REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Fountain Valley, California
November 18, 2020, 8:30 a.m.

Due to the spread of COVID-19 and as authorized by the Governor's Executive Order, MWDOC will be holding all upcoming Board and Committee meetings by Zoom Webinar and will be available by either computer or telephone audio as follows:

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

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

AGENDA

MOMENT OF SILENCE

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 SERVICE AWARD

RECOGNITION OF DIRECTOR JOAN C. FINNEGAN

NEXT RESOLUTION NO. 2102

CONSENT CALENDAR (Items 1 to 8)
(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 7, 2020 Workshop Board Meeting
b. October 21, 2020 Regular Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

a. Planning & Operations Committee Meeting: October 5, 2020
b. Administration & Finance Committee Meeting: October 14, 2020
c. Public Affairs & Legislation Committee Meeting: October 19, 2020
d. Executive Committee Meeting: October 22, 2020
e. MWDOC/OCWD Joint Planning Committee Meeting: October 28, 2020

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

a. MWDOC Revenue/Cash Receipt Register as of October 31, 2020
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, 2020
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, 2020
b. Quarterly Budget Review
c. FY 2019-20 Audit Report and Presentation regarding Audit Report

Recommendation: Receive and file as presented.

5. APPROVAL OF ALLEN MCCOLLOCH PIPELINE (AMP) CAPACITY FLOW WAIVER FOR EAST ORANGE COUNTY WATER DISTRICT

Recommendation: Approve/grant an AMP capacity flow waiver for East Orange County Water District (EOCWD) due to an emergency requiring

them to fill their reservoirs because of a fire near Santiago Canyon and high winds.

6. APPROVAL OF ALLEN MCCOLLOCH PIPELINE (AMP) CAPACITY FLOW WAIVER FOR SOUTH COAST WATER DISTRICT AND CITY OF SAN CLEMENTE

Recommendation: Approve/grant an AMP capacity flow waiver for South Coast Water District (SCWD) and the City of San Clemente (CSC) due to temporary operational conditions that will be caused by a shutdown of the Joint Transmission Main (JTM) to perform a structural inspection and condition assessment. The shutdown of the JTM could cause both the SCWD and the CSC to increase their flows from the Allen McColloch Pipeline (AMP) into the South County Pipeline (SCP).

7. SELECTION OF A CONSULTANT FOR RATE STUDY SERVICES

Recommendation: Authorize the General Manager to enter into a professional services contract with Raftelis Financial Consultants, Inc. for Rate Study Services not-to-exceed $67,405.

8. AWARD CONTRACT FOR AUDIO VISUAL (AV) EQUIPMENT AND INSTALLATION FOR NEW CONFERENCE ROOMS

Recommendation: Authorize the General Manager to enter into a contract with EEI Systems to update Conference Rooms 101 and 102 with new AV Equipment.

End Consent Calendar

ACTION CALENDAR

9-1 APPROVAL OF RESOLUTION DESIGNATING AUTHORIZED AGENTS FOR FY19 GRANT TRANSFER AGREEMENTS FOR HOMELAND SECURITY GRANTS AND EXECUTION OF TRANSFER AGREEMENT

RES. NO. _____

Recommendation: Approve the execution of the 2019 Grant Transfer Agreement with the City of Santa Ana as the Local Urban Area Security Initiative (UASI) Administrator, and adopt a Resolution authorizing the WEROC Director of Emergency Management and the General Manager as designated Authorized Agents for FY 2019 Homeland Security Grants and authority to execute any subsequent agreements related to the Homeland Security Grants. Staff will come back to the Board for a purchase award in the event the award is greater than $25,000.

9-2 RECONSIDER MEMBERSHIP IN ASSOCIATION OF METROPOLITAN WATER AGENCIES (AMWA)

Recommendation: Approve the continuation of MWDOC's participation in AMWA.

9-3 ADOPT MWDOC LEGISLATIVE POLICY PRINCIPLES ANNUAL UPDATE

Recommendation: Review and adopt the updated Legislative and Regulatory Policy Principles for 2020.

9-4 SELECTION OF A FIRM TO PROVIDE STATE LEGISLATIVE ADVOCACY SERVICES

Recommendation: Authorize the General Manager to enter into a professional services contract with Best, Best & Krieger (BB&K) to provide state legislative advocacy services.

9-5 SELECTION OF A FIRM TO PROVIDE FEDERAL LEGISLATIVE ADVOCACY SERVICES

Recommendation: Authorize the General Manager to enter into a professional services contract with Natural Resource Results to provide federal legislative advocacy services.

9-6 APPROVAL OF ALLEN MCCOLLOCH PIPELINE (AMP) CAPACITY FLOW WAIVER FOR CITY OF SAN JUAN CAPISTRANO

Recommendation: Approve/grant an AMP capacity flow waiver for the City of San Juan Capistrano (SJC) due to temporary operational conditions that will be caused by a shutdown of the Joint Transmission Main (JTM) and the Eastern Transmission Main (ETM) to perform a structural inspection and condition assessment. The shutdown of the JTM and ETM will cause SJC to increase their flows from the Allen McColloch Pipeline (AMP) into the South County Pipeline (SCP).

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

10. GENERAL MANAGER'S REPORT, NOVEMBER 2020 (ORAL AND WRITTEN)

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

11. MWDOC GENERAL INFORMATION ITEMS

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

Recommendation: Receive and file as presented.

ADJOURNMENT

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

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

October 7, 2020

At 8:30 a.m., President Tamaribuchi called to order the Regular Meeting of the Municipal Water District of Orange County via the Zoom Webinar application (pursuant to the Governor's Executive Order due to the spread of the COVID-19 virus, the meeting was conducted via Zoom). Secretary Goldsby called the roll.

MWDOC DIRECTORS
Vacant
Larry Dick*
Joan Finnegan
Bob McVicker
Sat Tamaribuchi
Jeffery M. Thomas
Megan Yoo Schneider (arr. at 9:00 am)

*Also MWDOC MET Director

STAFF
Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Manager
Chris Lingad, Associate Engineer
Melissa Baum-Haley, Prin. Water Resource Analyst
Damon Micalizzi, Director of Public Affairs
Kevin Hostert, Water Resources Analyst
Heather Baez, Government Affairs Manager
Joe Berg, Director of Water Use Efficiency Prog.
Vicki Osborn, Director of Emergency Management
Alex Heide, Water Resources Analyst

OTHER MWDOC MET DIRECTORS
Larry McKenney
Linda Ackerman

OTHERS PRESENT

Christine Carson	Aleshire & Wynder
Brad Coffey	Metropolitan Water District of Southern Calif.
Brandon Goshi	Metropolitan Water District of Southern Calif.
Drew Atwater	Metropolitan Water District of Southern Calif.
Adan Ortega	City of Fullerton MET Director
Dustin Ensminger	City of Fullerton
Meg McWade	City of Fullerton
Steven Faessel	City of Anaheim MET Director
Kathryn Freshley	El Toro Water District
Kay Havens	El Toro Water District
Mark Monin	El Toro Water District
Jose Vergara	El Toro Water District
Dennis Cafferty	El Toro Water District
Brian Ragland	City of Huntington Beach
Steve LaMar	Irvine Ranch Water District
Doug Reinhart	Irvine Ranch Water District
Peer Swan	Irvine Ranch Water District

Paul Weghorst	Irvine Ranch Water District
Jim Atkinson	Mesa Water
Stacy Taylor	Mesa Water
Don Froelich	Moulton Niguel Water District
Laura Rocha	Moulton Niguel Water District
Kelly Rowe	Orange County Water District
Mike Markus	Orange County Water District
John Kennedy	Orange County Water District
Adam Hutchinson	Orange County Water District
Chuck Gibson	Santa Margarita Water District
Saundra Jacobs	Santa Margarita Water District
Dan Ferons	Santa Margarita Water District
Dennis Erdman	South Coast Water District
Fernando Paludi	Trabuco Canyon Water District
Brooke Jones	Yorba Linda Water District
Wayne Miller	Yorba Linda Water District
Al Nederhood	Yorba Linda Water District
Ed Means	Means Consulting
Dick Ackerman	Ackerman Consulting
John Lewis	Lewis Consulting
Megan Couch	San Diego County Water Authority
Kristy Khachigian	KK Consulting
Virginia Wei	Los Angeles Department of Water and Power
Sabrina Tsui	Los Angeles Department of Water and Power

PUBLIC PARTICIPATION/PUBLIC COMMENTS
President Tamaribuchi inquired whether any members of the public wished to comment on agenda items.

No public comments were received.

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

No items were presented.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING
President Tamaribuchi inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting.

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

ACTION ITEM

AD HOC COMMITTEE APPOINTMENT FOR MWDOC/OCWD BUILDING MANAGEMENT COMMITTEE

President Tamaribuchi requested this item be deferred until December; the Board generally concurred. No action was taken.

PRESENTATION/DISCUSSION/INFORMATION ITEMS

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

Director McKenney highlighted the MET Finance & Insurance Committee's activities, including discussion re: revenue bonds, the $14 million investment in replacing overhead bridge cranes, water purchase with Yuba County, and the first quarter budget "actuals". He also highlighted MET's conservation programs, Bay-Delta Committee activities, and the MET General Manager's recruitment process and activities.

Director Ackerman expanded on Bay-Delta Committee activities and highlighted MET's Regional Recycled Water Program financial issues.

Director Dick highlighted water supply (wet and dry years), and MET's planning process for forecasting.

Director Faessel concurred with all of the reports.

Director Ortega commented on generating revenues with fiscal restraints and the impact of COVID-19.

Director Tamaribuchi highlighted the July water sales (under budget), noting that if this trend continues, revenues will be low.

Discussion ensued regarding revenue short-falls, water sales (and its effect on water bonds), the need to develop a rate structure that encompasses agencies rolling on and off the MET system.

UPDATE ON METROPOLITAN ACTIVITIES BY METROPOLITAN BOARD CHAIR, GLORIA GRAY

President Tamaribuchi advised that Chair Gray was not able to attend the meeting. The Board deferred this item to a future date.

(Director Yoo Schneider arrived at 9:00 a.m.)

METROPOLITAN'S 2020 INTEGRATED RESOURCES PLAN (IRP) DISCUSSION SERIES – PART 9

Principal Water Resources Analyst, Dr. Melissa Baum-Haley, provided an overview of MET's IRP process, noting that at the September 22nd IRP Special Committee meeting, MET staff provided discussion on the Draft Scenario Framework. She stated that the development of scenarios will consider the impacts to supply and demand based on a number of drivers, and that the IRP will identify four unique scenarios and thus assess four corresponding resource portfolios and reliability gaps.

Dr. Baum-Haley's presentation included an overview of the flow chart for the IRP process, an explanation of the Scenario Framework approach, how the scenarios were constructed, and strawman working assumptions. She concluded her presentation by reviewing the next steps of the process (qualitative and quantitative assessment of drivers, providing a preliminary assessment of key supply and demand impacts, and refining the scenarios.

Considerable discussion ensued with emphasis on how MET will establish demand projections, drivers of change, economic impacts, the status of salinity control on the Colorado River, and how stranded assets would fit into the various scenarios.

The Board received and filed the report.

INFORMATION ITEMS

DELTA CONVEYANCE ACTIVITIES

The Board received and filed the report that was included in the Board packet.

MWD ITEMS CRITICAL TO ORANGE COUNTY

a. MET's Finance and Rate Issues
b. MET's General Manager Recruitment Process
c. MET's Water Supply Conditions
d. Colorado River Issues
e. Delta Conveyance Activities and State Water Project Issues

The Board received and filed the report as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

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

The report was received and filed.

CLOSED SESSION

At 9:42 a.m., the Board adjourned to closed session to discuss the following items:

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]

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]

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.

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.

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.

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.

RECONVENE

The Board reconvened at 10:40 a.m., and President Tamaribuchi announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:40 a.m.

_____
Maribeth Goldsby
Board Secretary

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
October 21, 2020

At 8:30 a.m., President Tamaribuchi called to order the Regular Meeting of the Municipal Water District of Orange County, via the Zoom Webinar application (pursuant to the Governor's Executive Order due to the spread of the COVID-19 virus, the meeting was conducted via Zoom). Secretary Goldsby called the roll.

