5 years	100%	50%
Corporate Securities	5 years	30%	5%
Commercial Paper	270 days	25%	5%
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%

Notes to Basic Financial Statements For the Year Ended June 30, 2019

(2) Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

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

		Remaining Maturity (in Months)			
		12 Months	13 to 24	25-60	
Investment Type	Total	or Less	Months	Months	
	-			-	
Negotiable Certificate of Deposits	\$ 1,964,476	\$ 499,863	\$ 501,328	\$ 963,285	
Corporate Securities	1,150,397	499,845	250,700	399,852	
Orange County Investment Pool	4,023,808	4,023,808	-	-	
State Investment Pool	6,448,684	6,448,684	-	-	
	\$13,587,365	\$11,472,200	\$ 752,028	\$1,363,137	

Disclosures Relating to Credit Risk

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

				Ratings as of Year End					
					**	**			
Investment Type	Total	Minimum Legal Rating	AAAm	Α	Α-	AA-	Not Rated		
Negotiable Certificate									
of Deposits	\$ 1,964,476	N/A	\$ -	\$ -	\$ -	\$ -	\$ 1,964,476		
Corporate Securities Orange County	1,150,397	Α	-	198,516	750,545	201,336	-		
Investment Pool	4,023,808	N/A	4,023,808	-	-	-	-		
State Investment Pool	6,448,684	N/A	-				6,448,684		
	\$13,587,365		\$4,023,808	\$ 198,516	\$750,545	\$201,336	\$8,413,160		

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

Notes to Basic Financial Statements
For the Year Ended June 30, 2019

(2) Cash and Investments (Continued)

Disclosures Relating to Fair Value Measurement and Application

Fair value measurements are categorized based on the valuation inputs used to measure 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. Investments categorized as Level 2 are valued using a market approach using quoted market prices. Values are determined using pricing models and discounted cash flow models and includes management judgement and estimation. Uncategorized investments include investments in a non 2a-7 like pool, such as the Local Agency Investment Fund (LAIF) and the Orange County Investment Pool (OCIP). These investments do not have a legally binding guarantee for its share price and cannot have a measured amortized cost.

The District had the following recurring fair value measurements as of June 30, 2019:

	Fair Value Application							
Investment Type			1	2		3	Ur	ncategorized
Negotiable Certificate of Deposits	\$ 1,964,476	\$	_	\$ 1,964,476	\$	_	\$	-
Corporate Securities	1,150,397		-	1,150,397		-		-
Orange County Investment Pool	4,023,808		-	-		-		4,023,808
State Investment Pool	6,448,684		-	-		-		6,448,684
	\$ 13,587,365	\$	-	\$ 3,114,873	\$	-	\$	10,472,492

Investments in LAIF and OCIP are uncategorized as deposits and withdrawals are made on the basis of \$1 and not fair value. Accordingly, under the fair value hierarchy, these investments are uncategorized.

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, 2019 the District did not have investments in more than one issuer (other than U.S. Treasury securities, mutual funds, external investment pools) that represented 5% or more of total District investments.

Custodial Credit Risk

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

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. The Government Code also allows financial institutions to secure public agency deposits

Notes to Basic Financial Statements For the Year Ended June 30, 2019

(2) Cash and Investments (Continued)

by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2019 the District's deposits with financial institutions are covered by the Federal Deposit Insurance Corporation up to \$250,000, the remaining amounts of \$147,560 were collateralized as described above.

Investment in State and County Investment Pool

The District is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California, and in the OCIP under the oversight of the Orange County Treasurer. The fair market value of the District's investment in these pools are 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 OCIP for the entire LAIF and OCIP 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 OCIP, which are recorded on an amortized cost basis.

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

The Agency is a participant in the OCIP. The OCIP is an external investment pool, and is not registered with the Securities Exchange Commission (SEC). The County Treasury Oversight Committee conducts OCIP oversight. The OCIP values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. For further information regarding the OCIP, refer to the County of Orange Comprehensive Annual Financial Report.

(3) Restricted Assets

Restricted assets are monies held in restricted funds or accounts by the District for the benefit of member agencies, including a rate stabilization fund. As of June 30, 2019, \$2,181,179 was reported as restricted assets related to member agency activities.

(4) Capital Assets

The following is a summary of capital assets at June 30, 2019 with changes therein:

	2018	Additions	Deletions	2019
Furniture, Fixtures and Equipment	\$ 570,618	\$ 52,155	\$ (20,361)	\$ 602,412
Leasehold Improvements	3,728,519	75,857	(250)	3,804,126
	4,299,137	128,012	(20,611)	4,406,538
Less Accumulated Depreciation:				
Furniture, Fixtures and Equipment	(417,210)	(33,868)	20,361	(430,717)
Leasehold Improvements	(2,530,073)	(157,498)	228	(2,687,343)
	(2,947,283)	(191,366)	20,589	(3,118,060)
Net Capital Assets	\$1,351,854	\$ (63,354)	\$ (22)	\$ 1,288,478

Notes to Basic Financial Statements For the Year Ended June 30, 2019

(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) for the benefit of its Board of Directors. The Directors contribute 7.5 percent of their covered compensation to the Pension Plan. The Directors' contributions to the Pension Plan totaled \$24,013 for the year ended June 30, 2019. Participants become vested in the Pension Plan at a rate of 20% per year of service until they are fully vested after five (5) years.

Previously in FY 2015-16 due to a possible issue with conflicting State and Federal requirements regarding the District making contributions to the Director's retirement plans and whether these contributions would be considered compensation to the Directors subject to State Government Code limits; the District stopped making contributions and the Directors committed to refunding all contributions previously made by the District with interest. In FY 2015-16 all current MWDOC Directors at that time refunded \$156,833 to the District.

District employees were previously part of the Pension Plan until March 2013 when they became members of the CalPERS plan. See Note 7.

(6) Risk Management

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

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

At June 30, 2019, the District participated in the self-insurance programs as follows:

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

General, Auto and Public Officials Liability - The Insurance Authority has pooled self-insurance up to \$5 million per occurrence, and has purchased excess insurance coverage up to \$55 million for a total of \$60 million.

Crime Policy/Fidelity Bond - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence and has purchased excess insurance coverage up to \$3 million. The District has a \$1,000 deductible.

Cyber Liability – The District added Cyber Security for \$3 million per occurrence and \$5 million aggregate.

Notes to Basic Financial Statements For the Year Ended June 30, 2019

(6) Risk Management (Continued)

The District pays annual premiums to the Insurance Authority for all coverages. There were no instances in the past three years when a settlement exceeded the District's coverage.

Workers' Compensation – This Plan is administered through the Special District Risk Management Authority (SDRMA). The SDRMA is self-insured up to the statutory limit per occurrence.

Employer's liability is insured up to a \$5 million limit per occurrence. ACWA/JPIA maintains a Self-Insured Retention that is periodically adjusted based on market conditions.

The District pays annual premiums for all coverages. There were no instances in the past three years when a settlement exceeded the District's coverage and the District did not file any claims against any of the policies.

(7) Cost-Sharing Defined Benefit Plan

General Information about the Pension Plan

Plan Descriptions – Effective March 1, 2013, all qualified regular full-time employees working over 1,000 hours in a fiscal year are eligible to participate in the District's employee pension plan, a cost-sharing multiple employer defined benefit pension plan administered by CalPERS. The CalPERS Plans (the Plans) consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. The risk pools are included within the Public Employees' Retirement Funds C (PERF C). Benefit provisions under the Plans are established and may be amended by State statute and the District's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, membership information, and related financial information can be found on the CalPERS website at: http://www.calpers.ca.gov.

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

Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous				
	Prior to	On or after			
Hire Date	January 1, 2013	January 1, 2013			
Formula	2.0% @55	2.0% @62			
Benefit vesting schedule	5 years of service	5 years of service			
Benefit payments	monthly for life	monthly for life			
Retirement age	50-63	52-67			
Monthly benefits, as a % of annual salary	1.426% to 2.418%	1.0% to 2.5%			
Required employee contribution rates	7%	6.250%			
Required employer contribution rates Pensionable Compensation Cap*	9.409% No Cap	6.842% \$140,424			

^{*} Will increase to reflect changes in the Consumer Price Index

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

Contributions recognized by the Plans from the employer for the year ended June 30, 2019 were \$302,458. The District has phased out contributions paid on behalf of employees as of July, 2018.

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

As of June 30, 2019, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plan is as follows:

The District's net pension liability was measured as the proportionate share of the net pension liability of the collective cost-sharing plan. The District's net pension liability was measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term

Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

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, 2017 and 2018 were as follows:

	Miscellaneous
Proportion - June 30, 2017	0.05774%
Proportion - June 30, 2018	0.05877%
Change - Increase (Decrease)	0.00103%

For the year ended June 30, 2019, the District recognized pension expense of \$444,522.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	(Deferred Dutflows Resources	Deferred Inflows Resources
Differences between Expected and Actual Experience	\$	84,974	\$ 28,916
Changes of Assumptions		252,482	61,879
Differences between Projected and Actual Investment Earnings		10,949	-
Change in Employer's Proportion Differences between District Contributions and Proportionate Share of Contributions		201,390	10,267 109,690
•		-	109,090
Pension Contributions Made Subsequent to Measurement Date		302,458	
Total	\$	852,253	\$ 210,752

The amount of \$302,458 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ending	
June 30,	
2020	\$ 246,475
2021	166,984
2022	(54,496)
2023	(19,920)
	\$ 339,043

Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuation were determined using the following actuarial assumptions.

	Miscellaneous
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method Actuarial Assumptions:	Entry-Age Normal Cost Method
Investment Rate of Return	7.15%
Inflation	2.50%
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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

¹ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 CalPERS Experience Study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website at www.calpers.ca.gov.

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Taking into account historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

The table below reflects long-term expected real rate of return by asset class.

	Assumed		
	Asset	Real Return	Real Return
Asset Class ¹	Allocation	Years 1-10 ²	Years 11 + ³
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

¹ In CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

	1% Decrease		Discount Rate		1% Increase	
	(6.15%)		(7.15%)		(8.15%)	
District's Net Pension Liability/(Asset)	\$	3,823,948	\$	2,214,703	\$	886,297

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

² An expected inflation of 2.00% used for this period.

³ An expected inflation of 2.92% used for this period.

Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

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

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

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

Plan Description:

Effective October 1, 2011, the District established a Post-Retirement Healthcare Plan (Health Plan), and has contributed to a Section 115 Irrevocable Exclusive Benefit Trust for the pre-funding of post-employment health care costs. Currently, the District provides health insurance for its retired employees and their dependent spouses (if married and covered on the District's plan at time of retirement), or survivors in accordance with Board resolutions. Medical coverage is provided for retired employees who are age 55 or over and who have a minimum of 10 consecutive years of full-time service with the District. The District pays 100% of the premium for the lowest cost single retiree plan plus 90% of the difference to the plan actually selected, plus 80% of the combined retiree and spouse's medical premium until age 65. If a retiree in receipt of these benefits dies before reaching age 65, the surviving spouse will continue to receive coverage that the retiree would have been entitled to until age 65 only. When a retiree reaches age 65 and/or is eligible for Medicare, the District reimburses the retiree up to \$1,800 per calendar year for the cost of Supplemental Medical Insurance and Medicare Prescription Drug (Part D) Insurance for the lifetime of the retiree only. Retirees who complete at least 25 consecutive years of full-time service receive Districtpaid dental and vision benefits along with the above-mentioned medical coverage and post-age 65 coverage includes Medicare Part B premium reimbursements until the time of the retiree and spouse's death. Employees hired on or after July 1, 2012 are ineligible for District-paid retiree health benefits.

Plan benefits and contribution requirements of Health Plan members and the District are established, and may be amended, by the District's Board of Directors.

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

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

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

Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

Plan membership. At June 30, 2018, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	12
Active plan members	14
Total	26

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. Currently, contributions are not required from Health Plan members. The District has fully funded the OPEB obligation with the addition of an OPEB Designated Reserve account.

Net OPEB Liability:

The District's Net OPEB Liability was measured as of June 30, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2018. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions:

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

Salary increases	3.00%
Inflation rate	3.00%

Investment rate of return 6.00%, net OPEB plan investment expense Healthcare cost trend rate 6.00% for 2018; 5% for 2019 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2018 valuation were based on a review of plan experience during the period July 1, 2016 to June 30, 2018.

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

Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

Asset Class	Assumed Asset Allocation	Real Rate of Return
Broad U.S. Equity	50%	4.4
U.S. Fixed	50%	1.5

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 and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's total OPEB liability is based on these requirements and the following information:

Reporting Date	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2018
Long-Term Expected Return of Plan Investments	6.00%	6.00%
Municipal Bond 20-Year High Grade Rate Index	3.13%	3.62%
Discount Rate	6.00%	6.00%
The components of the net OPEB liability at June 30, 20 Total OPEB liability Plan fiduciary net position	J19, were as lollows.	\$ 2,478,646 2,212,237
Net OPEB liability		\$ 266,409
Measurement date Reporting date		June 30, 2019 June 30, 2019

Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

Schedule of Change in Net OPEB Liability:

	Increase (Decrease)		
	Total OPEB Plan Fiduciary Net C		t OPEB
	Liability	Net Position Li	ability
Balances at July 1, 2018	\$2,374,867	\$ 2,077,720 \$2	97,147
Changes for the year:			
Service Cost	34,408	-	34,408
Interest	140,392	- 1	40,392
Net investment income	-	140,186 (1	40,186)
Contributions			
Employer - cash subsidy	-	71,021 (71,021)
Benefit payments, including			
implicit subsidy of \$7,411	(71,021)	(71,021)	-
Administrative expense		(5,669)	5,669
Net changes	103,779	134,517 (30,738)
Balances at June 30, 2019	\$2,478,646	\$ 2,212,237 \$2	66,409

Sensitivity of the net OPEB liability to changes in the discount rate:

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase	
	(5.00%)	(6.00%)	(7.00%)	_
Net OPEB liability (asset)	\$627,909	\$266,409	\$(26,684)	

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates:

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.00 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
	(5.00% decreasing	(6.00% decreasing	(7.00% decreasing
	to 4.00%)	to 5.00%)	to 6.00%)
Net OPEB liability (asset)	\$(41,871)	\$266,409	\$648,245

Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

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

For the year ended June 30, 2019, the District made a total contribution of \$63,610, which represent actual health care costs for its retirees and their covered dependents. Total contribution inclusive of implicit subsidy amounted to \$71,021.

OPEB Expense

For the year ended June 30, 2019, the District's OPEB expense was \$48,220.

Service Cost	\$ 34,408
Interest Cost	140,392
Expected Return on Assets	(124,663)
Recognition of Deferred Outflows and Inflows	
Difference between projected and actual investments	 (1,917)
Total OPEB Expense	\$ 48,220

Actuarially Determined Contribution

The following shows the actuarially determined contribution for the year ended June 30, 2019:

Service Cost	\$	34,408
Net OPEB Liability Amoritization Payment (30-year)		15,439
Total	\$	49,847
Valuation Date	J	ulv 1. 2018

raidation Bato	July 1, 2010
Discount Rate	6.00%
Salary Increases	3.00%

Notes to Basic Financial Statements For the Year Ended June 30, 2019

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

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

At June 30, 2019, the District's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources are:

	Deferred Outflows	Deferred Inflows	
	of Resources	of Resources	
Differences between projected and actual return investments	\$ 161	\$7,883	

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

	Defered Outflows		Defer	red Inflows
Fiscal Year ending June 30:	of Re	sources	of R	lesources
2020	\$	54	\$	(1,971)
2021		54		(1,971)
2022		53		(1,971)
2023		-		(1,970)
	\$	161	\$	(7,883)

Investments

For the year ended June 30, 2019 the annual money-weighted rate of return on investments, net of investment expense, was 6.76%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

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

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

(9) Commitments and Contingencies

The District is involved in various litigation from time to time arising from the normal course of business. In the opinion of management and legal counsel, the District is not involved in any litigation that is expected to have a material adverse effect on the overall financial position of the District at June 30, 2019.

Notes to Basic Financial Statements For the Year Ended June 30, 2019

(10) Subsequent Events

The District has evaluated events or transactions through November 13, 2019, the date on which the financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined no other subsequent matters require disclosure or adjustment to the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2019

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

Measurement Period	nent Period 2019		 2018	
Total OPEB Liability				
Service cost	\$	34,408	\$ 33,406	
Interest on the total OPEB liability		140,392	134,254	
Actual and expected experience difference		-	-	
Changes in assumptions		-	_	
Changes in benefit terms		-	_	
Benefit Payments		(71,021)	(59,870)	
Net change in total OPEB liability		103,779	107,790	
Total OPEB liability - beginning		2,374,867	2,267,077	
Total OPEB liability - ending (a)		2,478,646	2,374,867	
Plan Fiduciary Net Position				
Contribution - employer		71,021	59,870	
Net investment income		140,186	128,809	
Benefit payments		(71,021)	(59,870)	
Administrative expense		(5,669)	 (11,456)	
Net change in plan fiduciary net position		134,517	117,353	
Plan fiduciary net position - beginning		2,077,720	1,960,367	
Plan fiduciary net position - ending (b)		2,212,237	 2,077,720	
Net OPEB liability - ending (a)-(b)	\$	266,409	\$ 297,147	
Plan fiduciary net position as a percentage of the total OPEB liability		89.25%	87.49%	
Covered-employee payroll	\$	1,956,477	\$ 1,933,612	
Net OPEB liability as a percentage of covered-employee payroll		13.62%	15.37%	

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

Required Supplementary Information (Unaudited) For the Year Ended June 30, 2019

Schedule of OPEB Contributions Last Ten Fiscal Years*

Fiscal Year Ended June 30		2019		2018	
Actuarially Determined Contribution (ADC)	\$	49,847	\$	48,878	
Contributions in relation to the ADC		(71,021)		(59,870)	
Contribution deficiency (excess)	\$	(21,174)	\$	(10,992)	
Covered-employee payroll	\$	1,956,477	\$	1,933,612	
Contributions as a percentage of covered-employee payroll		3.63%		3.10%	

^{*} Fiscal year 2018 was the first year of implementation, therefore only 2 years are shown

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019 was determined by an actuarial valuation as of July 1, 2018. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Methods and assumptions used to determine contributions:

Actuarial Cost Method Entry Age

Amortization Method/Period Level percent of payroll over a closed rolling 15-year period

Asset Valuation Method 5-year smoothed market

Inflation 3.00% Payroll Growth 3.00%

Investment Rate of Return 6.00%, net of OPEB plan investment expense Healthcare cost-trend rates 6.00% for 2018; 5.00% for 2019 and later years

Retirement Age 55

The probablitites of Retirement are based on the 2014 CalPERS

Experience Study for the period from 1997 to 2011.

Mortality Pre-retirement mortality rates were based on the RP-2014

Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on

the RP-2014 Health Annuitant Mortality Table for Males or

Females, as approporiate, without projection.

Required Supplementary Information (Unaudited) For the Year Ended June 30, 2019

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

	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.05877%	0.05774%	0.05387%	0.05019%	0.02186%
Proportionate share of the net pension liability	\$2,214,703	\$2,276,032	\$1,871,472	\$1,376,955	\$1,360,017
Covered Payroll	\$3,295,260	\$3,022,872	\$2,748,796	\$2,640,576	\$2,601,571
Proportionate share of the net pensions liability as a percentage of covered payroll	67.21%	75.29%	68.08%	52.15%	52.28%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	73.31%	75.87%	78.40%	79.82%

^{*} Fiscal year 2015 was the first year of implementation, therefore only five years are shown

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal				
Amortization Method	Level Percent of				
	Payroll	Payroll	Payroll	Payroll	Payroll
Asset Valuation Method	Market Value				
Discount Rate	7.15%	7.15%	7.65%	7.65%	7.50%
Projected Salary	Varies, based on				
Increase	Entry Age and				
	Service	Service	Service	Service	Service
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Payroll Growth	3.25%	3.00%	3.00%	3.00%	3.00%
Individual Salary Growth	A merit scale				
	varying by duration				
	of employment				
	coupled with an				
	assumed annual				
	inflation growth of				
	3.00% and an	2.75% and an	2.75% and an	2.75% and an	2.75% and an
	annual production				
	growth of 0.25%.				