MWDOC DIRECTORS
Vacant
Larry Dick
Joan Finnegan
Bob McVicker
Sat Tamaribuchi
Jeffery M. Thomas
Megan Yoo Schneider

STAFF
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 Resources Analyst
Cathy Harris, Director of H.R. & Administration
Damon Micalizzi, Director of Public Affairs
Heather Baez, Government Affairs Manager
Joe Berg, Director of Water Use Eff. Programs
Hilary Chumpitazi, Accounting Manager
Chris Lingad, Associate Engineer
Kevin Hostert, Water Resources Analyst
Charles Busslinger, Principal Engineer
Alex Heide, Water Resource Analyst
Vicki Osborn, Director of Emergency Management
Mary Snow, Accountant
Judy Roberts, Accountant

ALSO PRESENT

Patrick Skahan	Best, Best & Krieger
Linda Ackerman	MWDOC/MET Director
Larry McKenney	MWDOC/MET Director
Kathryn Freshley	El Toro Water District
Mark Monin	El Toro Water District
Jose Vergara	El Toro Water District
Dennis Cafferty	El Toro Water District
Brian Ragland	City of Huntington Beach
Doug Reinhart	Irvine Ranch Water District
Peer Swan	Irvine Ranch Water District
Paul Weghorst	Irvine Ranch Water District
Debbie Neev	Laguna Beach County Water District
Jim Atkinson	Mesa Water
Don Froelich	Moulton Niguel Water District
Kelly Rowe	Orange County Water District
John Kennedy	Orange County Water District

Adam Hutchinson	Orange County Water District
Saundra Jacobs	Santa Margarita Water District
Chuck Gibson	Santa Margarita Water District
Dan Ferons	Santa Margarita Water District
Jim Leach	Santa Margarita Water District
Greg Mills	Serrano Water District
Dennis Erdman	South Coast Water District
Brooke Jones	Yorba Linda Water District
Wayne Miller	Yorba Linda Water District
Al Nederhood	Yorba Linda Water District
Veronica Blette	EPA WaterSense
John Lewis	Lewis Consulting
Kristy Khachigian	KK Consulting

PUBLIC PARTICIPATION/PUBLIC COMMENT

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

General Manager Hunter advised that the District received a letter from El Toro Water District regarding Item No. 5 on the agenda (Economic Benefits Studies and Modeling Work to Quantify the Benefits of Local Projects and to understand the Potential Implications of MET's 2020 Integrated Resources Plan). Said letter was distributed to the Board and made available to the public.

EMPLOYEE SERVICE AWARD

General Manager Hunter, along with Accounting Manager Hilary Chumpitazi, presented an award to Mary Snow for ten years of service with the District.

PRESENTATION OF EPA WATERSENSE EXCELLENCE AWARD

Ms. Vernoica Blette presented the EPA WaterSense Excellence award to the District.

CONSENT CALENDAR

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

Mr. John Kennedy (OCWD) requested to speak on Item No. 6 (Award Construction Contract for Administration Building Seismic Retrofit & Remodel); President Tamaribuchi suggested this item be pulled from the Consent Calendar for further discussion.

Director Thomas requested Items 5 (Economic Benefits Studies and Modeling Work to Quantify the Benefits of Local Projects and to understand the Potential Implications of MET's 2020 Integrated Resources Plan) and 11 (Award Contract for Purchase of Office Furniture to Office Solutions (IOS)/DBA People Space, Under the County of Orange Regional Cooperative Agreement (RCA) be pulled from the Consent Calendar for further discussion

Upon MOTION by Director Finnegan, seconded by Director Thomas, and carried (6-0) the Board approved the balance of Consent Calendar items, by the following roll call vote:

AYES:	Directors Dick, Finnegan, McVicker, Yoo Schneider, Tamaribuchi & Thomas
NOES:	None
ABSENT:	None
ABSTAIN:	None

MINUTES

The following minutes were approved.

September 2, 2020 Workshop Board Meeting
September 16, 2020 Regular Board Meeting
September 16, 2020 MWDOC Water Facilities Corporation Board Meeting
September 3, 2020 Special Board Meeting
September 25, 2020 Special Board Meeting
October 1, 2020 Special Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: September 8, 2020
Administration & Finance Committee Meeting: September 9, 2020
Public Affairs & Legislation Committee Meeting: September 21, 2020
Executive Committee Meeting: September 17, 2020

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of September 30, 2020
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, 2020

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following item was received and filed as presented.

Combined Financial Statements and Budget Comparative for the period ending August 31, 2020

APPROVAL OF AGREEMENT WITH METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND THE METROPOLITAN MEMBER AGENCIES OF THE SANTA ANA RIVER CONSERVATION AND CONJUNCTIVE USE PROGRAM

The Board authorized the General Manager to execute the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) agreement, subject to any non-substantive changes or modifications. This agreement is between Metropolitan Water District of Southern California (Metropolitan) and the four Metropolitan Member Agencies of Eastern Municipal Water District, Inland Empire Utilities Agency, Western Municipal Water District, and MWDOC (collectively referred to as the SARCCUP-MWD Member Agencies).

APPROVE HEALTH SAVINGS ACCOUNT (HSA) ELECTIONS FOR 2021/ NEW HSA ADMINISTRATOR AND REVISIONS TO DISTRICT HSA POLICY

The Board (1) established HSA contribution amounts for 2021, per JPIA guidelines, which remain unchanged from 2020; (2) approved the proposed revisions to District Policy regarding HSA Accounts and authorize revision to the Personnel Manual; (3) authorized distribution of the contributions to the 2021 HSA Accounts, per MWDOC policy and JPIA guidelines; and (4) authorized JPIA to administer the Health Savings Accounts through their vendor, Health Equity.

APPROVE NEW FLEXIBLE BENEFITS AND COBRA ADMINISTRATOR

The Board approved Igoe as the administrator for the District's Flexible Spending Benefits Plan (Section 125 spending plans, including Health Care and Dependent Care) and COBRA administration for medical and vision plans, effective January 1, 2021.

AUTHORIZE FY 20-21 CHOICE PROGRAMS BUDGET REVISIONS

The Board approved the Choice Programs budget revisions.

- END CONSENT CALENDAR –

ITEMS PULLED FROM THE CONSENT CALENDAR FOR FURTHER DISCUSSION

ECONOMIC BENEFIT STUDIES AND MODELING WORK TO QUANTIFY THE BENEFITS OF LOCAL PROJECTS AND TO UNDERSTAND THE POTENTIAL IMPLICATIONS OF MET'S 2020 INTEGRATED RESOURCES PLAN (IRP)

Considerable discussion was held regarding this item, with specific emphasis on whether the item was urgent or whether it could wait, why funding for the item was coming from reserves rather than budgeted (a Board request during the budget process), and whether the previously completed OC Reliability Study addressed the issues outlined in the staff report. General Manager Hunter outlined the process and active discussions MWDOC had held with MWDOC's Member Agencies over the last several months, noting that in April 2020, MWDOC staff recommended the Board consider this item because staff believed the studies would be useful to MWDOC and to our member agencies in better understanding the reliability benefits that come from the implementation of various local projects in Orange County, as well as helpful in contributing to the IRP process. He noted that at that time, input was provided by several member agencies requesting further discussion and time to digest the need for, and the scope of, the studies (at that time, MWDOC's agencies were not supportive of moving forward).

Mr. Hunter then outlined the discussions held since April 2020, with our member agencies concerning the nature and scope of the economic studies. The need for the studies was discussed at several meetings with our agencies along with other items such as MWDOC's role and mission, the hydraulic model, and MWDOC's water rate resolution and ordinance. MWDOC committed to include Dr. David Sunding at a workshop in July where the entire meeting was dedicated to a discussion of the economic studies. The agencies input from the July meeting was captured and discussed at the Managers meeting with our agencies in August. Subsequently, a second dedicated workshop was held in September to focus entirely on the context of the economic studies and to further discuss the scope of work. Dr. David Sunding, Dr. Wallace Walrod, and Dan Rodrigo from CDM Smith were at the September workshop.

Based upon member agency input, the approach previously considered in April has been broadened and the scope of work by Dr. David Sunding has been modified and reduced in cost. The survey work is now focused on surveying the business community to determine how they

might be impacted by both emergency water shortages (i.e. earthquakes) which are severe shorter-term shortages; and by longer-term and less severe shortages (i.e. droughts). The residential impacts will now not require a survey of consumers. Dr. Sunding has indicated there is substantial information on the residential impacts of water shortages and he will rely on published data for this part of the study. Staff has amplified the background information to assist our agencies in understanding the nature of the work and why staff is interested in pursuing the work.

Due to the delayed start on this work in order to hold discussions with the member agencies, combined with the need to coordinate some of the modeling work with MET's IRP modeling, the schedule will be phased such that some of the work products will become available during MET's IRP discussions and others will become available during the policy discussions phase of MET's IRP. The modeling and demand projections are slated for completion in January 2021 while the economic studies will trail this work and be completed in April 2021.

Directors Dick and McVicker expressed support for moving forward with the item, emphasizing the benefits to the IRP process.

Although several attendees weighed in expressing concern with continuing with the project, citing economic issues due to COVID-19, the issue of whether the results would be meaningful, whether the surveys should be completed by the member agencies, and whether the OC Reliability Study would be equally as helpful to the IRP process, it was noted that the member agency managers appeared to not oppose moving forward with the proposed studies.

(Director Dick left the meeting at 9:15 a.m.)

Upon MOTION by Director McVicker, seconded by Director Yoo Schneider, and carried (5-0), the Board authorized the General Manager to enter into a consulting contract with the Brattle Group to complete the economic benefit studies as outlined in the staff write up, in the estimated amount of $245,000, plus additional support services by CDM Smith not to exceed $25,000 for a total estimated cost not to exceed $270,000. The following roll call vote was taken:

AYES:	Directors Finnegan, McVicker, Yoo Schneider, Tamaribuchi & Thomas
NOES:	None
ABSENT:	Director Dick
ABSTAIN:	None

AWARD CONSTRUCTION CONTRACT FOR ADMINISTRATION BUILDING SEISMIC RETROFIT & REMODEL

Mr. John Kennedy (OCWD) thanked MWDOC staff for working with OCWD to reach a viable solution to MWDOC's storage needs, however he noted that the staff recommendation left the arbitration option open.

President Tamaribuchi thanked Mr. Kennedy, and OCWD staff for their efforts it working towards a viable solution.

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (5-0), the Board:

(1) Received the Bid Protest and any evidence presented by RT Contractor Corporation and rejected the Bid Protest;

(2) Waived all discrepancies and deficiencies and awarded Optima RPM, Inc. the "MWDOC Administration Building Seismic Retrofit, ADA Compliance, and Tenant Improvement Project" construction contract as the lowest responsive and responsible bidder in the amount of $1,606,878.00 excluding construction of a storage room outside of Conference Room 101 with the expectation of resolving the furniture and storage needs for Conference Room 101 with OCWD and instead accept OCWD's offer to make additional resources available:

- OCWD to increase the size of the existing Board room storage area, for storage of MWDOC furniture,
- Storage of WEROC EOC support materials in the basement of the microfiltration building (which is designed to a higher seismic standard than the redesigned MWDOC building),
- OCWD to provide labor to setup/tear down tables for MWDOC Conference Room 101 meetings if the furniture is stored in the Board room storage area (at no cost to MWDOC).

(3) Additionally, authorized a 20% contingency in the amount of $321,375.40 for a total Not to Exceed amount of $1,928,144.40;

(4) Authorized award of the construction contract;

(5) Additionally, authorized supporting contracts and approved the license agreement with OCWD through the following actions:

- Make a CEQA finding that the project is categorical exempt under: Class 1-Existing Facilities.
- Authorized the General Manager to enter into a license agreement with OCWD for the purposes of constructing the MWDOC administration building improvements containing an explicit exclusion for construction of a storage room outside of Conference Room 101**,** and pay OCWD a one-time license fee of $1,148.00. Directed staff to continue to work OCWD to resolve the furniture and storage needs for Conference Room 101, while leaving the option of future arbitration with OCWD open.
- Authorized an increase in the IDS Architectural, Space Planning, Interior Design and Construction Administration Services Contract in the amount of $58,667.00 to include additional Architectural, Interior Design and Engineering support services through to the conclusion of the project.
- Authorized an increase in the ABS Owner's Representative Services Contract in the amount of $36,900.00 to increase the contract scope of work to include move management services through all phases of construction.

- Awarded SPS Data Communications a contract for IT Support Services for a total Not to Exceed amount of $13,912.50.

A roll call was vote was taken:

AYES: Directors Finnegan, McVicker, Yoo Schneider, Tamaribuchi & Thomas
NOES: None
ABSENT: Director Dick
ABSTAIN: None

AWARD CONTRACT FOR PURCHASE OF OFFICE FURNITURE TO OFFICE SOLUTIONS (IOS)/DBA PEOPLE SPACE UNDER THE COUNTY OF ORANGE REGIONAL COOPERATIVE AGREEMENT (RCA)

Responding to an inquiry from Director Thomas, General Manager Hunter confirmed that this item was included in the budget (a typo on the write up indicated it was not).

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (5-0), the Board Awarded the contract for the purchase of office furniture to Interior Office Solutions, DBA PeopleSpace in the total amount of $300,000 (Phases 1-3; FY2020-21) under the County of Orange Regional Cooperative Agreement. Use of this agreement is in in accordance with the District's Administrative Code and the final contract is subject to review and approval by District Counsel. Use of the agreement discounts the Haworth brand furniture list price by 55% to 68%. This contract amount has been further reduced to incorporate the proposed partial use of Joint Board Room furniture. Additional purchases under this contract will be included in the FY2021-22 budget (Phase 4 & Glass Walls Construction) and brought to the Board of Directors next fiscal year.

A roll call was vote was taken:

AYES: Directors Finnegan, McVicker, Yoo Schneider, Tamaribuchi & Thomas
NOES: None
ABSENT: Director Dick
ABSTAIN: None

ACTION CALENDAR

JOINT CONTRACT BETWEEN MWDOC AND OCWD TO HIRE CDM SMITH TO UPDATE DEMAND PROJECTIONS FOR AGENCIES IN ORANGE COUNTY

General Manager Hunter thanked OCWD for their efforts in working toward a thoughtful and equitable division of the costs on this item.

Upon MOTION b Director McVicker, seconded by Director Finnegan, and carried (5-0), the board authorized the General Manager to enter into a consulting contract with Orange County Water District (OCWD) and/or consultant CDM Smith to update demand projections in Orange County for use in various planning efforts. The cost for CDM Smith is estimated at $56,465, with the

Municipal Water District of Orange County (MWDOC)'s cost share estimated at $38,000 based on sharing the OCWD service area on a 50/50 basis and MWDOC paying for the South County and North County agencies outside of OCWD. A roll call was vote was taken:

AYES: Directors Finnegan, McVicker, Yoo Schneider, Tamaribuchi & Thomas
NOES: None
ABSENT: Director Dick
ABSTAIN: None

ISDOC ELECTIONS

Upon MOTION by Director Yoo Schneider, seconded by Director Finnegan, and carried (5-0), the Board authorized the Public Affairs & Legislation Committee's recommendation, to authorize President Tamaribuchi, or his designee, to cast the District's ballot for the for the ISDOC Executive Committee. A roll call was vote was taken:

AYES: Directors Finnegan, McVicker, Yoo Schneider, Tamaribuchi & Thomas
NOES: None
ABSENT: Director Dick
ABSTAIN: None

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, OCTOBER 2020

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. Due to COVID 19, most of the meetings outlined were attended virtually (via the Zoom webinar application).

Director McVicker reported that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the Workshop Board and Regular Board meetings), the OCWA webinar, the OCBC Infrastructure Committee, the WACO and WACO Planning meetings, and the MET Committee meetings.

Secretary Goldsby advised that Director Dick submitted a written report of the meetings attended which were as follows. September: all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, and the Workshop Board and Regular Board meetings), as well as the regularly scheduled MET Board and Committee meeting days, the MWDOC/MET Directors meeting in

preparation for the MET Executive Committee meeting, the MET Executive Committee meeting, SMWD's tour of its Trampas facility, OC Taxpayer's Association meeting, MWDOC's Water Policy Forum, a meeting with Pringle & Associates, and the Harassment Prevention training by BBK. In October he attended: all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, and the Workshop Board and Regular Board meetings), the Ethics Training by BBK, the WACO and WACO Planning meetings, the Ad Hoc Building Committee meeting, the ISDOC meeting, the MET training, the MWDOC/MET Directors meeting (first Wednesday), the MET Caucus, the MET Board and Committee meetings, the Urban Water Institute meeting, a meeting regarding the MET GM recruitment, and a meeting regarding MWDOC's Legislative Advocacy RFPs.

Director Finnegan reported on her attendance at all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the Workshop Board and Regular Board meetings), the Water Facilities Corporation Board meeting, the Harassment Prevention and Ethics trainings by BBK, the Ad Hoc Building Committee meeting.

Director Thomas stated that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, two meetings with South County agencies, the Ad Hoc Building Committee meeting, the Water Policy Forum, the OC Water Summit planning meeting, and the Harassment Prevention and Ethics trainings by BBK. He wished all those up for election, good luck.

Director Yoo Schneider advised that she attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the Workshop Board and Regular Board meetings), as well as the Water Policy Forum, the Ad Hoc Committee re the advocacy contracts, Breakthrough San Juan Capistrano event, the Ad Hoc Building Committee meeting, Water UCI Leadership Board meeting, the SCWD Board meeting, the SMWD Board meetings (2) and SMWD Administration & Finance Committee meeting, SMWD's Trampas event, the virtual World Water Cities Forum conference, the meeting with South County agencies, the Water Environment Federation (WEF) Board of Trustees discussion regarding their diversity, equity and inclusion initiatives, the WEF Diversity, Equity & Inclusion Leadership Committee meeting, the WEF Leadership Council meeting, and WEF House of Delegates and Committee Leadership meetings. She also attended the California Water Environment Association (CWEA) Diversity, Equity & Inclusion meeting, the CWEA Executive Committee meeting, the OC Water Summit planning meeting, the San Diego Women in Water meeting, the U.N. Unleash Hack-a-Thon event, the Water Environment Association's Planning, Progress & Development meeting, the Women in Water planning meeting for the Cuyamaca College presentation, the San Juan Basin Authority meeting, a leadership seminar for the California Water Environment Association for the San Francisco Bay, and she participated on a panel for the Brave New World documentary.

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 Board and Regular Board meetings), the SMWD Board meeting, the MWDOC/MET Director meetings (2), the Water Policy Forum, the Harassment Prevention and Ethics trainings by BBK, a meeting with MET staff regarding the IRP, a meeting

with MET staff regarding Colorado River activities, a meeting with MET staff regarding the MET housing project, the MET Caucus, a meeting regarding the Advocacy RFPs, the WACO meeting, SMWD Trampas dedication, and the MET Board and Committee meetings.

REQUESTS FOR FUTURE AGENDA TOPICS

No requests were made.

CLOSED SESSION ITEMS

At 9:41 a.m., Legal Counsel Byrne advised the Board would adjourn to closed session regarding the following two matters:

> **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9.** Government Claims Act claims of Benjamin and Kendra Stevens; Joshua Ward; Mark Hadipour; Douglas Schaffer; Tammy Miller; and Valerie Mantecon against MWDOC; Claims for Property Damage related to alleged water/sewer leaks, Date of Claim Receipt - September 28, 2020 (Six Claims).

RECONVENE FROM CLOSED SESSION

The Board reconvened at 9:48 a.m., and Legal Counsel Byrne announced that in closed session, the Board unanimously voted to reject all of the claims outlined above (six claims), by the following roll call vote:

AYES:	Directors Finnegan, McVicker, Yoo Schneider, Tamaribuchi & Thomas
NOES:	None
ABSENT:	Director Dick
ABSTAIN:	None

ADJOURNMENT

There being no further business to come before the Board, President Tamaribuchi adjourned the meeting at 9:49 a.m.

Respectfully submitted,

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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 5, 2020 – 8:30 a.m. to 10:50 a.m.

In accordance with Executive Order N-25-20 issued by Governor Newsom on March 4, 2020, the meeting was held via the Zoom Webinar application; all Brown Act requirements were complied with.

P&O Committee:

Director Bob McVicker, Chair
Director Larry Dick
Director Megan Yoo Schneider

Staff:

Rob Hunter, Karl Seckel, Alex Heide, Vicki Osborn, Katie Davanaugh, Pari Francisco, Michelle DeCasas, Melissa Baum-Haley, Maribeth Goldsby, Beth Fahl, Harvey De La Torre, Daniel Harrison, Kevin Hostert, Charles Busslinger, Joe Berg, Rachel Davis, Bryce Roberto, Chris Lingad, Damon Micalizzi, Heather Baez, Hilary Chumpitazi, Cathy Harris

Also Present:

Director Jeff Thomas
Director Sat Tamaribuchi
Director Joan Finnegan
MWDOC MET Director Linda Ackerman
Fernando Paludi, Trabuco Canyon Water District
Brian Ragland, City of Huntington Beach
Doug Reinhart, Irvine Rach Water District
Mike Markus, Orange County Water District
Kristy Khachigian, K. K. Consulting
Dan Rodrigo, CDM Smith
Laura Rocha, Moulton Niguel Water District
Al Nederhood, Yorba Linda Water District
Charles Gibson, Santa Margarita Water District
Dan Ferons, Santa Margarita Water District
Taryn Kjolsing, South Coast Water District
Adam Hutchinson, Orange County Water District
John Kennedy, Orange County Water District
Paul Weghorst, Irvine Ranch Water District
Peer Swan, Irvine Ranch Water District
Kathryn Freshley, El Toro Water District
Saundra Jacobs, Santa Margarita Water District
Jose Vergara, El Toro Water District
Dennis Cafferty, El Toro Water District
Dr. Wallace Walrod
Dr. David Sunding
Chris Davis, City of Huntington Beach
Megan Couch, San Diego County Water Authority

Director McVicker called the meeting to order at 8:30 a.m. Secretary Goldsby conducted a roll call attendance of the Committee and Board members with Directors McVicker, Dick and Yoo Schneider acknowledging attendance for the Committee. Directors Tamaribuchi, Thomas and Finnegan also present.

Director McVicker outlined Zoom meeting protocol in an effort to keep the meeting running smoothly.

PUBLIC COMMENTS

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were received.

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

No items were distributed.

The agenda was reorganized.

ACTION ITEM

AWARD CONSTRUCTION CONTRACT FOR ADMINISTRATION BUILDING SEISMIC RETROFIT & REMODEL

Mr. Busslinger provided an overview of the recent activities and discussions between MWDOC and OCWD regarding the concerns with construction of a storage room and options amenable to both agencies, including the availability of storage within the OCWD lab building.

Director Yoo Schneider made a MOTION for Option #2 (outlined in the staff report) seconded by Director Dick. Considerable discussion was held on the concerns with the options for the availability of ample storage, which Mr. Hunter noted was primarily for WEROC supplies. A meeting between Orange County Water District (OCWD) and MWDOC is scheduled for October 5th (later in the afternoon) to find a viable solution.

Director McVicker made a SUBSTITUTE MOTION, to move forward with Option #3 which includes the construction of a storage area, and for MWDOC to leave the option for arbitration; the MOTION failed for lack of a second.

OCWD General Manager Mike Markus noted that he believes that an amicable solution is available and that discussions should continue, as planned, with the Building Committee. He concurs that construction should proceed, with finding a solution for the storage.

Director Yoo Schneider reiterated her MOTION for Option #2, which was seconded by Director Dick for the Board to approve the Award of Construction Contract for Administration Building

Seismic Retrofit & Remodel at the October 21, 2020 Board meeting. The vote was taken via roll call and Directors McVicker, Yoo Schneider and Dick all voted in favor.

APPROVAL OF AGREEMENT WITH METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND THE METROPOLITAN MEMBER AGENCIES OF THE SANTA ANA RIVER CONSERVATION AND CONJUNCTIVE USE PROGRAM (SARCCUP)

Mr. Harvey DeLaTorre provided a presentation and overview of the SARCCUP program and agreement. The presentation covered background information and key terms of the agreement with the Metropolitan Water District SARCCUP member participants, which include Eastern Municipal Water District, Inland Empire Utilities Agency, MWDOC, and Western Municipal Water District. The program allows imported water to be purchase and banked in the Santa Ana Watershed to enhance water supply reliability. Mr. DeLaTorre also reviewed the key elements, terms of the agreement, delivery methods, ways to recover the water, benefits to Orange County and next steps.

General Manager Hunter pointed out that a number of further participant agreements are involved in this program which will require additional discussion with the Board; among them are the potential ability for MWDOC to purchase and storage any of this water. It was also stated that each of the SARCCUP-MET agencies would make the determination whether this water is taken as extraordinary supply, or regular supply.