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. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their

Required Supplementary Information (Unaudited) For the Year Ended June 30, 2019

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

financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

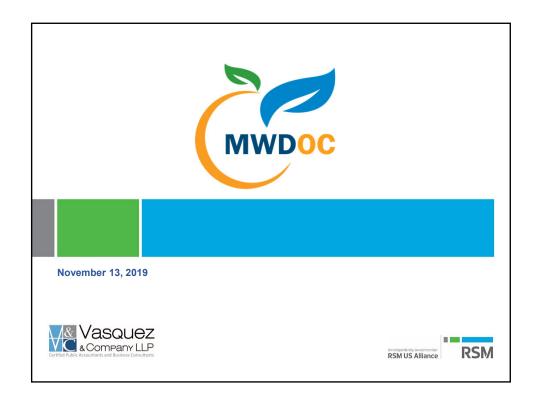
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2019

Cost Sharing Retirement Plan Schedule of Contributions Last Ten Years*

	2019	2018	2017	2016	2015
Actuarially determined contributions Contributions in relation to the	\$ 302,458	\$ 273,125	\$ 252,815	\$ 220,517	\$ 288,065
actuarially determined contribution	(302,458)	(273,125)	(252,815)	(220,517)	(288,065)
Contribution deficiency (excess)	\$ -	<u> </u>	<u> </u>	\$ -	<u> </u>
Covered Payroll	\$3,482,913	\$3,295,260	\$3,022,872	\$2,748,796	\$2,640,576
Contributions as a percentage of covered-employee payroll	8.68%	8.29%	8.36%	8.02%	10.91%

^{*} Fiscal year 2015 was the first year of implementation, therefore only five years are shown

¹ Restated Covered Payroll



Introduction

To the Honorable Members of the Board of Directors Municipal Water District of Orange county

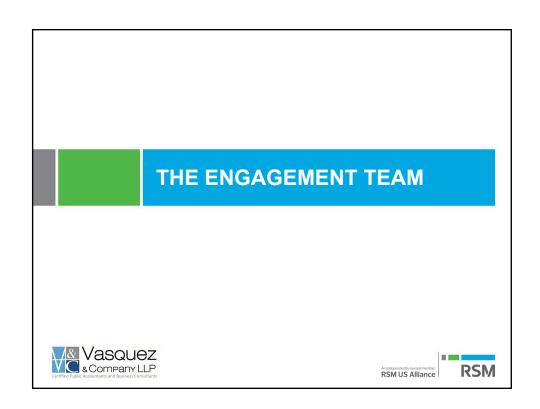
We are pleased to present this report related to our audit of the financial statements of Municipal Water District of Orange County (the District) as of and for the year ended June 30, 2019. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process, as well as other matters that we believe may be of interest to you. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

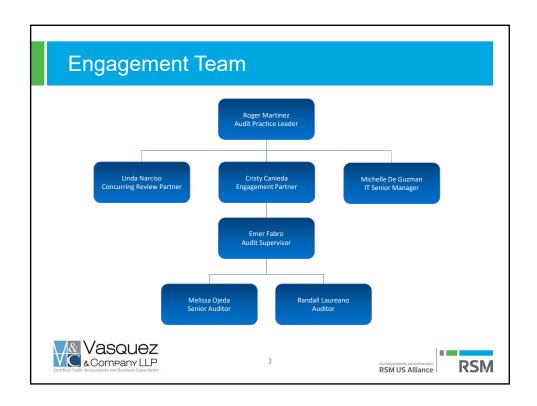
This report is intended solely for the information and use of the Administration and Finance Committee, Board of Directors and Management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to be of service to the District.



An independently owned member RSM US Alliance









Audit Focus Areas Audit Area Cash and Investments The fair values reported in the statements of net position are fairly stated with no inaccurate, incomplete, or missing Receivables and related allowance for

disclosures related to investment securities. Receivables are recorded correctly and are properly valued as to collectability. doubtful accounts Capital assets, capital expenditures and related depreciation are monitored and fairly stated in the financial statements. Pension and OPEB liabilities Pension and OPEB liabilities are properly valued and disclosed in the financial statements. Billings to agency participants are reasonably stated and

Revenues reported in proper periods. Expenditures/Payroll Expenditures are incurred in compliance with budgetary

constraints and procurement policies. Payroll costs are correctly allocated and are supported by documentation of hours and

Focus



Capital Assets





Audit Risks

- ☐ Revenue Recognition
 - Tested through analytic procedures, confirmations and through testing of the cutoff of the year-end receivables balance
- Management and BOD expenditures
 - Tested a sample of expenditures related to management and BOD and compared to stated District policies.
- Related Party Transactions
 - Tested through review of the Form 700s as well as payments to vendors during the year through IDEA testing
- ☐ Bidding Procedures not in accordance with District policies
 - Tested a sample of contracts entered into during the year and compared to stated District policies
- ☐ Investments not in accordance with District and State of California policies
 - Tested a sample of quarterly reports during the year
- ☐ Fraudulent or improper journal entries were posted during the year
 - Tested through use of IDEA to ensure that entries were not posted on weekends, there were no gaps in sequence and that entries with round numbers were proper and had support validating the entry.
- ☐ GASB 75 and GASB 68
 - Tested census data and reasonableness of assumptions used in the valuation
- ☐ Disclosure of net pension liability and OPEB obligations
 - Agreed to reports provided by third party actuaries and underlying data provided by MWDOC



6



IDEA Analysis

- ☐ We performed data analytics to test disbursements and general ledger transactions for unusual events, such as:
 - Gaps in check sequence
 - Transactions posting outside of business hours
 - Transactions/payments with even dollar amounts
 - Unusually large dollar payments
- All potential issues were investigated and resolved satisfactorily



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SUMMARY OF AUDIT RESULTS Vasquez & Company LLP EXAMPLES ALL THE RESULTS **COMPANY LLP EXAMPLES ALL THE RESULT **COMPANY LLP EXAMPLES ALL THE RESULTS **COMPANY LLP EXAMPLES ALL THE RESULTS **COMPANY LLP EXAMPLES ALL THE RESULTS **C

Independence

There are no relationships between any of our representatives and MWDOC that in our professional judgment may reasonably be thought to bear on independence.

We confirm that we are independent of MWDOC within the meaning of the independence, integrity and objectivity rules, regulations, interpretations, and rulings of the AICPA, Government Auditing Standards (Yellow Book), the State of California Board of Accountancy, and other regulatory agencies.



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Status of prior year recommendations

- □ No separate detailed formal written capitalization policy for fixed assets (Current capitalization threshold: \$5,000) *Implemented in FY2019*
- Detailed monthly closing checklist should be included in the written accounting policies and procedures manual Implemented in FY2019
- □ Required Vacation –Implemented since FY2018
 - MWDOC should require that accounting personnel take vacation of five consecutive days and/or during key transaction cycle periods, such as distribution of accounts payable and payroll checks, so as to ensure that MWDOC has proper backup and training of personnel as well as to prevent possible fraud.



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Report of Independent Auditors

UNMODIFIED OPINION

- □ Audit performed in accordance with auditing standards generally accepted in the United States of America.
- ☐ The financial statements fairly present, in all material respects, Municipal Water District of Orange County's:
 - Financial position
 - Results of operations
 - Changes in net assets
 - Cash flows
- □ Report on Internal Control over Financial Reporting and on Compliance No material weaknesses, significant deficiencies, and material noncompliance noted.



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SAS 114 – AUDITORS' REQUIRED COMMUNICATIONS TO THOSE CHARGED WITH GOVERNANCE





Required Communications

- Management has primary responsibility for the accounting principles used, including their consistency, application, clarity and completeness.
- We are not aware of any consultations by management with other accountants about accounting or auditing matters.
- We did not encounter any difficulties with management while performing our audit procedures that require the attention of the Administration and Finance Committee and the Board.
- ☐ We encountered no disagreements with management on financial accounting and reporting matters as it relates to the current year financial statements.
- MWDOC's significant accounting policies are appropriate and management has applied its policies consistently with prior periods in all material respects.
- No significant or unusual transactions or accounting policies in controversial or emerging areas for which there is lack of authoritative guidance or consensus were identified.



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Required Communications (continued)

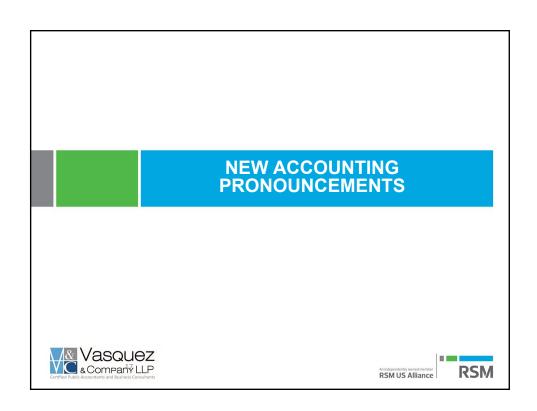
- There were no material audit adjustments made during the year.
- No significant issues were discussed, or subject to correspondence, with management prior to retention.
- □ No significant deficiencies or material weaknesses in internal controls were identified
- No irregularities, fraud or illegal acts or that would cause a material misstatement of the financial statements, came to our attention as a result of our audit procedures.
- MWDOC will provide us with a signed copy of the management representation letter at the end of the audit and prior to our issuance of the financial statements.

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Current year recommendations | Enhanced Password Parameters Setup | Perform Daily Anti-Virus Quick Scans | Perform Annual Disaster Recovery Plan Testing



New Accounting Pronouncements

- GASB 83 Certain Asset Retirement Obligations. Effective for periods beginning after June 15, 2018.
- GASB 84 Fiduciary Activities. Effective for periods beginning after December 15, 2018.
- GASB 87 Leases. Effective for periods beginning after December 15, 2020.
- GASB 88 Certain Disclosures Related to Debt (Including Direct Borrowings and Direct Placements)

 December 31, 2020 (for entities with December 31 year end)
- GASB 89 Accounting for Interest cost Incurred Before the End of a Construction Period
- **GASB 90** Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61. Effective for periods beginning after December 15, 2018.
- GASB 90 Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61. Effective for periods beginning after December 15, 2018.
- GASB 91 Conduit Debt Obligations effective for periods beginning after December 15, 2020



14

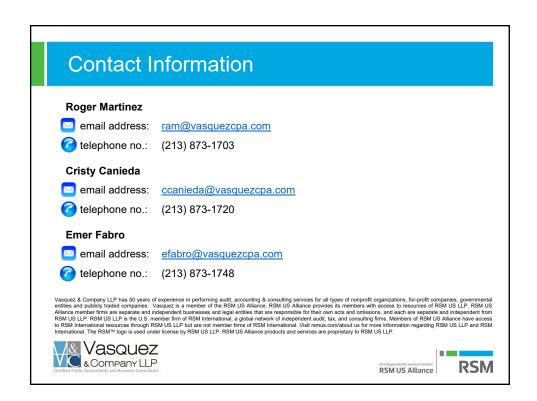


DISCUSSION AND QUESTIONS











CONSENT CALENDAR ITEM

November 20, 2019

TO: Board of Directors

FROM: Planning & Operations Committee

(Directors Yoo Schneider, Dick, Tamaribuchi)

Robert Hunter Staff Contact: J. Berg

General Manager Director of Water Use Efficiency

SUBJECT: Authorization to Contract with Distribution System Flushing Companies

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to enter into five-year contracts with Reliable Water Solutions, Inc. and ValveTek Utility Services, Inc. to provide Distribution System Flushing Services to retail water agencies throughout Orange County as part of MWDOC's Water Loss Control Shared Services.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

In December 2018, the Board adopted the Water Loss Control Shared Services Business Plan and authorized staff to begin offering a variety of shared services to water agencies throughout Orange County. Staff has completed a request for proposals process that identified two companies that provide unidirectional distribution system flushing services using the Neutral Output Discharge Elimination System (NO-DES) technology.

DETAILED REPORT

The Water Loss Control Shared Services Business Plan includes unidirectional distribution system flushing services using the Neutral Output Discharge Elimination System (NO-DES) technology. System flushing is an important strategy to maintain water quality standards in the distribution system. Traditional flushing simply flushes water out of a fire hydrant and into the street, wasting significant volumes of water and creating negative public perception.

Budgeted (Y/N): N/A	Budgeted	amount: N/A	Core	Choice X
Action item amount: N/A Line item: 70		Line item: 70		
Fiscal Impact (explain if unbudgeted): Flushing services will be paid by agencies accessing this shared service.				

NO-DES flushing is unique because it pulls water from one hydrant, processes it through filter vessels, and places it back into the distribution system through a second hydrant. NO-DES also achieves higher flush velocities than traditional flushing, which provides more effective cleaning of debris and biofilm from the pipe walls. The NO-DES system monitors turbidity, chlorine residual, and pressure. If chlorine residuals drop below the desired level, NO-DES can add chlorine if requested by the water agency. Water agency staff work in conjunction with NO-DES operators to open and close distribution system valves systematically to flush broader and broader sections of the distribution system, allowing the NO-DES flushing system to remain stationary each day.

MWDOC's role in providing this shared service is to select and contract with distribution system flushing companies and to coordinate flushing services with agencies. Retail agencies accessing these services will pay all costs charged by flushing contractors, along with an administrative fee to MWDOC for coordination of these services. MWDOC's administrative fee is \$1,373 and provides for staff time for coordination and supervision of flushing services.

Staff prepared a Request for Proposals (RFP) describing the desired flushing services. The RFP was released on March 12, 2019 and required proposals to be submitted by March 26, 2019. Staff received two proposals by the deadline. Staff convened a proposal review panel that included staff from MWDOC, South Coast Water District, and Yorba Linda Water District. Review panel members reviewed and scored the proposals independently. Scoring categories included Scope of Work and Methodology, Team Experience and Capabilities, References, Schedule, and Fees. Panel member scores were then compiled into final composite scores, which only differed by six points between the two contractors. Both contractors are licensed by NO-DES to provide flushing services nation-wide and have southern California-based offices. Both contractors offered common pricing structure, which are summarized in Table I. For these reasons, the review panel concluded that both contractors are well qualified to provide flushing services.

Table I Neutral Output Discharge Elimination System Flushing Cost Proposal						
Reliable Water ValveTek Utility Solutions, Inc. Services, Inc.						
Mobilization	\$500	\$500				
Disinfection of Flushing Equipment	\$1,500	\$1,500				
Daily Flushing Fee	\$3,700	\$3,700				
Weekly Flushing Fee	\$18,500	\$18,500				
Filter Bags (ea.)	\$15	\$15				

As of the writing of this staff report, only the City of Westminster has committed to accessing the Distribution System Flushing Shared Service; however, several other agencies have expressed interest. Because of this, it is difficult to estimate the total cost of these services over the next five years.

Staff recommends the Board of Directors authorize the General Manager to enter into fiveyear contracts with Reliable Water Solutions, Inc. and ValveTek Utility Services, Inc. to provide Distribution System Flushing Services to retail water agencies throughout Orange County. Contracting with two companies will give agencies a choice of contractors for flushing services and will maximize the availability of flushing services.

BOARD OPTIONS

Option #1

 Staff recommends the Board of Directors authorize the General Manager to enter into five-year contracts with Reliable Water Solutions, Inc. and ValveTek Utility Services, Inc. to provide Distribution System Flushing Services to retail water agencies throughout Orange County as part of MWDOC's Water Loss Control Shared Services.

Fiscal Impact: None

Business Analysis: This recommendation is consistent with the Water Loss Control Shared Services Business Plan adopted by the Board in December 2018.

Option #2

Do not facilitate Distribution System Flushing Services for retail agencies.

Fiscal Impact: Will require agencies to invest considerable staff time to conduct Request for Proposals processes to hire flushing contractors.

Business Analysis: This recommendation is not consistent with the Water Loss Control Shared Services Business Plan adopted by the Board in December 2018.

STAFF RECOMMENDATION

Option #1



CONSENT CALENDAR ITEM

November 20, 2019

TO: Board of Directors

FROM: Administration & Finance Committee

(Directors Thomas, Finnegan, McVicker)

Robert J. Hunter Staff Contact: Cathy Harris,
General Manager Director of Human Resources &

Administration

SUBJECT: REVISIONS TO DISTRICT ADMINISTRATIVE CODE SECTIONS 7109

& 7110

STAFF RECOMMENDATION

It is recommended that the Board of Directors Approve the recommended changes to Administrative Code Sections 7109 and 7110, as presented.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

The Board approved revisions to the Personnel Manual on October 16th. Based on the changes to the Personnel Manual, staff is recommending the proposed revisions to Chapter 7 of the Administrative Code to provide consistency with the recently approved Personnel Manual changes relating to the Internal Complaint Procedures and Grievance Reporting Steps. The changes are outlined as follows:

§7109 VIOLATION OF POLICY – STAFF AND STAFF OFFICERS

If an employee is reported to have violated MWDOC's Ethics Policy, the <u>alleged violation</u> matter shall be referred to any of the following: <u>Supervisor or Manager, depending on</u> which individual the employee feels most comfortable contacting, and the <u>Director of Human Resources</u>. In the event the complaint is against the <u>Director of Human Resources</u>, the employee may report the violation to the <u>General Manager</u> (1) the

Budgeted (Y/N): NA	Budgeted a	amount: NA	Core _X_	Choice _X_	
Action item amount: NA		Line item: NA			
Fiscal Impact (explain if unbudgeted): Not applicable					

General Manager; (2) Human Resources; (3) the Board of Directors; or (4) any member of the management staff, for investigation and consideration of any appropriate action warranted which may include employment action such as demotion, reduction in salary, or termination.

If a Board appointed officer (Secretary, Treasurer or General Manager) is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the <u>Board President</u>, Executive Committee, or the full Board of <u>Directors</u> for investigation and consideration of any appropriate action <u>in accordance with Section 4200 of the Personnel Manual</u>, <u>Grievance Procedure</u>. The Executive Committee may make a determination and present the issue to the full Board.

Motion - 1/17/96; 6/17/15;11/20/19

§7110 VIOLATION OF POLICY -- DIRECTORS

A perceived violation of this policy by a Director should be referred to the <u>Board</u> President-, <u>Executive Committee</u>, <u>of the Board</u> or the full Board of Directors for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to MWDOC, including, but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Director who has violated this policy, (b) injunctive relief, or (c) referral of the violation to MWDOC Legal Counsel and/or the Grand Jury.

BOARD OPTIONS

Option #1

 Approve the recommended changes to Administrative Code Sections 7109 and 7110, as presented.

Fiscal Impact: None

Business Analysis: Proposed changes provides consistency in administering policies.

Option #2

Do not approve as presented.

Fiscal Impact: None

Business Analysis: Inconsistent with Complaint Procedures and Grievance Reporting Steps outlined in Personnel Manual.

Option #3

•

Fiscal Impact: Business Analysis:

STAFF RECOMMENDATION

Option #1



CONSENT CALENDAR ITEM

November 20, 2019

TO: Board of Directors

FROM: Administration & Finance Committee

(Directors Thomas, Finnegan, McVicker)

Robert Hunter, General Manager Staff Contact: Tiffany Baca

SUBJECT: California Water, Energy, and Education Alliance (WEEA) Sponsorship

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee: Authorize sponsorship (membership) in WEEA in the amount of \$2,500 (option 1).

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

Through the California Environmental Education Foundation (CEEF), a Southern California Water, Energy, and Education Alliance (WEEA or Alliance) has been formed. Leadership in education, water, and energy sectors have been working together to develop and implement a Career Technical Education program (CTE) for Southern California high school students. This CTE will ensure that opportunities for postsecondary education and career pathways are illuminated, and will help fill the need for skilled workers in the water and energy sectors.

Sponsorship – or truly, membership – is \$2500 each year. Some of the key benefits of membership include a position of leadership, and inclusion on all discussions and decisions made related to the structure of these specific CTEs for Southern California. This item is budgeted under Public Affairs - Sponsorship Contingency Fund (32-7670).

DETAILED REPORT

In 2018, CEEF approved the formation of WEEA. The purpose of the Alliance is multifold: (1) to grow skill and career interest in the water and energy sectors, (2) to reinforce student understanding of concepts and science practices identified in California's Next Generation Science Standards (NGSS), (3) to design and implement a CTE that will be offered to Southern California high school students, and (4) through the implementation of CTEs, to

Budgeted (Y/N): Y	Budgeted amount: \$5000		Core	Choice		
Action item amount: \$2500		Line item: 32-7670				
Fiscal Impact (explain if unbudgeted):						

offer a variety of customized apprenticeships, field trips, job-shadowing opportunities, and expert speakers to schools.

In the early stages of development, Metropolitan Water District of Southern California (Metropolitan) and Los Angeles Department of Water and Power (LADWP) joined the Alliance, working closely with CEEF on key strategies to strengthen career pathways and partnerships between school districts and water/energy sectors. Today, three additional members have joined the Alliance, and several others have offered commitments. These members include:

- Elsinore Valley Municipal Water District Member
- Irvine Ranch Water District Member
- Water Replenishment District of Southern California Member
- Moulton Niguel Water District Commitment
- Eastern Municipal Water District Commitment

Membership includes multiple benefits for participating agencies, including a seat at the table for discussions related to effective partnerships, introductions to resources, as well as the opportunity to provide input and recommendations on the development and implementation of CTEs throughout Southern California.

The Alliance has enabled leadership from both education and water/energy business sectors to work together in finding innovative strategies that offer a pathway to postsecondary education and career opportunities for high school students. This initiative has become increasingly important as the demand for skilled employees continues to grow along with the region's growing population, and as senior industry professionals retire at a rapid rate.

Through the membership opportunity provided, the Municipal Water District of Orange County has been invited to the next Leadership Roundtable (#3) on November 8, 2019 (agenda attached). This roundtable has three (3) main purposes:

- 1. Review the key elements of CTE workforce pathway partnerships
- 2. Gain understanding of the focus and progress of other WEEA members on current partnerships with school districts
- 3. Initiate action planning between industry and educational professionals on cohort partnership strategies

Leadership Roundtable #3 will focus on characteristics of exemplary school district-water/energy partnerships, and participants will be invited to identify their current workforce needs. Participant's current recruitment programs will also be examined to ensure they align with high schools and colleges in their service areas.