Upon MOTION by Director Dick, seconded by Director Yoo Schneider, and carried (3-0) the Committee recommended the Board approve Option 1, Authorize the MWDOC General Manager to sign the Agreement with Metropolitan Water District of Southern California and the Metropolitan Member Agencies of the Santa Ana River Conservation and Conjunctive Use Program at the October 21, 2020 Board meeting. The vote was taken via roll call and Directors McVicker, Yoo Schneider and Dick all voted in favor.

ECONOMIC BENEFIT STUDIES AND MODELING WORK TO QUANTIFY THE BENEFITS OF LOCAL PROJECTS AND TO UNDESTAND THE POTENTIAL IMPLICATIONS OF MET'S 2020 INTEGRATED RESOURCES PLAN (IRP)

Mr. Seckel provided an overview of the request before the Committee to complete the economic benefit studies and modeling work and he reviewed the staff report. The intent of the work is to ensure that local agencies do not over or under invest in reliability efforts for the region. Input from member agencies was received and considered during a recent September 24th workshop, which is outlined in the staff report. Drs. Walrod and Sunding reiterated how the information from the work will be utilized and acknowledged the input, questions and concerns from the participating MWDOC member agencies at the recent workshop.

Considerable discussion was held regarding MWDOC member agency's concerns on the necessity of conducting the modeling work and the methods of surveying businesses within member agency service areas. Irvine Ranch Water District expressed opposition and concern with surveying businesses within the IRWD service area. Santa Margarita and Orange County Water District requested to continue discussions on whether the additional study and modeling work was needed; also noting that this work was not budgeted at a cost of nearly $300,000. Mr. Seckel confirmed that sensitivity to all member agencies will be taken into consideration

during the study and modeling work, and MWDOC and the consultants will continue discussions to address concerns raised by MWDOC member agencies.

Upon MOTION by Director McVicker, seconded by Director Yoo Schneider, and carried (3-0) the Committee recommended the Board approve the Economic Benefit Studies and Modeling Work to Quantify the Benefit of Local Projects and to Understand the Potential Implications of MET's 2020 IRP at the October 21, 2020 Board meeting. The vote was taken via roll call and Directors McVicker, Yoo Schneider and Dick all voted in favor.

JOINT CONTRACT BETWEEN MWDOC AND OCWD TO HIRE CDM SMITH TO UPDATE DEMAND PROJECTIONS FOR AGENCIES IN ORANGE COUNTY

Upon MOTION by Director Dick, seconded by Director Yoo Schneider, and carried (3-0) the Committee recommended the Board approve the Joint Contract Between MWDOC and OCWD to Hire CDM Smith to Update Demand Projections for Agencies in Orange County at the October 21, 2020 Board meeting. The vote was taken via roll call and Directors McVicker, Yoo Schneider and Dick all voted in favor.

DISCUSSION ITEMS

UPDATE ON COVID-19 (ORAL REPORT)

Mrs. Osborn reported that the number of positive COVID cases is on the rise throughout the United States and that Orange County will remain in the "red" tier.

WEROC ASSESSMENT PRESENTATION – PART 2

Director McVicker requested that the WEROC Assessment presentation be deferred until the November Planning & Operations Committee meeting.

INFORMATION ITEMS

STATUS REPORTS

a. Ongoing MWDOC Reliability and Engineering/Planning Projects
b. WEROC
c. Water Use Efficiency Projects

The informational reports were received and filed without comment.

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

ADJOURNMENT

There being no further business before the Committee, the meeting adjourned at 10:50 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 14, 2020 – 8:30 a.m. to 9:16 a.m.

In accordance with Executive Order N-25-20 issued by Governor Newsom on March 4, 2020, the meeting was held via the Zoom Webinar application; all Brown Act requirements were complied with.

A&F Committee:
Director Jeff Thomas, Chair
Director Joan Finnegan
Director Larry Dick

Staff:
Rob Hunter, Karl Seckel, Maribeth Goldsby, Katie Davanaugh, Pari Francisco, Joe Berg, Hilary Chumpitazi, Leah Frazier, Mary Snow, Melissa Baum-Haley, Michelle DeCasas, Cathy Harris, Christina Hernandez, Chris Lingad, Charles Busslinger, Damon Micalizzi, Tiffany Baca,

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Also Present:

Director Sat Tamaribuchi
Director Megan Yoo Schneider
Director Bob McVicker
MWDOC MET Director Linda Ackerman
Jim Atkinson, Mesa Water
Jose Vergara, El Toro Water District
Kristy Khachigian, K. K. Consulting
Saundra Jacobs, Santa Margarita Water District
Dennis Cafferty, El Toro Water District
Dan Ferons, Santa Margarita Water District
Fernando Paludi, Trabuco Canyon Water District
Mark Monin, El Toro Water District
Stacy Taylor, Mesa Water
Peer Swan, Irvine Ranch Water District
Paul Weghorst, Irvine Ranch Water District
Doug Reinhart, Irvine Ranch Water District
Al Nederhood, Yorba Linda Water District

Director Thomas called the meeting to order at 8:30 a.m. and noted that all District meetings will be held either by computer or telephone audio via Zoom Webinar and can be accessed by the link posted on each agenda.

Secretary Goldsby conducted a roll call attendance of the Committee members with Directors Thomas, Finnegan and Dick acknowledging attendance for the Committee; and Directors McVicker, Tamaribuchi and Yoo Schneider also present.

PUBLIC COMMENTS

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were distributed.

PROPOSED BOARD CONSENT CALENDAR ITEMS

TREASURER'S REPORT

a. Revenue/Cash Receipt Report – September 2020
b. Disbursement Approval Report for the month of October 2020
c. Disbursement Ratification Report for the month of September 2020
d. GM Approved Disbursement Report for the month of September 2020
e. Water Use Efficiency Projects Cash Flow – September 30, 2020
f. Consolidated Summary of Cash and Investment – August 2020
g. OPEB and Pension Trust Fund monthly statement

Upon MOTION by Director Finnegan, seconded by Director Dick and carried (3-0), the Committee recommended approval of the Treasurer's Report at the October 21, 2020 Board meeting. The vote was taken via roll call and Directors Thomas, Finnegan and Dick all voted in favor.

FINANCIAL REPORT

a. Combined Financial Statements and Budget Comparative for the Period ending August 31, 2020

Upon MOTION by Director Thomas, seconded by Director Finnegan and carried (3-0), the Committee recommended approval of the Financial Report at the October 21, 2020 Board meeting. The vote was taken via roll call and Directors Thomas, Finnegan and Dick all voted in favor.

ACTION ITEMS

AUTHORIZE FY 20-21 CHOICE PROGRAMS BUDGET REVISIONS

Mr. Hunter reported that changes to the FY 20-21 Choice Programs are outlined in the staff report and that the changes were minor from the original budget. Mr. Hunter advised that all of these changes were reviewed with MWDOC's member agencies.

Upon MOTION by Director Dick, seconded by Director Thomas and carried (3-0), the Committee recommended the Board approve the FY 20-21 Choice Programs Budget Revisions at the October 21, 2020 Board meeting. The vote was taken via roll call and Directors Thomas, Finnegan and Dick all voted in favor.

AWARD CONTRACT FOR PURCHASE OF OFFICE FURNITURE TO OFFICE SOLUTIONS (IOS)/DBA PEOPLE SPACE UNDER THE COUNTY OF ORANGE REGIONAL COOPERATIVE AGREEMENT (RCA)

Mr. Hunter reported that air handling considerations were carefully reviewed due to COVID-19. He then went on to provide a presentation that identified the office furniture layout, phases of construction, and COVID-19 safety precautions that will be implemented during construction. It was reported that the office furniture purchase will be made under the County of Orange Regional Cooperative Agreement program and the procurement process for this purchase is consistent with the District's Administrative Code.

Upon MOTION by Director Dick, seconded by Director Finnegan and carried (3-0), the Committee recommended the Board approve the contract for the Purchase of Office Furniture to Interior Office Solution (IOS)/DBA People Space Under the County of Orange Regional Cooperative Agreement (RCA) at the October 21, 2020 Board meeting. The vote was taken via roll call and Directors Thomas, Finnegan and Dick all voted in favor.

At 9:00 a.m., due to departure from the Committee by Director Dick, Director Tamaribuchi joined the Committee.

APPROVE HEALTH SAVINGS ACCOUNT (HSA) ELECTIONS FOR 2021/ NEW HSA ADMINISTRATOR AND REVISIONS TO DISTRICT HSA POLICY

Katie Davanaugh reviewed the staff report of proposed changes to the Health Savings Account Administration for 2021.

Upon MOTION by Director Tamaribuchi, seconded by Director Finnegan and carried (3-0), the Committee recommended approval of Health Savings Account (HSA) Elections for 2021/New HSA Administrator and Revisions to District HSA at the October 21, 2020 Board meeting. The vote was taken via roll call and Directors Thomas, Finnegan and Tamaribuchi all voted in favor.

APPROVE NEW FLEXIBLE BENEFITS AND COBRA ADMINISTRATOR

Katie Davanaugh reviewed the staff report of proposed changes for a new Flexible Benefits and COBRA administrator for 2021.

Upon MOTION by Director Tamaribuchi, seconded by Director Finnegan and carried (3-0), the Committee recommended approval of the New Flexible Benefits and COBRA Administrator at the October 21, 2020 Board meeting. The vote was taken via roll call and Directors Thomas, Finnegan and Tamaribuchi all voted in favor.

INFORMATION ITEMS

2021 HEALTH BENEFIT RATES

It was noted that Open Enrollment for health benefits is underway, with no significant changes to the medical plans for 2021.

INDIVIDUAL CHARGES DISCLOSURE REPORT

DEPARTMENT ACTIVITIES REPORTS

a. Administration
b. Finance and Information Technology

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

All of the informational reports were received and filed.

OTHER ITEMS

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

No information was presented.

ADJOURNMENT

There being no further business brought before the Committee, the meeting was adjourned at 9:16 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 19, 2020
8:30 a.m. – 9:43 a.m.
In accordance with Executive Order N-25-20 issued by Governor Newsom, the meeting was held via the Zoom Webinar application; all Brown Act requirements

Committee:
Director Yoo Schneider, Chair
Director Dick
Director McVicker

Staff:
Rob Hunter, Karl Seckel, Heather Baez, Damon Micalizzi, Sarah Wilson, Tina Dubuque, Melissa Baum-Haley, Maribeth Goldsby, Michelle DeCasas, Pari Francisco, Traci Muldoon, Harvey De La Torre, Alex Heide, Vicki Osborn, Chris Lingad, Bryce Roberto, Tiffany Baca

Also, Present:

Director Sat Tamaribuchi
Director Jeff Thomas
Director Joan Finnegan
Linda Ackerman, MWDOC MET Dir.
Larry McKenney, MWDOC MET Dir.
Ryan Leavitt, Barker Leavitt
James Barker, Barker Leavitt
Dick Ackerman, Ackerman Consulting
John Lewis, Lewis Consulting
Syrus Devers, BBK
Sherri Seitz, El Toro WD
Jim Atkinson, Mesa WD
Stacy Taylor, Mesa WD
Fred Bockmiller, Mesa WD
Kelly Rowe, Orange County WD
Doug Reinhart, Irvine Ranch WD
Steve LaMar, Irvine Ranch WD
Peer Swan, Irvine Ranch WD
Frank Prewoznik, Irvine Ranch WD
Christine Compton, Irvine Ranch WD
Paul Weghorst, Irvine Ranch WD
Al Nederhood, Yorba Linda WD
Kristy Khachigian, KK Consulting
Jim Leach, Santa Margarita WD
Saundra Jacobs, Santa Margarita WD
Charles Gibson, Santa Margarita WD
Fernando Paludi, Trabuco Canyon WD

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

Secretary Goldsby conducted a roll call of the Committee members' attendance with Directors Yoo Schneider, Dick, and McVicker being present as well as Directors Tamaribuchi, Finnegan, and Thomas.

Chairperson Yoo Schneider outlined Zoom protocols in an effort to assist in keeping the meeting running smoothly.

PUBLIC PARTICIPATION

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were distributed.

DISCUSSION ITEMS

LEGISLATIVE ACTIVITIES

a. Federal Legislative Report (Barker Leavitt)

Mr. Jim Barker and Mr. Ryan Leavitt reviewed their written report included in the packet.