Option #1

 Authorize sponsorship payment of \$2500 in the California Water, Energy, and Education Alliance (WEEA)

Fiscal Impact: \$2500 taken from the Public Affairs budget, line item 32-7670, bullet #6 "Sponsorship Contingency Fund - \$5000"

Option #2

.Do not authorize sponsorship payment of \$2500 in the WEEA
 Fiscal Impact: None









AGENDA

WEEA Leadership Roundtable #3 LADWP Executive Conference Center, Room 1514 111 N. Hope St. Los Angeles, CA 90012 November 8, 2019

8:00	Please check-in at Security and receive a security sticker badge (Photo ID required). Complimentary breakfast and refreshments in Room 1514			
8:30	WELCOME: Bill Andrews, WEEA; Walter Zeisl, LADWP; Adrian Hightower, MWD			
8:45	Self-Introductions: WEEA Sponsors and Educators (name, title, agency/school district/role)			
9:15	Roundtable #3 Agenda: Target Outcomes and "Key Elements of Progress in a CTE Workforce Pathway Partnership" - Bill Andrews and Dr. Jeanne Knapp			
9:30	Skill Craft Recruitment at LADWP- Mark Barbula, Electrical Services Manager; Adam Krause, Chief Electric Plant Operator; Melvin Spears, Water Utility Supervisor			
10:30	Break			
10:45	Roundtable Discussion: What Collaborative Model Provides the Best Service to Alliance Partners in 2020?			
	Prompt: Since CTE workforce pathways are dependent upon collaboration between industry and education partners, please answer the following: 1. What is THE most important collaborative goal or strategy you want to pursue over the next five months? 2. In what way(s) can the WEEA Leadership Team best support you?			
11:45	Action Steps for WEEA Partners			
11:50	WEEA's Support Role in 2020 Partnership Development: Facilitate WEEA/ Sponsor Partnership Meetings [11/19-3/20]; WEEA Roundtable #4, January 31, 2020; and WEEA's Phase II Sponsorship in April, 2020			
11:55	Acknowledgments and adjournment			









CONSENT CALENDAR ITEM

November 20, 2019

TO: Public Affairs and Legislation Committee

(Directors Dick, Thomas and McVicker)

FROM: Robert Hunter, General Manager

Staff Contact: Heather Baez

SUBJECT: TRAVEL TO WASHINGTON D.C. TO COVER FEDERAL ADVOCACY

ISSUES

STAFF RECOMMENDATION

Staff recommends the Board of Directors review the travel expenses and ratify as reported.

COMMITTEE RECOMMENDATION

Committee will review this item on November 18, 2019.

REPORT

DIRECTORS

For the first quarter (July-September 2019) of fiscal year 2019-2020, zero trips were taken.

The following is budgeted for fiscal year 2019/2020 for **directors**:

Washington D.C. Legislative Budget Travel - \$10,800, 6 trips

Total cost for this quarter: \$0

Year-to-date spent: \$0

Budgeted (Y/N): Y	Budgeted amount: Directors - \$10,800 Staff - \$10,800	Core X	Choice				
Action item amount: No	Line item: 11-7155 12-7150						
Fiscal Impact (explain if unbudgeted):							

Budget remaining: \$10,800

Projecting for the second quarter of fiscal year 2019-2020, one trip was taken, no additional trips are scheduled.

STAFF

For the fourth quarter (July-September 2019) of fiscal year 2019-2020, one trip was taken:

• September 11-13: Rob Hunter

The following is budgeted for fiscal year 2019/2020 for **staff**:

Washington D.C. Legislative Travel - \$10,800, 6 trips

Total cost for this quarter: \$2,082.21

Year-to-date spent: \$2,082.21Budget remaining: \$8,717.79

Projecting for the second quarter of fiscal year 2019-2020, no trips are scheduled.

The focus of the trips this fiscal year will be on the importance of the Delta Conveyance Project, PFAS, appropriations and funding opportunities for local and regional projects, long term conservation and tax parity water rebate issues (turf removal program, et al.), and visits to representative's offices to update them on issues of importance to MWDOC and its member agencies.



CONSENT CALENDAR ITEM

November 20, 2019

TO: Public Affairs and Legislation Committee

(Directors Dick, Thomas and McVicker)

FROM: Robert Hunter, General Manager

Staff Contact: Heather Baez

SUBJECT: TRAVEL TO SACRAMENTO TO COVER STATE ADVOCACY ISSUES

STAFF RECOMMENDATION

Staff recommends the Board of Directors review the travel expenses and ratify as reported.

COMMITTEE RECOMMENDATION

Committee will review this item on November 18, 2019.

REPORT

DIRECTORS

For the first quarter (July-September 2019) of fiscal year 2019-2020, one trip was taken:

• July 8: Director Yoo Schneider

The following is budgeted for fiscal year 2018/2019 for **directors**:

Sacramento Legislative Budget Travel - \$4,600, 8 trips

Total cost for this quarter: \$603.98

• Year-to-date spent: \$603.98

Budgeted (Y/N): Yes	Budgeted a	amount: \$4,600 – Directors \$9,500 – Staff	Core X	Choice			
Action item amount: None		Line item: 11-7155 12-7150					
Fiscal Impact (explain if unbudgeted):							

Budget remaining: \$4,196.02

Projecting for the second quarter of fiscal year 2019-2020, no trips have been scheduled.

STAFF

For the fourth quarter (July-September 2019) of fiscal year 2019-2020, five trips were taken or scheduled:

- July 8 Rob Hunter
- August 23 Heather Baez
- September 12 Heather Baez
- October 16-17 Heather Baez (booked for 2nd quarter)
- October 24-25 Heather Baez (booked for 2nd guarter)

The following is budgeted for fiscal year 2019/2020 for **staff**:

Sacramento Legislative Travel - \$14,400, 24 trips

- Total cost for this quarter: \$2,143.74
- Year-to-date spent: \$2,143.74
- Budget remaining: \$12,256.26

Projecting out for the second quarter of fiscal year 2019-2020, one trip has been taken or scheduled:

- October 16-17 Heather Baez
- October 24-25 Heather Baez
- November 13 Heather Baez

The focus of the trips are safe and affordable drinking water, Human Right to Water, AB 401 (Low Income Rate Assistance program for water) implementation, California Water Portfolio, the Delta Conveyance Project, and State Water Resources Control Board meetings.

GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES NOVEMBER 2019

MWDOC Agencies Managers Meeting

MWDOC held its Member Agency Managers' meeting at its office in Fountain Valley on October 17, 2019.

In attendance were: Dennis Cafferty – El Toro WD, Mark Sprague – Fountain Valley, Cel Pasillas – Garden Grove, Paul Cook & Paul Weghorst – Irvine Ranch WD, Matt Collings – Moulton Niguel WD, Mark Vukojevic – Newport Beach, Mike Markus & Adam Hutchinson – Orange County WD, Jose Diaz – Orange, Dave Rebensdorf – San Clemente, Dan Ferons – Santa Margarita WD, Joe McDivitt – South Coast WD, Fernando Paludi – Trabuco Canyon WD, Scott Miller – Westminster, Marc Marcantonio & Rosanne Weston – Yorba Linda WD

MWDOC Staff: Rob Hunter, Karl Seckel, Harvey De La Torre, Melissa Baum-Haley, Joe Berg, Chris Lingad

• Discussion Items:

- Development of Water Loss Performance Standards
- o Metropolitan to co-fund dues payments for AWE and Cal WEP
- o EPA Lead and Copper Rule Proposal
- o Legislative Policy Principles

• Information Items:

- Metropolitan Upcoming Shutdowns
- o AWIA Update and Contract
- o BUC AQMD Follow-up

Next meeting will tentatively be held: November 21, 2019

Meetings

- Charles Busslinger and Karl Seckel participated in a conference call with IRWD staff on October 9, 2019 to discuss IRWD's perspective on the extension/expansion alternatives identified in the Dudek Study for the South OC Emergency Service Program. The alternatives will be further discussed with all of the south OC agencies at the upcoming regional planning & local water supply integration workshop in November 2019.
- ➤ Charles Busslinger attended a October 15, 2019 site visit to service connection OC-3 with staff from the City of Orange and MET regarding pending electrical modifications as part of a MET repair and replacement project to upgrade MET infrastructure. The meeting resulted in a path forward to complete electrical modifications to everyone's satisfaction. Agreements to document the minor changes are currently being prepared for Board consideration in the next month or two.
- ➤ Charles Busslinger and Karl Seckel attended a meeting on October 23, 2019 at Santa Margarita WD regarding the San Juan Watershed project. As

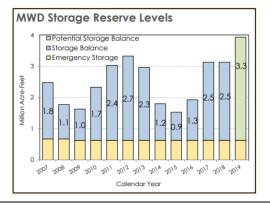
Meetings – continued

- indicated above, some aspects of the project are changing and more information will be provided next month.
- ➤ Charles Busslinger and Chris Lingad participated in an October 29, 2019 conference call with MET regarding OC Feeder bulkhead removal and return to service operations; scheduled for November 12-18, 2019. Currently the OC-44 pipeline is down for repairs by Mesa WD and MWDOC is assisting in the coordination of the two projects.
- ➤ Karl Seckel, MWDOC Director Yoo-Schneider and myself attended the Laguna Beach County Water District Board meeting to provide a retirement send-off to Renae Hinchey who was the General Manager for the past 19 years.

MET ITEMS CRITICAL TO ORANGE COUNTY

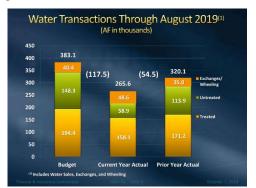
MET's Water Supply Conditions

With estimated total demands and losses of 1.50 million acre-feet (MAF), along with 947 thousand acre-feet (TAF) of Colorado River water and a 75% SWP Table A Allocation plus an additional 65 TAF of Article 21 supplies, Metropolitan is projecting that supply will exceed demand levels in Calendar Year (CY) 2019. Based on this, estimated total dry-year storage for Metropolitan at the end of *CY 2019 is projected to go up to 3.3 MAF*.



MET's Finance and Rate Issues

Water transactions through August were 117.5 TAF (7%) lower than budget of 1.75 MAF and 8 TAF (0.06%) lower than the 5-year average. This is primarily due to a reduction in untreated water sales. This results in a water revenue that is \$105.4 million lower than budget.



Colorado River Issues

Bard Water District Seasonal Fallowing Program – Tentative Agreement

On September 19, Bard Water District voted to approve a draft term sheet outlining a proposal to extend the pilot Metropolitan-Bard seasonal fallowing program. The proposed program would be in place from 2020-2026, concurrent with the interstate agreement that allows Metropolitan to store water generated from the seasonal fallowing program in Lake Mead. The proposal incorporates lessons learned in the two-year pilot program, making the program more efficient and effective. Metropolitan staff is now working on environmental compliance and drafting an agreement for the program. The draft agreement will be brought for Metropolitan's Board consideration later this fall.

Minute 323 Implementation - Hydrology Work Group

In September 2019, Metropolitan attended a U.S. only meeting of the Binational Hydrology Work Group (Hydrology Work Group) in Boulder City, Nevada. The Hydrology Work Group is one of several joint groups with U.S. and Mexico that were tasked with implementing certain aspects of Minute 323. The Hydrology Work Group meets approximately twice a year to discuss how to address matters of hydrology in Minute 323. The meeting focused on development of a preliminary draft scope-of-work for the next one-to-two years of their activity, was discussed with Mexican representatives in Tijuana at a meeting in October 2019. The Hydrology Work Group also discussed the importance of delaying negotiations regarding any controversial binational issues until after the renegotiation of the Interim Guidelines formally begins in 2020 or 2021 within the U.S.

Basin Study – New Pilot Program Authorized

The Bureau of Reclamation's (USBR) Colorado River Basin Water Supply and Demand Study effort included grant funding for qualifying pilot projects. In September 2019, USBR notified Metropolitan, the Central Arizona Water Conservation District (CAWCD), and the Southern Nevada Water Authority (SNWA) that their joint proposal for matching funds was successful and that USBR will provide \$200,000 to investigate methods of quantifying agricultural water conservation in the Lower Colorado River Basin (Lower Basin), focusing on case studies of seasonal fallowing, deficit irrigation, and irrigation equipment conversion (e.g., conversion from flood irrigation to sprinklers). The aim of the proposal is to evaluate existing quantification methods and suggest methodological improvements to better guide investment in Lower Basin agricultural conservation going forward. The project team will consist of Metropolitan, CAWCD, SNWA, USBR Lower Colorado Region, an outside consultant, and a broad stakeholder group.

Bay Delta/State Water Project Issues

Science Activities

Metropolitan staff continued participating in the Collaborative Science and Adaptive Management Program (CSAMP), including participation on the Collaborative Adaptive Management Team (CAMT). In September, the CSAMP Steering Committee for the Delta Smelt Structured Decision Making (SDM) project developed a goal statement to provide direction on draft decision objectives and performance measures for Delta smelt as the SDM project moves forward. The steering committee also identified participants for the SDM technical workgroup. CAMT provided input to a presentation on the CAMT Delta smelt entrainment studies that are addressing questions concerning which factors affect Delta smelt entrainment and which are the effects of entrainment on the Delta smelt population. This set of studies is scheduled to be completed this fall. On September 18, Metropolitan staff participated in a kick-off meeting for a new science project to develop a relative risk model for water quality contaminants in the Bay-Delta. The objective of the project is to quantify the relative contributions of groups of water quality contaminants to the reduction in native pelagic fish species and changes in macroinvertebrate community structure in the Delta and Suisun Bay. At the meeting, the group discussed sources of water quality data available for the risk analysis, and identified technical expertise and stakeholder participation needed for the project. This is a three-year project, and the first year of the project is jointly funded by Metropolitan and the California Department of Pesticide Regulation.

Delta Flood Emergency Management Plan

On April 24-25, 2019, DWR conducted a two-day full-scale field exercise for levee repair and recovery in the Delta region. The exercise mobilized DWR and U.S. Army Corps of Engineers (USACE) emergency operations centers in Sacramento, and the DWR emergency warehousing and stockpile facility in Stockton. Workshops were held prior to the exercise to define common data sharing. This month, DWR completed an After-Action Report for the exercise. The exercise focused on operational coordination, communication, and assessment in response to potential breaches at two locations in the Delta region. It improved understanding of contractual responsibilities of shore side operations, efficient mobilization of USACE emergency field support and common communication methods through geographic information systems. DWR and UASCE are evaluating whether joint emergency operations agreements and reports will be updated pursuant to findings of the exercise.

South Orange County Projects

SMWD Trampas Canyon Recycled Water Reservoir

Trampas Canyon Reservoir and Dam (Trampas Reservoir) is a seasonal recycled water storage reservoir, with a total capacity of 5,000 AF, of which 2,500 AF is available to meet Santa Margarita Water District's projected base recycled water demands, and 2,500 AF to meet future water supply needs. When completed, the Trampas Reservoir will allow SMWD to store recycled water in the winter and draw on that water during the peak summer months.

The construction of the Trampas Canyon Recycled Water Seasonal Storage Reservoir consists of three main components:

1. Trampas Canyon Dam (Dam)

South Orange County Projects continued

- 2. Conveyance facilities to transport recycled water into and out of the Reservoir (Pipelines)
- 3. Trampas Canyon Pump Station (Pump Station)

The construction of the facilities is being completed in three phases:

- 1. Preconstruction/Site Preparation for the Dam and Pump Station Construction
 - a. Project Status Complete
- 2. Dam and Pipelines
 - a. Project Status The Construction Contract was awarded in December 2017 and is approximately 62% complete.
- 3. Pump Station
 - a. Project Status The 100% design of the pump station facility was completed in September and the bidding process with contractors has begun. Contract award is anticipated November 22, 2019. Substantial completion of the pump station construction is expected to be in July 2020, about 1 month ahead of the Reservoir and Dam completion.

San Juan Watershed Project

Santa Margarita Water District continues to focus on diversifying its water supply portfolio for south Orange County residents, businesses, schools, and visitors. On June 21, 2019, the San Juan Watershed Environmental Impact Report (EIR) was approved.

The San Juan Watershed Project is planned in three-phases and has the potential to develop an additional 4,010 to 8,240 acre-feet per year in addition to making better use of other local supplies from the San Juan Groundwater Basin. At this time, funding is only being developed for the Phase 1 project. With the release of its EIR, the project may break ground in late 2020.

At the same meeting, SMWD also approved two non-binding Memorandums of Understanding (MOU) for ocean water desalination. One is with Orange County Water District related to Poseidon Water in Huntington Beach; the other is with Oceanus Power and Water at Camp Pendleton. The District is also following the progress of the Doheny Desalination project led by South Coast Water District. At this time, SMWD is seeking about 1,000 AF per year from ocean desalination sources.

Karl and Charles met with Santa Margarita WD on October 23, 2019 to discuss the San Juan Watershed project. Some aspects of the project are changing and SMWD was invited to present modifications to the project at a workshop on regional planning & local water supply integration earlier in November. The workshop focused on extension/expansion of the existing South Orange County Emergency Service Program, additional options for emergency water for South OC, and the implications of integrating new local water supply sources into the regional distribution system. We will provide an update to the Board on new information after the workshop.

South
Orange
County
Projects -
continued

South Orange County Emergency Service Program

See Engineering & Planning below.

Other Information on South County Projects

If any agencies would like to have updates included herein on any projects within your service area, please email the updates to Karl Seckel at kseckel@mwdoc.com.

ENGINEERING & PLANNING

Doheny Ocean Desalination Project

In March 2018, South Coast WD (SCWD) was awarded a \$10 million grant from the State Department of Water Resources (DWR) for the Doheny Ocean Desalination Project.

In April 2019, U.S. Representative Mike Levin announced that SCWD is set to receive more than \$8.3 million in US Bureau of Reclamation (USBR) WaterSMART Desalination Construction Program grant funding for the Project. The grant is subject to pending federal appropriations. Congressman Levin is acting as the lead office on this request in the House.

On June 27, 2019, the SCWD Board certified the Final Environmental Impact Report (FEIR) for the Phase I Local Doheny Ocean Desalination Project, which would produce up to 5 million gallons per day (MGD) of new, drinking water supplies for the area. SCWD subsequently filed its Notice of Determination and is beginning the permitting process with various permitting agencies.

On July 11, 2019 SCWD's Board adopted a resolution pursuing a second year (round) of the USBR WaterSMART Desalination Construction Program grant funding. SCWD is eligible to receive a cumulative total of \$20 million for the Project from USBR. Approximately two to six awards are expected to be made by USBR with up to \$12 million available in this round. The recipient must provide at least 75% of the total project costs. Reclamation has recently indicated that an initial \$8.3M is still with Congress and will be part of a Federal budget approval.

SCWD has been working on Assembly Bill 1752 to allow SCWD to proceed with a Design-Build-Operate (DBO) Contract while maintaining access to State funding for the Project (both DWR grant money and State Revolving Fund loans). SCWD efforts have been successful and AB 1752 was signed into law on October 3, 2019.

On October 23, 2019, the US EPA invited SCWD to submit a loan application for a Water Infrastructure Finance and Innovation Act (WIFIA) low interest loan for \$60 million for the Doheny Ocean Desalination Project.

Next Steps:

- Project Delivery SCWD has begun working with Hawkins Delafield and Wood, and GHD on development of several documents for a DBO contract including; Request for Statement of Qualifications (SOQ) for potential bidders, contract documents, and a RFP package.
- 2. Peer Review Cost Estimate Rich Svindland, of California American Water (CalAm), who helped develop the 6.4 MGD Monterey Ocean Desal Project using slant well technology, completed a peer review cost estimate for the

Doheny Ocean Desalination Project – continued

Doheny Ocean Desal Project. A workshop was held on October 30, 2019 to present the Peer Review by CalAm based on their experience in developing and **bidding** a project in Monterey, (that plant has not been constructed due to permitting and legal issues). The CalAm presentation and review of the previous Doheny Desal cost estimate by GHD indicated some differences in capital and operating costs including a higher level of staffing for the plant as suggested by CalAm. Overall the cost differences resulted in estimated increased costs:

- Capital costs were estimated at 5.4% higher
- O&M costs were estimated at 15.8% higher
- Overall, the unit cost of water increased from \$1556 per AF to \$1805 per AF, an increase of \$249 per AF, an overall increase of about 16.0%
- 3. Slant Well Risk Evaluation A workshop was held on the risks of slant well technology on November 14, 2019. An update to the Board will be provided next month.
- 4. High Level Schedule (has slipped a bit due to the Regional Board schedule)

a. Environmental permitting Late Summer 2020

b. DBOM Contract Develop
c. DBOM Contract Award
d. Construction
Early 2021
Early 2023

MET 2019-20 Shutdown Schedule

MWDOC staff have held several meetings with MET and MWDOC member agencies since July 2019 to review the MET 2019-2020 Shutdown Schedule. One of the proposed shutdowns involves the complete shutdown of the Diemer Water Treatment Plant in March 2020 to accommodate four construction projects at the plant. MWDOC staff have been working with potentially affected agencies and MET to see what options are available to accommodate a Diemer shutdown; given the State Water Board's intention to reduce PFOA & PFOS Response Level (RL) triggers, and that action's resulting impacts to groundwater pumping in OC.