Mr. Barker stated that Congress passed a continuing resolution (CR) to extend current federal funding levels to December 11. This CR is important for water districts because it makes sure that agencies like the Environmental Protection Agency (EPA), Bureau of Reclamation, and the Army Corp of Engineers remain at current year funding levels. He went onto say that an agreement on a new COVID-19 stimulus bill has not been reached.

Mr. Ryan Leavitt shared that a bipartisan group of 21 senators sent a letter to leaders of the House and Senate Armed Services Committees urging Perfluoroocatanoic acid (PFAS/PFOS) provisions be added to the final National Defense Authorization Act (NDAA). The letter stops short of advocating for some of the more controversial (PFAS/PFOS) provisions previously rejected by the Senate – specifically the inclusion of (PFAS/PFOS) as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as Superfund.

b. State Legislative Report (BBK)

Mr. Syrus Devers reviewed his written report included in the packet.

Mr. Devers highlighted that the South Coast Air Quality Management District supports backup generators and has agreed to draft language to address them for critical facilities such as water districts. He went onto say that he felt if something didn't get prepared in the next 30 days, stakeholders could decide that legislation needs to be reconsidered and begin speaking with the bill's authors.

Mr. Devers discussed that due to the COVID-19 pandemic, people are not going into the office and office buildings are unoccupied for long periods. Water pipes in those buildings are standing dormant, and when people return to the office, they are being met with stagnate unsafe water coming out of the pipes. This scenario could become a health issue, and there may be business policy statements that need to go out to the community.

Mr. Devers shared the effects of the 2018 Tubbs fires on the groundwater in Northern California two years later. He stated that, apparently, when large plastic structures burn, i.e., transformers, they create benzene compounds that end up in the groundwater. Since California is experiencing the worst fire season ever, he wanted to draw attention to this

because Southern California could be dealing with the same issues in two years.

c. County Legislative Report (Lewis)

Mr. John Lewis reviewed his written report included in the packet.

Mr. Lewis discussed the 2020 Orange County and Federal elections' progression and provided updated Orange County COVID-19 statistics.

d. Legal and Regulatory Report (Ackerman)

Mr. Dick Ackerman reviewed his written report included in the packet.

Mr. Ackerman discussed how environmental and air quality representatives in the past had opposed controlled forest burns. There has been a significant change in that view because the air quality regulators realize that the damage to the air quality from the current fires is much more significant than the damage caused by a controlled burn. There is a possibility there might be a little more focus on forest management. However, with the cost of fighting the current fires, there may not be funds left over for forest management.

e. MWDOC Legislative Matrix

This report was received and filed

f. Metropolitan Legislative Matrix

This report was received and filed.

<u>INFORMATION ITEMS</u>

MWDOC LEGISLATIVE POLICY PRINCIPLES ANNUAL UPDATE

Government Affairs Manager Heather Baez reminded everyone that in September, the review of the policy principles began. The Committee requested a more streamlined document due to its length and redundancy. Ms. Baez stated that she included comments made from member agencies, worked with MWDOC Staff and Sacramento Advocate Syrus Devers to accomplish this as much as possible.

Ms. Baez stated that between now and the November PAL Meeting, she would work with Water Use Efficiency (WUE) Director Joe Berg to streamline the WUE principles and Director of Emergency Management Director Vicki Osborn to streamline the Emergency Response Section.

Director Yoo Schneider expressed her appreciation for the streamlining effort. Director McVicker complimented Staff on streamlining the document, stating he looked forward to what Ms. Baez and Mr. Berg can do in the Water Use Efficiency section.

Ms. Baez stressed that just because an item is not included in this policy principles document doesn’t mean it goes away. This document lists general principles used to

review legislation as it gets introduced in the winter. Updated principles will be brought to the Committee and Board for review next month.

Mr. Kelly Rowe, OCWD Director and Santa Ana Watershed Project Authority Commissioner, requested to add legislation supporting activities for better cloud seeding augmentation work in the watersheds. Ms. Baez stated that she would be happy to research that further.

Mr. Peer Swan, Director for the Irvine Ranch Water District (IRWD), stated he did not see a commitment for State and Federal laws that would maintain the water capacity in the facilities that already exist: canals, State Water Project, and reservoirs such as the San Luis Reservoir. Mr. Swan would like to see an item that would encourage the maintenance and investment in maintaining current water capacity. Ms. Baez responded that she would review and work with IRWD staff to add this item.

Director Yoo Schneider expressed her appreciation for everyone's input, stating the document would return for a final review at the November PAL Meeting.

ACTION ITEMS

ISDOC ELECTION OF OFFICERS

Heather Baez (Government Affairs Manager) stated that Staff recommends the Board of Directors review the list of candidates for the ISDOC Executive Committee and authorize President Sat Tamaribuchi or his designee to vote on MWDOC's behalf.

Current Independent Special Districts of Orange County (ISDOC) President Saundra Jacobs spoke in support of Director Mark Monin of El Toro Water District for President of ISDOC. She stated that Mr. Monin has been the ISDOC first Vice President for the last two years and has been involved in every meeting for more than five years. As the outgoing President, Ms. Jacobs highly encouraged President Tamaribuchi to support Director Mark Monin as President of ISDOC.

Director Yoo Schneider commended Director Monin on his engagement, stating he is very active in MWDOC Meetings and supports the MWDOC member agencies.

Upon MOTION by Director Dick, seconded by Director McVicker, and carried (3-0), the Committee recommended that the Board authorize President Sat Tamaribuchi or his designee to vote on MWDOC's behalf regarding the ISDOC elections.

A roll call vote was taken, with Directors Yoo Schneider, Dick, and McVicker voting in favor. This item will be presented to the Board on October 21, 2020.

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

SCHOOL PROGRAMS UPDATE

Upon MOTION by Director McVicker, seconded by Director Schneider, and carried (3-0), the Committee recommended that the School Programs Update report be received and filed.

A roll call vote was taken, with Directors Yoo Schneider, Dick, and McVicker voting in favor. This item will be received and filed.

OC WATER SUMMIT UPDATE

Upon MOTION by Director McVicker, seconded by Director Dick, and carried (3-0), the Committee recommended that the OC Water Summit Update report be received and filed.

A roll call vote was taken, with Directors Yoo Schneider, Dick, and McVicker voting in favor. This item will be received and filed.

VIRTUAL WATER POLICY FORUM - SEPTEMBER 23, 2020

Upon MOTION by Director McVicker, seconded by Director Dick, and carried (3-0), the Committee recommended that the Virtual Water Policy Forum report be received and filed.

A roll call vote was taken, with Directors Yoo Schneider, Dick, and McVicker voting in favor. This item will be received and filed.

PUBLIC AND GOVERNMENT AFFAIRS ACTIVITIES REPORT

Director Tamaribuchi asked for additional information regarding the OC is Garden Smart social media video campaign and the Wyland Foundation.

Ms. Tiffany Baca (Public Affairs Manager) responded that OC Garden Smart is a social media video campaign that MWDOC partners with Coastkeepers, UC Master Gardeners, and local nurseries to connect on social media, provide people ways to get outside, fun ways to educate their children, and build gardens. This campaign connects the community to local resources, inspires them to do things correctly, and directs people to MWDOC rebate programs and Water Use Efficiency.

Ms. Baca explained that MWDOC has been partnering with the Wyland Foundation for a long time on many things, including the National Mayor's Challenge for Water Conservation. Currently, MWDOC has an exclusive partnership with the Wyland Foundation, where MWDOC is the primary expert lead on Orange County water issues, and the Wyland Foundation provides education and outreach. A benefit of being an exclusive partner is that MWDOC is introduced on the Wyland Foundation partners page. A Memorandum of Understanding (MOU) has been drafted to solidify the MWDOC/Wyland Foundation partnership.

Director Tamaribuchi asked if the MOU was brought to the Board. Ms. Baca stated that MOUs are not typically brought to the Board, but she would be happy to share it.

General Manager Hunter said he received the MOU via email last week, and it has not been signed. It is currently being brought before the Committee, which meets the terms of Director Tamaribuchi's request. Director Tamaribuchi requested that all MOUs be brought before the Board as a separate informational agenda item in the future. Director Yoo Schneider agreed.

Director Yoo Schneider asked Public Affairs for a future presentation that provides an overview of MWDOC's partnership with the Wyland Foundation, covering what we are trying to achieve with them, where we have come this far, future activities,. Ms. Baca agreed she would provide a presentation at a future Committee Meeting.

Director Dick inquired if there is a list of MOUs that MWDOC is currently committed to. General Manager Rob Hunter stated that he is not aware of a comprehensive list of past MOUs but said he would look into it and get back with the Committee.

Director Tamaribuchi closed, stating that if Staff is going to sign an MOU for an exclusive partnership with any organization, the Board should be made aware of it immediately so that they don't hear about it from others. Director Yoo Schneider agreed.

This report was received and filed.

OTHER ITEMS

REVIEW ISSUES RELATED TO LEGISLATION, OUTREACH, PUBLIC INFORMATION ISSUES, AND MET.

ADJOURNMENT

There being no further business brought before the Committee, Director Yoo Schneider adjourned the meeting at 9:43 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 22, 2020, 8:30 a.m. to 9:50 a.m.
Zoom Webinar Application

Committee:
Director Tamaribuchi, President
Director Finnegan, Vice President
Director Dick, Immediate Past Pres.

Staff:
R. Hunter, M. Goldsby

Also Present:
Director Yoo Schneider
Director Thomas
Director McVicker
Jim Fisler, Mesa Water
Justin McCusker, SMWD
Saundra Jacobs, SMWD
Chuck Gibson, SMWD
Al Nederhood, YLWD
Kristy Khachigian, KK Consulting
Megan Couch, SDCWA
Rachel Bressler

At 8:30 a.m., President Tamaribuchi called the meeting to order via the Zoom Webinar application (pursuant to the Governor's Executive Order due to the spread of the COVID-19 virus, the meeting was conducted via Zoom). Secretary Goldsby called the roll.

PUBLIC PARTICIPATION

No public comments were made.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

At the beginning of the meeting, Staff distributed the draft agendas for the upcoming month, as well as two write ups regarding the Wyland Foundation MOU, and the MWDOC's participation in the OC Garden Smart Campaign.

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

Considerable discussion was held regarding the MNWD/OCWD pilot storage program studies update, the schedule, how much storage would be available and under what circumstances could it be used, and MWDOC's potential interest in participating in the program. The Committee requested a discussion regarding MWDOC's interest in the program be placed on the November 5, 2020 Planning & Operations Committee agenda.

b. Planning & Operations Committee

No new items were added to the agenda.

c. Workshop Board Meeting

Following discussion, the Committee asked that the write up regarding the IRP include information explaining the value of Economic Benefits Study to the IRP.

President Tamaribuchi referenced the Matrix on Critical Items to Orange County, and requested an oral update on Delta Conveyance activities (status of litigation, actions necessary to resolve issues, etc.) to be made at the meeting.

d. Administration & Finance Committee meeting

President Tamaribuchi asked that the Board reconsider its membership in the Association of Metropolitan Water Agencies (AMWA); this item was added to the agenda.

e. Public Affairs & Legislation Committee

Although no items were added to the agenda, the Committee discussed MWDOC's federal advocacy efforts and suggested the PAL Committee discuss the Board's desire to reshape MWDOC's presence in DC.

The Committee also requested that staff provide the Communications Plan to the Board prior to the meeting so they have an opportunity to thoroughly review and develop questions, etc.

f. Executive Committee

No new items were added to the agenda.

DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE

General Manager Hunter highlighted the updated Budget (to be presented to the A&F Committee in November), the building construction, the new accounting system, MET's IRP process, and the MET General Manager recruitment process.

MEMBER AGENCY RELATIONS

The Committee held considerable discussion regarding the SARCCUP agreements, the Economic Benefits Study, and the member agency manager's meetings where MWDOC's role has been discussed (possible future seminar/panel discussion).

GENERAL MANAGER'S REPORTS

General Manager Hunter highlighted the PAL Committee's recent discussion regarding the Wyland Foundation MOU and MWDOC's participation in the OC Garden Smart Campaign.

The Committee asked that all future (similar items) be presented to the Committee/Board prior to commencing work. Committee also suggested the information regarding OC Garden Smart be included in the Communications Plan presentation (November PAL Committee), but that the General Manager confer with Director Yoo Schneider (due to a number of questions she has regarding the MOU) on whether the Wyland Foundation MOU remain on the November PAL Committee agenda for additional discussion.

REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

No new information was presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:50 a.m.

MEETING REPORT
JOINT PLANNING COMMITTEE WITH BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY and
ORANGE COUNTY WATER DISTRICT
October 28, 2019 - 8:30 a.m. – 10:15 a.m.
MWDOC Conference Room 101

MWDOC DIRECTORS
Vacant
Larry Dick
Bob McVicker
Joan C. Finnegan
Satoru Tamaribuchi
Jeffery M. Thomas
Megan Yoo Schneider

OCWD DIRECTORS
Cathy Green
Tri Ta
Roger Yoh
Dina Nguyen (absent)
Denis Bilodeau
Kelly Rowe
Vicente Sarmiento (arr. at 8:38 a.m.)
Jordan Brandman (absent)
Ahmad Zahra (absent)
Steve Sheldon

MWDOC STAFF
Rob Hunter
Karl Seckel
Maribeth Goldsby
Harvey De La Torre
Melissa Baum-Haley
Damon Micalizzi
Chris Lingad
Kevin Hostert
Charles Busslinger
Vicki Osborn
Alex Heide
Heather Baez

OCWD STAFF
Mike Markus
John Kennedy
Adam Hutchinson
Chris Olsen
Jason Dadakis

ALSO PRESENT

Linda Ackerman	MWDOC MET Director
Dennis Cafferty	El Toro Water District
Toby Moore	Golden State Water Company
Peer Swan	Irvine Ranch Water District
Paul Weghorst	Irvine Ranch Water District
Marina Lindsay	Irvine Ranch Water District
Jim Atkinson	Mesa Water
Paul Shoenberger	Mesa Water
Stacy Taylor	Mesa Water
Don Froelich	Moulton Niguel Water District
Joone Lopez	Moulton Niguel Water District
Laura Rocha	Moulton Niguel Water District
Matt Collings	Moulton Niguel Water District
Chuck Gibson	Santa Margarita Water District
Justin McCusker	Santa Margarita Water District
Frank Ury	Santa Margarita Water District
Jim Leach	Santa Margarita Water District

Saundra Jacobs	Santa Margarita Water District
Dan Ferons	Santa Margarita Water District
Rick Erkeneff	South Coast Water District
Wayne Miller	Yorba Linda Water District
Al Nederhood	Yorba Linda Water District
Kristy Khachigian	KK Consulting
Megan Couch	San Diego County Water Authority

MWDOC Director Tamaribuchi chaired the meeting. In accordance with Governor Newsom's Executive Order, the meeting was held via the Zoom Webinar application; all Brown Act requirements were complied with.

PUBLIC COMMENTS

No public comments were received.

CAMPUS IMPROVEMENTS BY MWDOC AND OCWD

General Manager Hunter provided an overview of the MWDOC building construction, thanking the OCWD staff for their efforts in coming to a viable solution for MWDOC's storage needs.

OCWD General Manager Markus commented on the contractor's storage, noting that storage units in the parking lot could be an issue in the event the campus opens. He encouraged close communication between the two agencies.

OCWD Executive Director of Engineering and Water Resources John Kennedy advised that the plans for a perimeter fence around the District offices are currently moving forward and anticipates a construction contract will be awarded next year, with construction taking between 4-6 months.

IMPORTED WATER SUPPLY UPDATE

MWDOC Water Resources Analyst Kevin Hostert updated the Boards on the current imported water supply conditions, highlighting the Northern California accumulated precipitation, and the current Table "A" allocation of 20%.

(Director Sarmiento arrived at 8:38 a.m.)

STATUS OF OCWD GROUNDWATER BASIN

OCWD Executive Director of Engineering and Water Resources John Kennedy updated the Committee on the status of OCWD operations, which included updates on the Prado Dam operations, and the OCWD groundwater basin accumulated overdraft.

PFAS UPDATE

OCWD staff members Jason Dadakis and Chris Olsen provided an update on Orange County Groundwater Basin's PFAS issues, noting that 15 groundwater producers (totaling 86 wells) were originally issued orders on PFAS, with an additional 5 orders being issued during the second round of testing. He noted that they anticipate completing sampling in time for data/results to be given to the producers at the next meeting.

Mr. Chris Olsen then reviewed the proposal for a design/construction PFAS treatment system, noting that several of the affected agencies have already issued contracts, while several will be awarding contracts in the near future.

Discussion ensued regarding the preferred medium (ion exchange versus carbon), the pilot study (tested 14 different type of medium), and OCWD's decision to pay 100% of the design and construction of the PFAS treatment system and 50% of the operations and maintenance.

MOULTON NIGUEL WATER DISTRICT PILOT STORAGE PROGRAM STUDIES UPDATE & MWDOC'S INTEREST

MWDOC Assistant General Manager Karl Seckel presented an overview of the Joint Planning Committee's purpose and history, outlining the MOU's between the agencies (2001 and 2003), four calls to action in the MOUs, the need for the two agencies to work together to achieve county-wide benefits, the status of the SARCCUP agreements, and MWDOC's potential interest in participating in a groundwater storage program. Mr. Seckel advised that a discussion on the potential interest would be presented to the November 5, 2020 Planning & Operations Committee for discussion.

Considerable discussion ensued with several OCWD Board members and General Manager Markus expressing concern with several issues, noting a MWDOC discussion on groundwater storage in the OC basin may be premature, and that not all of the non-binding compacts between the agencies were outlined in Mr. Seckel's presentation.

OCWD President Sarmiento suggested convening the MWDOC/OCWD Joint Building Committee may be a good place to start the discussion, and he highlighted the need and importance of open communication and close working ties.

OCWD Executive Director of Engineering and Water Resources John Kennedy then advised that the two studies underway to explore the Pilot Storage Program (with MNWD) were anticipated to be complete by December 2020.

STATUS UPDATE RE SARCCUP AGREEMENTS

The Committee members then held discussion with respect to the SARCCUP Agreements, noting that General Manager Hunter was authorized to sign the MET SARCCUP Agreement subject to any non-substantive changes or modifications, but that the Agreement has not yet been signed as MWDOC is seeking clarification and understanding from other SARCCUP agencies to allow MWDOC to potentially participate in the program, as what was originally agreed to in an earlier agreement draft.

Several OCWD Directors and staff commented on the need for the SARCCUP program to stay with the SARCCUP agencies. MWDOC Directors stated the program will not change; that MWDOC is only asking that in the event water is "left on the table," MWDOC has the ability to purchase such water. MWDOC Directors further highlighted their responsibility to ensure benefits and opportunities are available to all its member agencies, which includes the storage of extraordinary water supplies, if it is possible.

SARWQCB/POSEIDON UPDATE

Mr. Kennedy advised that the Santa Ana Regional Water Quality Control Board (SARWQCB) would be holding a fourth meeting to discuss the project sometime between December 2020-March 2021.

NEXT COMMITTEE MEETING: JANUARY 27, 2021

It was noted that the next MWDOC/OCWD Joint Planning Committee meeting would be held on January 27, 2021.

Mr. Karl Seckel announced he would be retiring in early December and he thanked both Boards and staff for the many good years of working together. He also acknowledged Director Finnegan and her many years of service on the MWDOC Board, noting she would be retiring December 4.

General Manager Hunter advised that the MWDOC Board would hold a recognition event for Director Finnegan on November 18, 2020.

OCWD Director Sheldon and General Manager Markus thanked both for their service.

ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 10:15 a.m.

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
October 2020

WATER REVENUES

Date	From	Description	Amount
10/01/20	City of Westminster	August 2020 Water deliveries	12,795.62
10/02/20	City of La Habra	August 2020 Water deliveries	58,003.97
10/05/20	City of Buena Park	August 2020 Water deliveries	276,627.32
10/07/20	City of Newport Beach	August 2020 Water deliveries	166,086.10
10/07/20	City of Seal Beach	August 2020 Water deliveries	396,979.39
10/09/20	City of La Palma	August 2020 Water deliveries	3,579.73
10/09/20	Laguna Beach County Water District	August 2020 Water deliveries	404,406.68
10/09/20	South Coast Water District	August 2020 Water deliveries	565,189.04
10/09/20	City of San Clemente	August 2020 Water deliveries	843,749.11
10/09/20	Trabuco Canyon Water District	August 2020 Water deliveries	183,773.03
10/13/20	Santa Margarita Water District	August 2020 Water deliveries	2,831,733.63
10/13/20	City of Garden Grove	August 2020 Water deliveries	734,096.75
10/14/20	City of San Juan Capistrano	August 2020 Water deliveries	705,787.12
10/14/20	City of Orange	August 2020 Water deliveries	993,672.87
10/15/20	East Orange County Water District	August 2020 Water deliveries	524,039.25
10/15/20	Orange County Water District	August 2020 Water deliveries	425,343.03
10/15/20	El Toro Water District	August 2020 Water deliveries	658,450.29
10/15/20	Moulton Niguel Water District	August 2020 Water deliveries	2,762,706.80
10/15/20	Golden State Water Company	August 2020 Water deliveries	548,710.37
10/15/20	Yorba Linda Water District	August 2020 Water deliveries	428,771.99
10/15/20	Irvine Ranch Water District	August 2020 Water deliveries	1,393,521.70
10/15/20	Serrano Water District	August 2020 Water deliveries	7,524.73
10/26/20	City of Fountain Valley	September 2020 Water deliveries	9,369.54
10/29/20	City of Westminster	September 2020 Water deliveries	10,417.59
10/30/20	City of Huntington Beach	September 2020 Water deliveries	579,631.05
10/30/20	City of Brea	September 2020 Water deliveries	11,848.14
		TOTAL WATER REVENUES	**$ 15,536,814.84**

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
October 2020

MISCELLANEOUS REVENUES

Date	From	Description	Amount
10/26/20	Stan Sprague	November 2020 Retiree Health insurance	241.22
10/30/20	Keith Lyon	November 2020 Retiree Health insurance	253.60
10/16/20	Cathy Harris	October 2020 COBRA insurance	901.97
10/23/20	Water Replenishment District	WEEA - Community Partner Sponsorship	2,500.00
10/30/20	Paula Bouyounes	Sit Stand Desk/ 1 Monitor Set-up	250.00
10/30/20	US Bank	Monthly Interest	6.74
10/26/20	Moulton Niguel Water District	August 2020 Smartimer rebate program	24,662.22
10/30/20	Laguna Beach County Water District	August 2020 Smartimer rebate program	133.84
10/26/20	Irvine Ranch Water District	August 2020 Smartimer and Rotating Nozzle rebate program	973.42
10/26/20	City of Orange	August 2020 Turf Removal rebate program	333.00
10/26/20	Irvine Ranch Water District	August 2020 Spray to Drip rebate program	1,698.00
10/05/20	City of Buena Park	Feb - Mar 2020 Turf Removal rebate program	222.00
10/19/20	City of Fountain Valley	August 2020 Turf Removal and Spray to Drip rebate program	444.00
10/23/20	City of Brea	August 2020 Turf Removal and Spray to Drip rebate program	333.00
10/16/20	City of Tustin	August 2020 Turf Removal and Spray to Drip rebate program	444.00
10/07/20	Moulton Niguel Water District	August 2020 So Cal Watersmart rebate program	7,400.00
10/09/20	Laguna Beach County Water District	August 2020 So Cal Watersmart rebate program	480.00
10/16/20	City of San Clemente	August 2020 So Cal Watersmart rebate program	1,185.00
10/16/20	El Toro Water District	August 2020 So Cal Watersmart rebate program	520.00
10/13/20	Irvine Ranch Water District	Water Savings Incentive rebate program	13,471.46
10/16/20	El Toro Water District	AWIA Phase 2 Risk and Resilience Assessment	83,855.00
10/02/20	City of Garden Grove	AWIA Phase 3 Emergency Response Plan	61,886.00
10/07/20	Santa Margarita Water District	AWIA Phase 3 Emergency Response Plan	14,945.00
10/26/20	City of Orange	AWIA Phase 3 Emergency Response Plan	33,229.00
10/13/20	City of San Juan Capistrano	FY 2020-2021 Choice Programs Billing Invoice	26,280.18
10/13/20	Moulton Niguel Water District	FY 2020-2021 Choice Programs Billing Invoice	108,348.22
10/16/20	City of Brea	FY 2020-2021 Choice Programs Billing Invoice	49,323.49
10/16/20	City of Tustin	FY 2020-2021 Choice Programs Billing Invoice	67,475.80
10/16/20	El Toro Water District	FY 2020-2021 Choice Programs Billing Invoice	16,541.66
10/16/20	Serrano Water District	FY 2020-2021 Choice Programs Billing Invoice	1,469.99
10/19/20	City of Fountain Valley	FY 2020-2021 Choice Programs Billing Invoice	6,009.12
10/19/20	City of Newport Beach	FY 2020-2021 Choice Programs Billing Invoice	81,850.17
10/19/20	Golden State Water Company	FY 2020-2021 Choice Programs Billing Invoice	46,350.73
10/19/20	Trabuco Canyon Water District	FY 2020-2021 Choice Programs Billing Invoice	12,504.87
10/22/20	City of La Habra	FY 2020-2021 Choice Programs Billing Invoice	8,477.46
10/22/20	Irvine Ranch Water District	FY 2020-2021 Choice Programs Billing Invoice	162,216.34
10/23/20	City of Huntington Beach	FY 2020-2021 Choice Programs Billing Invoice	80,513.45
10/23/20	City of La Palma	FY 2020-2021 Choice Programs Billing Invoice	2,695.18
10/26/20	City of Orange	FY 2020-2021 Choice Programs Billing Invoice	20,290.26
10/23/20	City of Tustin	Water Loss Control Shared Services FY 2020-21	8,651.00
10/16/20	City of San Clemente	Water Loss Control Technical Assistance Year IV	19,572.00
10/19/20	City of Anaheim	WEROC Funding for FY 2020-21	18,334.00
		TOTAL MISCELLANEOUS REVENUES	$ 987,272.39
		TOTAL REVENUES	**$ 16,524,087.23**