Karl Seckel participated in a meeting with the City of Anaheim and Metropolitan regarding the Diemer Plant and other shutdowns. As a result of the meeting, the collective input to MET was that the shutdown CAN be accommodated if the new PFAS regulations have not been adopted at the time of the shutdown; if the new regulations are put into place, Orange County cannot sustain a shutdown of the Diemer Plant. MET is examining the ability to juggle various shutdowns to determine if the Diemer Shutdown can be moved into January 2020. MET will be coordinating closely with Anaheim on a shutdown to replace a turnout valve and a leaking venturi meter; this work will require a shutdown of the EOCF#2, which will also be difficult to sustain if the new PFAS regulations are in effect, but the work can probably be accommodated in a 3-day shutdown.

Currently, the State Water Board has delayed the lowering of the Response Level triggers for PFAS, but it is unclear when the new regulations will be released. MWDOC is continuing to work with MET to provide information and discuss options as new information is available.

SMWD Rubber Dams Project (San Juan Watershed Project)

Santa Margarita WD continues to focus on diversifying its water supply portfolio for South Orange County residents, businesses, schools, and visitors. On June 21, 2019, the San Juan Watershed Environmental Impact Report (EIR) was approved.

The original project had three Phases; Phase 1 was three rubber dams recovering about 700 AFY; Phase 2 added up to 8 more rubber dams with the introduction of recycled water into the creek to improve replenishment of the basin for up to 6,120 AFY, and Phase 3 added more recycled water topping out at approximately 9,480 AFY. Under this arrangement, most or all of the production and treatment involved the existing San Juan Groundwater Desalter with expansions scheduled along the with expansions scheduled along the way to increase production over 5 mgd. Fish passage and regulatory hurdles to satisfy subsurface travel time requirements are presenting some difficulties.

SMWD is working with the Ranch on the next phase of development within SMWD and have access to riparian groundwater from the Ranch. Furthermore, they have discovered that the local geology has high vertical percolation rates and sufficient groundwater basin travel time to potentially allow percolation of treated recycled water. SMWD is of opinion that groundwater production and treatment of the groundwater can be initiated in a relatively short time-frame while permitting for percolation augmentation using recycled water from the nearby Trampas reservoir can be added as permitting allows. They believe the new project area may be able to ultimately produce 4,000 to 5,000 AF per year; they believe the original project will continue to be developed for production out of the wells and treatment provided by San Juan Capistrano as the two agencies merge. Ultimate production out of the basin could exceed 10,000 AF per year if all goes well.

MWDOC Workshop with SOC Agencies

MWDOC held a workshop with the SOC Agencies to focus on extension/expansion of the existing South Orange County Emergency Service Program with IRWD and to discuss emergency needs and additional options for emergency water or base-loaded projects for South OC, and to discuss the implications of integrating new local water supply sources into the regional distribution system. The following projects were discussed:

- Emergency Services Program Extension/Expansion with IRWD
- Groundwater from OCWD and/or other OC Basin Producers
- Pump-in to the EOCF#2
- PFAS and Water Quality expectations
- Doheny Desal
- Poseidon Desal
- San Juan Basin IPR
- Irvine Lake Storage
- Strand Ranch
- Peters Canyon Treatment Plant
- Oceanus/Camp Pendleton
- Reliance on MET

Black & Veach and Hazen Sawyer provided input on the need for various water quality investigations prior to bringing new supply projects into operations. Black & Veatch also discussed the work they are conducting for MWDOC on development of a hydraulic model of the regional water system in Orange County as a tool to assist

future evaluation of operational strategies. There appears to be support from the **MWDOC** SOC agencies for such a model that could be accessed by any project proponent. Workshop Staff is in the process of distilling information from the meeting and will be bringing with SOC **Agencies** back a report to a future P&O meeting. continued MWDOC, IRWD, and Dudek have completed the initial draft study to determine if South **Orange** the existing IRWD South Orange County Interconnection capacity for providing emergency water to South Orange County can be expanded and/or extended beyond **County Emergency** its current time horizon of 2030. Service Program Based on the South OC meeting held on April 11, 2019, a spin-off meeting was held with MWDOC, Dudek and operations staff from MNWD and South Coast WD. The purpose was to involve the operators to determine the flexibility of the SOC agencies to deal with variable flows coming from IRWD as outlined in the study. The flows from IRWD to SOC are dependent on the internal demands within IRWD and so will vary from hour to hour and day to day. The discussions indicated that the SOC agencies have considerable flexibility to deal with this situation. The operations group also had several alternatives they thought should be researched by Dudek and MWDOC. Follow-up on these options have been pursued. EMERGENCY PREPAREDNESS Hazard WEROC is completing follow-up with the 19 agencies who participated in the 2018 update of the Orange County Water and Wastewater Multi-Jurisdictional Hazard **Mitigation Planning** Mitigation Plan. Once all agencies have adopted the Plans, MWDOC needs to compile and bind all approval resolutions into an Appendix and send it to FEMA. That is the last step for this version of the Hazard Mitigation Plans that are updated every five years. America's Ongoing: WEROC launched an effort to facilitate a joint RFP and contract with Water participating WEROC member agencies to address the new requirements of Infrastructure America's Water Infrastructure Act (AWIA). On October 23, 2018, Congress Act (AWIA) signed into law the American Water Infrastructure Act (AWIA) (S.3021, Law 115-270). Per Section 2013 of Title II, the AWIA requires utilities to conduct a Risk and Resilience Assessment (RRA) of their community water systems and develop a corresponding Emergency Response Plan (ERP). March 31, 2020, for systems serving the population of 100,000 or more. New actions: 25 Agencies participated in the Phase 1 Crosswalk Compliance It now appears that 22 agencies will participate in the Phase 2 Risk and Resilience Assessments and Phase 3 Emergency Response Plans. All Phase 1 Crosswalks have been developed and provided to agencies. Some discussion and editing is still occurring. The crosswalks remain a draft as agencies work through the Phase 2 and Phase 3 processes. HSG assistant project managers began conducting the first Risk and Resiliency Assessment Workshops on October 29. The workshops are two-day events

with key staff from each of the agencies to complete the asset and threat characterization. A second two-day workshop will complete the consequence

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America's Water Infrastructure Act (AWIA) - continued	and vulnerability analysis. The combination of these workshops will provide the basis for a completed RRA. Work is proceeding with the first workshops for the agencies while scheduling of the second workshops are underway. Karl Seckel is working with the participating agencies to obtain an approved and executed Agreement between MWDOC and Participating Agencies for their participation and costs for Phase 2 & 3.
WEROC Coordination with its member	Daniel attended the California Emergency Services Association conference in Sonoma County. The conference had some great presentations and classes. A few key highlights include FEMA Community Resilience, Geospatial Information Awareness, Early wildfire detection, and notification, etc.
agencies	Daniel continues to review daily intelligence reports in order to better direct WEROC efforts and inform member agencies to threat trends. WEROC obtained and coordinated an ICS-300 training (intermediate incident command training) on October 15-17 th for 40 to 50 staff from among our agencies. Janine attended and graduated from this great training furthering her knowledge in FEMA emergency management operational standards. This training was specific to water and wastewater and all member agencies were invited. We are currently working with CalOES and Texas A&M to schedule ICS-400 (advanced incident command) training in July of 2020. WEROC's goal is to secure this at no cost to our member agencies.
	WEROC continues to focus on retired water and wastewater employees for EOC volunteers. This pool of candidates will have more water-specific knowledge that will pay dividends during disaster recovery. A partnership with OCWA is also currently being discussed as a way to enhance the EOC volunteer roster.
Coordination with the County of Orange	Ongoing: OC OA Alert and Warning Working Group meetings have concluded following the release of the operational area agreement to the executive board. This was a 6-month planning effort. Daniel attended the meetings and worked with the County's Control One to address some of WEROC's concerns. These concerns are associated with emergency notification legal obligations.
	Completed: WEROC staff participation in the OA Agreement Revision Working Group. Update: The Draft Revised Agreement developed by the working group has been reviewed and approved by the County's Legal Counsel. The OA shared this revised draft to all OC government entities and requested input by October 31. Input was provided by WEROC and about five other agencies. The OA will develop the final agreement that will need to be approved by all agencies.
PSPS Events	On going California Public Utilities Commission (PUC) proceedings regarding the impacts from De-Energization with a Focus on First Responders and Local Government. MWDOC has received party status to the Phase 1 proceedings (covers only this winter period). Party Status ensures that we receive all communications regarding the proceedings and that our comments are included officially for consideration. The Phase 2 (Permanent Program) will be starting soon.
	Over the past month, a number of PSPS events have been planned by SCE and SDG&E. Work is underway to improve communications. Our belief is that only two circuits were actually de-energized during the recent Red Flag events. WEROC

PSPS Events continued	plugged into the available information and coordinated communications with our agencies.
EOC Readiness	Janine Schunk and Daniel participated in the OA and MET radio tests and WebEOC tests. Janine also facilitated the WEROC monthly radio test.
	Daniel and Janine have installed all satellite phone cradles and power stations and are currently trouble shooting a radio and satellite phone connectivity issue. WEROC will be picking up the MWDOC emergency generator to install a solar battery maintainer system sometime in November.
	Janine coordinated the maintenance of the South EOC and is working to register the new MWDOC alt EOC generator. She has also been working on updates to Safety Center, the COOP, and position binders.
	WEROC has recently obtained a solar panel and charge controller and will be installing this on the new generator to keep the battery ready for emergency service at all times. Fountain Valley public works department has been helpful in providing service and routine maintenance for modest fees.
	WATER USE EFFICIENCY
Metropolitan Water District of Southern California (MET) Water Use Efficiency Workgroup	On October 17, Rachel W. attended Metropolitan's Water Use Efficiency Workgroup meeting held at Metropolitan's Regional Recycled Water Advanced Purification. Approximately 30 member agencies participated in the meeting, which included a presentation and tour of the Regional Recycled Water Advanced Purification Center. Other Agenda items included: • Metropolitan Updates • October Board Meeting • Alliance for Water Efficiency/ California Water Efficiency Partnership Co-Funding Dues • Conservation Update • Energy Utility Partnerships • November Board Meeting: Upcoming Items • WaterSmart Innovations Conference Roundtable • Member Agency Roundtable The next meeting will be held on November 21, at Metropolitan.
Water Loss Control Workgroup	On November 12, Joe, Rachel D., and Jason Thorsell attended the Orange County Water Loss Control Workgroup meeting hosted at the City of Anaheim Public Works Offices. Approximately 28 agency staff attended this meeting. The agenda included: • Updates on: • Year Four Validation Results • State Water Loss Standards • Strategies for Assembling a Water Loss Control Team • Discussion and Questions

The next meeting is scheduled for January 14 at MWDOC.

Aliso Creek	On October 16, Rachel Waite attended the Aliso Creek Watershed Collaboration
Watershed Collaboration Group	Group organized by the South Orange County Watershed Management Area. Rachel W. presented on MWDOC Water Use Efficiency programs/projects that may be of interest to the Group. The meeting goal and objectives was to gain clarity on project types, implementation barriers that can be resolved, and expected results as the Group begins to move past watershed visioning toward project-specific planning and coordination.
California- Nevada (CA- NV) American Water Works Association (AWWA) Water Loss Control Committee	On October 21, Joe Berg participated in the CA-NV AWWA Water Loss Control Committee meeting held in San Diego in conjunction with the AWWA Annual Fall Conference. Approximately 30 members attended. The meeting focused on establishing new leadership for the Committee and an update on the impending water loss standards for California. Sue Mosburg from Sweetwater Authority stepped down from the committee chair position and was replaced by Amy Talbot from the Regional Water Authority.
Distribution System Flushing	The week of October 21, ValveTech Utility Services, Inc., performed distribution system flushing of the City of Westminster water system. More than seven miles of system adjacent to the 405 freeway were flushed. This flushing pilot was the result of a water quality issue and a discounted weekly rate offered by ValveTech. Westminster has indicated it will access additional flushing services later this fiscal year.
California Water Efficiency Partnership (CalWEP) Research and Evaluation (R&E) Committee	On October 22, Rachel W. participated in the CalWEP R&E Committee meeting via conference call. Agenda items included: • WaterSmart Innovations Conference Group Report Back • Alliance for Water Efficiency (AWE) Updates • Evaluation, Metrics, and Verification (EM&V) Workgroup update • Framework Implementation Join Task Force Report Back • Research Committee Workplan Review • Basecamp Platform Demonstration The next meeting will be held after the first of the year on a date to be determined.
Sustainable Landscape Summit	On October 23, MWDOC hosted the Sustainable Landscape Summit in conjunction with Metropolitan and the California Landscape Contractors Association. The event brought together 60 landscape contractors, water district staff, and landscape industry experts to discuss innovations in sustainable landscaping practices and technology. Rachel Davis provided an introduction on MWDOC's landscape-focused rebate and education programs.

H2O for HOAs	On October 29, Rachel D. participated in the H2O for HOAs event held at the Laguna Hills Community Center. This educational and networking event was designed for HOA board members, property managers, and professional landscape designers to interface with water and storm water agencies. Approximately 120 people attended. Rachel D. hosted a table and distributed materials promoting MWDOC's Turf Removal Rebate Program, Spray to Drip Rebate Program, and Qualified Water Efficient Landscaper Training Courses.
Orange County Aerial Imagery Acquisition Meeting	On October 30, Rachel W. attended a Southern California Association of Governments (SCAG) meeting, hosted at MWDOC, which focused on the acquisition of high quality aerial imagery for Orange County stakeholders. Six agencies participated in the meeting.
California Landscape Contractors Association Orange County Chapter (CLCA-OC) University	On November 6, Rachel D. participated in a CLCA-OC University focusing on California Native Plants. Rachel D. hosted a table and distributed materials promoting MWDOC's Turf Removal Rebate Program, Spray to Drip Rebate Program, and Qualified Water Efficient Landscaper Training Courses. Approximately 20 landscape contractors attended the event.
Orange County Water Use Efficiency Coordinators Workgroup Meeting	On November 7, Joe, Beth Fahl, Steve Hedges, Rachel D., and Rachel W. hosted the Orange County Water Use Efficiency Coordinators Workgroup meeting at MWDOC. Approximately 20 agencies participated in the meeting. Highlights on the agenda included: • Discussion Items • MWDOC Updates • USBR CalFed Grant • Agency Roundtable/Problem Solving • Retail Agency WUE Marketing Surveys • Public Affairs/Marketing • SWRCB Notice of Proposed Rulemaking – Ongoing Monthly Reporting • Metropolitan Update • Conservation Update • CalWEP/AWE Dues • November Board Update • Water Use Efficiency Programs Update • Smart Timer Rebate Update • Spray to Drip Rebate Update • Turf Removal Program • Changes to Droplet Portal • Landscape Design and Maintenance Assistance Programs Update • Pressure Regulating Valve Pilot Program Update • Recycled Water Program Update

Orange
County
Water Use
Efficiency
Coordinators
Workgroup
Meeting -
continued

- CalWEP Update
- Future Agenda Items

The next Workgroup meeting is scheduled for December 5 at MWDOC.

PUBLIC/GOVERNMENT AFFAIRS

Member Agency Relations

Public Affairs Staff:

- Designed and prepared award for Laguna Beach County Water District's (LBCWD) Retired General Manager Renae Hinchey
- Hosted Public Affairs Workgroup Meeting featuring Scott Summerfield who presented on managing Crisis Communications
- Participated in LBCWD's 10th Annual SmartScape Expo
- Updated Water Use Efficiency Coordinators on MWDOC Public Affairs Activities at the monthly meeting
- Participated in Pocket Park site tour and kick-off meeting with City of San Clemente

Governmental Affairs Staff:

- Sent reminders for input and feedback on MWDOC's legislative policy and regulatory principles
- Organized and hosted a SB 998 (water shutoffs) working group meeting
- Sent an inquiry regarding the use of flow restrictors as part of a water shutoff policy to member agencies to share with other interested agencies
- Sent out information on an upcoming SWRCB grant workshop in Orange County
- Sent completed SB 998 implementation "Policy on Discontinuation of Residential Water Service" translations. MWDOC, through the SAWPA translation services, had them translated into the five additional languages as required by the new law

Community Relations

Public Affairs Staff:

- Promoted, coordinated, and facilitated the Girl Scouts Water Resources and Conservation Patch Program clinic at Bolsa Chica Conservancy on November 9.
- Continue to promote and coordinate remaining Girl Scouts Water Resources and Conservation Patch Program clinics on January 11 (El Toro Water District) and April 25 (South Coast Water District)
- Planned and developed activity for Girl Scouts of Orange County STEM Expo

Community	Governmental Affairs Staff:
Relations - continued	Participated in the ACC-OC Energy, Environment and Water Committee and Moulton Niguel Water District
Education	Public Affairs Staff:
	 Participated in multiple conference calls with Metropolitan Water District of Southern California and Orange County Department of Education - includes Inside the Outdoors - (OCDE) regarding Environmental Literacy rollout for Orange County Participated on a conference call with OCDE regarding Biomimicry Workshop Participated in Water Energy Education Alliance Leadership Roundtable meeting Participated in California Environmental Literacy Initiative Leadership Council monthly meeting Provided information to Anaheim regarding the MWDOC Elementary School Program (grades K-2) at Gauer Elementary Coordinated MWDOC Elementary School Program (grades 3-6) observer visit to Walker Elementary with Discovery Cube Orange County and Santa Ana Met with MWDOC High School Program contractor, Bolsa Chica Conservancy, to review school program contractor, Bolsa Chica Conservancy, to review school program content and curriculum Worked with Bolsa Chica Conservancy to revise school water audit assignment for the MWDOC High School Program Coordinated approval of MWDOC Elementary School Program (grades 3-6) visit to Killeybrook Elementary with Mesa Water and Discovery Cube Orange County Prepared presentation guidelines and topics with Bolsa Chica Conservancy for student participants of the MWDOC High School Program Working to complete education program flyers for each MWDOC school program offered Provided information and coordinated MWDOC Elementary School Program (K-2) visit with Santa Margarita Water District and Shows That Teach to Oso Grande Elementary Provided MWDOC Elementary School Programs (grades K-2 and grades 3-6) information to San Clemente Provided Ricky Raindrop education booklets to school program contractors for distribution after MWDOC Elementary School Program contractors for distribution after MWDOC Elementary School Program contractors S

Media Public Affairs Staff: Relations Had discussions with several journalists about water related news and future events Published Press Release on Turf Removal Rebate Incentive Prepared and distributed October 2019 MWDOC eCurrents Newsletter **Special Public Affairs Staff: Projects** Prepared scripts, conducted interviews, and collaborated with Digital Media Consultants – Hashtag Pinpoint on production of "Imagine A Day Without Water" video campaign. Interviewees included: o William Bordeau, Executive Vice President, Harris Farms o Gerald Lieberman, Ph.D., Director, State Education and **Environment Roundtable** o Kathy Schaefer, Fire Chief, Cities of Brea and Fullerton Arranged for logo placement on new MWDOC Water Loss Control van Participated in "The Great California Shakeout" Began preparations for 2020 OC Water Summit reviewing themes, graphic concepts and potential sessions and speakers Staffed Director Barbre's November 8-10 State Water Project Central Valley Agriculture Inspection trip Coordinated Director Ackerman's October 18-19 State Water Project **Inspection Trip** Developed itineraries, trip logistics, guest and Director requirements for the following inspection trips: o November 15-17 Hoover Dam and Colorado River Aqueduct Director McKenney o December 6 Southern California Infrastructure Tour Co-Hosted with ACC-OC o January 10-11 Colorado River Aqueduct Inspection Trip | Director Ackerman Created bill inserts for the Water Use Efficiency department for winter 2019 distribution Discussed marketing of ocwatersmartgardens.com with Water Use Efficiency department Began 6-week course to receive Crisis Communication Certification through Public Relations Society of America Attended 2019 Public Relations Society of America International Conference Attended 2019 Wyland Celebration and Gala Participated in conference call and software demonstration with Monsido and LA Design Studios regarding website accessibility and compliance **Governmental Affairs Staff:** Staffed the WACO Planning meeting Staffed Director Ackerman's State Water Project trip Staffed the monthly WACO meeting, "Forests to Faucets" with guest

speakers Marie Davis and John Kingsbury

Special Projects - continued	 Scheduled a "Form 700" workshop for March 2020 on behalf of ISDOC to be coordinated with CSDA Staffed the ISDOC Executive Committee meeting
Legislative Affairs	 Governmental Affairs Staff: Participated in the ACWA/CMUA working group on the Office of Environmental Health Hazzard Assessment (OEHHA) Human Right to Water working group Attended the ACWA Regulatory Summit on PFAS in Sacramento Attended and participated in Metropolitan's annual legislative planning meeting Drafted letter, at the Board's request, to ACWA in support of the Public Safety Power Shutoffs: Emergency Generators legislative proposal to be considered by their State Legislative Committee Attended CSDA's annual legislative planning meeting in Sacramento Attended ACWA's annual legislative planning meeting in Sacramento Along with EMWD, IEUA and WMWD, participated in a DC luncheon planning call Participated in an ACWA/CMUA Drinking Water Needs Assessment working group meeting Monitored the PPIC event, "Preparing California for Climate Extremes"

INFORMATION CALENDAR

MWDOC GENERAL INFORMATION ITEMS

MWDOC BOARD OF DIRECTORS

- Brett R. Barbre
- Larry D. Dick
- Bob McVicker
- Joan Finnegan
- Sat Tamaribuchi
- Jeffery M. Thomas
- Megan Yoo Schneider

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