Robert J. Hunter, General Manager

Hilary Chumpitazi, Treasurer

Municipal Water District of Orange County
Disbursement Approval Report
For the month of November 2020

Invoice#	Vendor / Description	Amount to Pay
Core Expenditures:		
	ABSG Consulting Inc.	
5106754	September 2020 Owner's Representative plan check & bidding services for MWDOC office remodel	4,442.70
	*** Total ***	4,442.70
	Richard C. Ackerman	
1290	October 2020 Consulting on legal and regulatory matters	2,050.00
	*** Total ***	2,050.00
	Adobe Systems Incorporated	
1280130596	11/9/20-9/8/21 Additional four Adobe Acrobat Pro licenses	539.60
	*** Total ***	539.60
	Alta Food Craft	
12025732	10/27/20 Coffee and tea supplies	46.65
	*** Total ***	46.65
	American Water Works Association	
7001849952	2021 Annual membership renewal	1,780.00
	*** Total ***	1,780.00
	Arcadis U.S., Inc.	
34194750	September 2020 Urban Water Management Plan services	62,685.00
	*** Total ***	62,685.00
	Barker Leavitt PLLC	
105-1020	October 2020 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	Best Best and Krieger LLP	
888474	September 2020 State legislative advocacy services	8,000.00
55401-SEP20	September 2020 Legal services	22,409.28
889267	September 2020 Harassment training	1,200.00
	*** Total ***	31,609.28
	Black & Veatch	
1331642	9/5/20-10/2/20 Services for Hydraulic Model Phase 2 Build Model & Calibration	18,296.50
	*** Total ***	18,296.50
	California Special Districts Association	
352-2021	2021 Annual membership renewal	7,805.00
	*** Total ***	7,805.00
	CDM Smith	
90109597	8/30/20-9/26/20 Water Resource Planning services	1,811.00
90110867	9/27/20-10/24/20 Water Resource Planning services	2,572.50
	*** Total ***	4,383.50

Municipal Water District of Orange County
Disbursement Approval Report
For the month of November 2020

Invoice#	*Vendor / Description*	*Amount to Pay*
	Commercial Door of Orange County	
25116	Repair MWDOC lobby entrance door	281.00
	*** Total ***	281.00
	Constant Contact	
XR8WAECAB30920	Renewal for online event registration software	1,239.00
	*** Total ***	1,239.00
	CSU Fullerton ASC	
AR170647	7/1/20-12/31/20 Center for Demographic Research support	26,550.16
AR170615	2010-2020 Center for Demographic Research historic population estimates	1,927.17
AR170616	2010-2020 Center for Demographic Research historic population projections	2,828.23
	*** Total ***	31,305.56
	Davis Farr LLP	
8316	July-September 2020 Financial consulting services	4,824.75
	*** Total ***	4,824.75
	Dissinger Associates Plan Administration & Design, Inc.	
AP-MWD-103120	September 2020 Pension plan distribution processing	50.00
	*** Total ***	50.00
	Elevated Health, Inc.	
OCT2020	10/21/20 Pre-employment exam	115.00
	*** Total ***	115.00
	GovernmentJobs.com, Inc.	
INV-17314	12/28/20-12/27/21 Job posting subscription and license for Insight applicant tracking software	3,862.06
	*** Total ***	3,862.06
	Hashtag Pinpoint Corporation	
1330	October 2020 Strategic digital communications consulting services	7,913.00
	*** Total ***	7,913.00
	Herndon Solutions Group LLC	
INV-0000000130	September 2020 Services to assist with America's Water Infrastructure Act compliance	2,430.83
	*** Total ***	2,430.83
	Lawnscape Systems, Inc.	
413779	10/19/20 Landscape maintenance for atrium	495.00
	*** Total ***	495.00
	Lewis Consulting Group	
2020-138	October 2020 Consulting services	2,375.00
	*** Total ***	2,375.00

Municipal Water District of Orange County
Disbursement Approval Report
For the month of November 2020

Invoice#	*Vendor / Description*	*Amount to Pay*
	Edward G. Means III	
MWDOC-1087	October 2020 Consulting on MET issues and guidance to Engineering staff	1,437.50
	*** Total ***	1,437.50
	Mega Maids Cleaning Service	
11483	October 2020 Cleaning services for COVID-19 prevention	1,035.00
	*** Total ***	1,035.00
	NDS	
774516	9/4/20 Delivery charges for Board packets	179.42
775769	10/9/20 Delivery charges for Board packets	179.42
775868	10/15/20 Delivery charges for Board packets	179.42
776026	10/31/20 Delivery charges for Board packets	179.42
	*** Total ***	717.68
	Office Depot, Inc.	
134192097001	10/29/20 Office supplies	197.86
	*** Total ***	197.86
	Orange County Water District	
22146	September 2020 Postage, shared office & maintenance expense	8,859.65
	*** Total ***	8,859.65
	Judy Pfister	
093020	July-September 2020 Retiree medical premium	427.80
	*** Total ***	427.80
	Joey C. Soto	
MWDOC#030	October 2020 Grant research and acquisition assistance	3,250.00
	*** Total ***	3,250.00
	USAFact, Inc.	
103224	October 2020 Pre-employment background checks	63.09
	*** Total ***	63.09
	WageWorks, Inc.	
INV2366903	October 2020 Cafeteria plan administration	201.48
	*** Total ***	201.48
	Water Systems Optimization, Inc.	
1862	October 2020 Water Loss Control program	2,320.00
1863	October 2020 Water Loss Audit Validation Research	4,000.00
1864	October 2020 Water Loss Control Shared Services template development	440.00
	*** Total ***	6,760.00
	Total Core Expenditures	219,479.49

Municipal Water District of Orange County
Disbursement Approval Report
For the month of November 2020

Invoice#	*Vendor / Description*	*Amount to Pay*
Choice Expenditures:		
	Building Block Entertainment, Inc.	
08302-2	9/18/20-10/2/20 Elementary school program grades K-2	1,765.00
3411-2	10/9/20-10/27/20 Elementary school program grades TK-5	4,685.00
	*** Total ***	6,450.00
	Constant Contact	
XR8WAECAB30920	Renewal for online event registration software	1,239.00
	*** Total ***	1,239.00
	McCall's Meter Sales & Service	
33230	October 2020 Meter Accuracy Testing for City of La Palma	1,250.00
	*** Total ***	1,250.00
	Orange County Water District	
22146	September 2020 Postage for Water Use Efficiency rebate programs	14.61
	*** Total ***	14.61
	Pres Tech Equipment Company	
INV-000118	Pipe Trapper kit with receiver and transmitter for Water Loss Control Shared Services	4,089.00
	*** Total ***	4,089.00
	US Bank Voyager Fleet Systems	
869434993043	9/25/20-10/24/20 Fuel for Water Loss Control Shared Services vehicles	186.72
	*** Total ***	186.72
	Utility Crane & Equipment, Inc.	
332810	Aqua Test kit for Water Loss Control Shared Services	3,282.36
	*** Total ***	3,282.36
	Total Choice Expenditures	16,511.69
Other Funds Expenditures:		
	Best Best and Krieger LLP	
55401-SEP20A	September 2020 Legal services	3,075.70
	*** Total ***	3,075.70
	EcoTech Services, Inc.	
1783	October 2020 Services for Pressure Regulating Valve Replacement program	940.00
	*** Total ***	940.00

Municipal Water District of Orange County
Disbursement Approval Report
For the month of November 2020

Invoice#	*Vendor / Description*	*Amount to Pay*
	Herndon Solutions Group LLC	
INV-0000000130	September 2020 Services to assist with America's Water Infrastructure Act compliance	144,532.02
	*** Total ***	144,532.02
	Large Plumbing	
25446	October 2020 Services for Pressure Regulating Valve Replacement program	2,950.00
	*** Total ***	2,950.00
	Lighthouse Fire Protection	
24831	10/6/20 Service fire extinguishers at WEROC S. & N. EOCs	100.00
	*** Total ***	100.00
	Mission RCD	
2916	October 2020 Field verifications for Water Use Efficiency rebate programs	11,638.00
	*** Total ***	11,638.00
	County of Orange	
SC12537	October-December 2020 Cost allocation for 800 MHz emergency radios	231.00
	*** Total ***	231.00
	Water Systems Optimization, Inc.	
1862	October 2020 Water Loss Control program	18,700.00
	*** Total ***	18,700.00
	Total Other Funds Expenditures	182,166.72
	Total Expenditures	418,157.90

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of October 2020

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Disbursements:				
139892	***10/8/20***	***SPECTB***	***Spectrum Business***	
		0375210100120	October 2020 Telephone and internet expense	1,408.42
			***Total ***	1,408.42
139893	***10/8/20***	***VERIZO***	***Verizon Wireless***	
		9863493330	September 2020 4G Mobile broadband unlimited service	114.03
			***Total ***	114.03
139903	***10/15/20***	***CORTBU***	***Cort Business Services Corp.***	
		7350966	September 2020 Furniture lease for 2 temporary workstations	144.48
			***Total ***	144.48
139920	***10/15/20***	***SPECTB***	***Spectrum Business***	
		0343564101020	October 2020 Telephone expense for 3 analog fax lines	109.42
			***Total ***	109.42
139923	***10/15/20***	***USBANK***	***U.S. Bank***	
		0403/7659-SEP20	8/25/20-9/22/20 Cal Card charges	5,702.52
			***Total ***	5,702.52
			(See attached sheet for details)	
ACH004977	***10/15/20***	***BERGJO***	***Joseph Berg***	
		093020	September 2020 Business expense	63.47
			***Total ***	63.47
ACH004983	***10/15/20***	***BUSSLI***	***Charles Busslinger***	
		083120	August 2020 Business expense	629.18
			***Total ***	629.18
ACH004985	***10/15/20***	***CORODA***	***Corodata Records Management, Inc.***	
		RS4635438	September 2020 Archived document storage fees	52.13
			***Total ***	52.13
ACH005000	***10/15/20***	***SCHWENE***	***Leslie Schwene***	
		093020	September 2020 Business expense	30.00
			***Total ***	30.00
139947	***10/30/20***	***SNOWM***	***Mary Snow***	
		OCT2020	October 2020 Business expense	30.00
			***Total ***	30.00

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of October 2020

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH005012	***10/30/20***	***FINNEG***	***Joan Finnegan***	
		SEPT2020	September 2020 Business expense	40.00
			***Total ***	40.00
ACH005013	***10/30/20***	***FRANCI***	***Pari Francisco***	
		SEPT2020	August 2020 Business expense	84.79
			***Total ***	84.79
ACH005019	***10/30/20***	***WAITER***	***Rachel Waite***	
		SEPT2020	September 2020 Business expense	45.00
			***Total ***	45.00
			Total Core Disbursements	8,453.44

Choice Disbursements:

139923	***10/15/20***	***USBANK***	***U.S. Bank***	
		7659-SEP20B	8/25/20-9/22/20 Cal Card charges	1,446.52
			***Total ***	1,446.52
			(See attached sheet for details)	
			Total Choice Disbursements	1,446.52

Other Funds Disbursements:

139893A	***10/15/20***	***VERIZO***	***Verizon Wireless***	
		9863493330	September 2020 4G Mobile broadband unlimited service	76.02
			***Total ***	76.02
139895	***10/15/20***	***ATTUVEOC***	***AT&T***	
		1812-OCT20	October 2020 U-verse internet service for WEROC N. EOC	64.20
			***Total ***	64.20
139898	***10/15/20***	***ATTCALN***	***AT&T***	
		000015380576	September 2020 Telephone expense for WEROC N. EOC	111.47
		000015380575	September 2020 Telephone expense for WEROC N. and S. EOC	323.95
			***Total ***	435.42

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of October 2020

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
139907	***10/15/20***	***HARRISD***	***Daniel Harrison***	
		093020	September 2020 Business expense	82.72
			***Total ***	82.72
139922	***10/15/20***	***SANTI1***	***Santiago Aqueduct Commission***	
		JUN2020	June 2020 SAC Pipeline Operation Surcharge (re-issue)	701.36
			***Total ***	701.36
139923	***10/15/20***	***USBANK***	***U.S. Bank***	
		7659-SEP20B	8/25/20-9/22/20 Cal Card charges	200.00
			***Total ***	200.00
			(See attached sheet for details)	
ACH004993	***10/15/20***	***MESAWA***	***Mesa Water District***	
		10277	August 2020 Credit for Local Resources program	86,231.49
			***Total ***	86,231.49
		DRIPPR	***Spray to Drip Program***	
139925	***10/29/20***	S2D4-R-MESA-39972-17737	M. Lopez	336.00
			***Total ***	336.00
		TURFRP	***Turf Removal Program***	
139926	***10/29/20***	TR13-R-SM-39355-38195	I. Redd	7,256.38
139927	***10/29/20***	TR13-R-ETWD-39372-38217	S. Porcu	2,110.00
139928	***10/29/20***	TR13-R-MNT-39555-38397	M. Paydar	1,479.00
139929	***10/29/20***	TR13-R-SC-39562-38403	B. Consolin	5,046.00
139930	***10/29/20***	TR13-R-O-39577-38419	M. Skorpanich	1,731.00
139931	***10/29/20***	TR13-C-SOCO-38850-38506	Monarch Beach Golf Links (Santa Ana)	137,400.00
139932	***10/29/20***	TR13-C-MNT-38755-38507	Siena HOA (Dana Point)	8,136.00
139933	***10/29/20***	TR13-R-MNT-39703-38530	S. Ben-Abraham	988.61
139934	***10/29/20***	TR13-R-MNT-39742-38571	C. Swearingen	4,170.74
139935	***10/29/20***	TR13-R-IRWD-39862-38683	R. Ramos	900.00
139936	***10/29/20***	TR13-R-SC-39854-38740	A. King	3,540.00
139937	***10/29/20***	TR14-R-MESA-39972-38811	M. Lopez	1,470.00
139938	***10/29/20***	TR14-R-MNT-40019-38838	D. Yamano	2,940.00
139939	***10/29/20***	TR14-R-ETWD-41087-39895	R. Wood	500.00
139940	***10/29/20***	TR14-R-MNT-41093-39899	A. Steen	1,695.00
139941	***10/29/20***	TR14-R-LH-41136-39937	D. Stegelvik	3,452.00
139942	***10/29/20***	TR13-R-SOCO-39398-38243B	M. Zamparelli	4,914.00
			***Total ***	187,728.73
139946	***10/30/20***	***SANTI1***	***Santiago Aqueduct Commission***	
		AUG2020	August 2020 SAC Pipeline Operation Surcharge	2,981.78
			***Total ***	2,981.78

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of October 2020

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
139949	*10/30/20*	*WSIP*	***Water Savings Incentive Program***	
		WSP4628	Maruchan, Inc. (Irvine)	15,000.00
			***Total ***	15,000.00
ACH005018	*10/30/20*	*SANTAM*	***Santa Margarita Water District***	
		AUG2020	August 2020 SCP Pipeline Operation Surcharge	32,025.20
			***Total ***	32,025.20
WIRE-201030	*10/30/20*	*METWAT*	***Metropolitan Water District***	
		10179	August 2020 Water deliveries	15,500,913.14
			***Total ***	15,500,913.14
			Total Other Funds Disbursements	15,826,776.06
			Total Disbursements	15,836,676.02

Robert J. Hunter, General Manager

Hilary Chumpitazi, Treasurer

Cal Card Charges
Statement Date: September 22, 2020
Payment Date: October 15, 2020

Date	Description	Amount
Public Affairs Card		
8/26/2020	One month Zoom Webinar add-on for September 2020	$ 140.00
8/26/2020	California Association of Public Information Officials membership for S.Wilson	275.00
9/2/2020	9/2/20-10/1/20 Zoom Video Communications monthly fee with audio licenses	174.95
9/3/2020	Monthly storage unit rental during MWDOC remodel	187.00
9/15/2020	Monthly storage unit rental upgrade to 10x20 unit	314.74
9/15/2020	Public Relations Society of America membership for T. Baca	400.00
9/17/2020	California Association of Public Information Officials Hosting Virtual Events webinar on Aug. 22, 2020 - Registration for T. Baca	30.00
	Total	**$ 1,521.69**

Cal Card Charges
Statement Date: September 22, 2020
Payment Date: October 15, 2020

Date	Description	Amount
K. Seckel Card		
8/24/2020	7/25/20-8/24/20 Web hosting service for MWDOC website	$ 15.65
8/25/2020	2 Toner cartridges	352.56
8/26/2020	Hard drive replacement for data server	412.87
8/26/2020	Laptop with 3 year protection plan	1,470.22
8/27/2020	6 ESRI ArcGIS licenses for mapping and analytics software	2,300.00
8/29/2020	Moving box labels for MWDOC office remodel project	17.33
8/29/2020	Laptop case bag	26.84
8/30/2020	Gift card for employee recognition	25.00
8/31/2020	Annual subscription for Cloud Cam storage for security camera	69.99
9/2/2020	California Special Districts Association Virtual Board Secretary/Clerk conference from Oct. 26-28, 2020 - Registration for M. Goldsby	425.00
9/4/2020	Supplies for Water Loss Control Shared Services	46.52
9/4/2020	Water District Jobs employment posting for Education Program Assistant	200.00
9/8/2020	50 Storage boxes and wrapping paper for MWDOC office remodel project	57.59
9/9/2020	Orange County Water Association Buena Park Explores Unidirectional Flushing webinar on Sep. 16, 2020 - Registrations for J. Berg & R. Davis	20.00
9/10/2020	Urban Water Institute A Discussion with Jeff Kightlinger webinar on Oct. 21, 2020 - Registration for Director McVicker	25.00
9/10/2020	Refund duplicate Jul. 2020 Preworkscreen online subscription charge	(147.63)
9/14/2020	Preworkscreen online subscription monthly fee for COVID-19 prevention	167.58
9/17/2020	Sympathy flowers for retired MWDOC staff member	71.09
9/17/2020	Government Finance Officers Association Annual GAAP Update webinar on Nov. 5, 2020 - Registration for H. Chumpitazi	135.00
9/18/2020	Orange County Business Council nomination fee for Turning Red Tape into Red Carpet vitual awards on Nov. 19, 2020	125.00
9/21/2020	UPS delivery charge for Lotus Media on Sep. 15, 2020	11.74
	Total	**$ 5,827.35**

Cal Card Charges
Statement Date: September 22, 2020
Payment Date: October 15, 2020

Date	Description	Amount

R. Hunter Card

No Charges

Municipal Water District of Orange County
GM Approved Disbursement Report [1]
For the month of October 2020

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Disbursements:				
			Total Core Disbursements	-
Choice Disbursements:				
			Total Choice Disbursements	-
Other Funds Disbursements:				
139924	***10/20/20***	***ALLICS***	***The Alliance for Community Solutions***	
		101920	Transfer of CalWarn Chapter funds	495.00
			***Total ***	495.00
			Total Other Funds Disbursements	495.00
			Total Disbursements	495.00

Robert J. Hunter, General Manager

Hilary Chumpitazi, Treasurer

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

Municipal Water District of Orange County
Consolidated Summary of Cash and Investment
September 30, 2020

Street Address:
18700 Ward Street
Fountain Valley, California 92708

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

(714) 963-3058
Fax: (714) 964-9389
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Sat Tamaribuchi
President

Joan C. Finnegan
Vice President

Division I
Vacant

Larry D. Dick
Director

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

Megan Yoo Schneider, P.E.
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		
General Operations	$3,830,240	18.08%
Grant & Project Cash Flow	1,500,000	7.08%
Election Expense	696,000	3.29%
Building Repair	444,186	2.10%
OPEB	297,147	1.40%
Total Designated Reserves	6,767,573	31.95%
General Fund	11,206,378	52.89%
Water Fund	1,806,336	8.53%
Conservation Fund	(214,898)	(1.01%)
WEROC Fund	1,607,079	7.59%
Trustee Activities	10,381	0.05%
Total	**$21,182,849**	**100.00%**

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.58%	$122,144	$122,144
Short-term investment			
• LAIF	61.43%	$13,013,398	$13,013,398
• OCIP	23.35%	4,946,517	4,946,517
Long-term investment			
• Corporate Bond	6.61%	1,400,790	1,407,797
• Certificates of Deposit	8.03%	1,700,000	1,797,093
Total	**100.00%**	**$21,182,849**	**$21,286,949**

The average number of days to maturity/call as of September 30, 2020 equaled 109 and the average yield to maturity is 0.97%. During the month, the District's average daily balance was $30,162,324.52. Funds were invested in Negotiable Certificate of Deposit's, Corporate Bonds, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of September 2020.

The $104,100 difference between the book value and the market value on September 30, 2020 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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary

September 30, 2020

9/30/2020	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,700,000.00	1,797,092.50	1,700,000.00	8.07	875	2.566
Corporate Bond	1,400,000.00	1,407,797.00	1,400,789.53	6.65	570	1.629
Local Agency Investment Funds	13,013,397.67	13,013,397.67	13,013,397.67	61.79	1	0.679
Orange County Investment Pool	4,946,517.24	4,946,517.24	4,946,517.24	23.49	1	1.001
Total Investments	**21,059,914.91**	**21,164,804.41**	**21,060,704.44**	**100.00**	**109**	**0.970**
Cash						
Cash	122,144.43	122,144.43	122,144.43		1	0.00
Total Cash and Investments	**21,182,059.34**	**21,286,948.84**	**21,182,848.87**		**109**	**0.970**

Total Earnings	Month Ending September	Fiscal Year to Date
Current Year	**23,660.16**	**69,963.62**
Average Daily Balance	**30,162,324.52**	
Effective Rate of Return	**0.970%**	

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

Robert J. Hunter, General Manager — Date: 11-5-2020

Hilary Chumpitazi, Treasurer — Date: 11/05/2020

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
September 30, 2020

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	260,480.00	250,000.00	2.250	2.250	727	9/27/2022
Capital One Bank	14042TBQ9	8/7/2019	250,000.00	268,780.00	250,000.00	2.250	2.250	1,407	8/7/2024
Capital One NA	14042RMJ7	7/24/2019	250,000.00	268,162.50	250,000.00	2.200	2.200	1,393	7/24/2024
Comenity Capital	20033AUX2	7/25/2017	200,000.00	203,050.00	200,000.00	2.000	2.000	289	7/16/2021
Discover Bank	254673RV0	7/25/2018	250,000.00	271,937.50	250,000.00	3.300	3.300	1,028	7/25/2023
Goldman Sachs Bank	38148PT98	8/8/2018	250,000.00	272,582.50	250,000.00	3.350	3.350	1,042	8/8/2023
Morgan Stanley Bank	61747MJ36	2/1/2018	250,000.00	252,100.00	250,000.00	2.500	2.500	124	2/1/2021
Sub Total			**1,700,000.00**	**1,797,092.50**	**1,700,000.00**	**2.566**	**2.566**	**875**	
Corporate Bond									
Citigroup Global Markets	17328WFZ6	9/16/2020	250,000.00	248,890.00	250,000.00	1.000	1.000	1,812	9/16/2025
JP Morgan Chase	48128GV56	8/18/2020	250,000.00	248,360.00	250,000.00	0.800	0.800	1,418	8/18/2025
National Rural Util Coop	63743FE51	7/27/2017	200,000.00	203,532.00	200,000.00	2.500	2.500	653	7/15/2022
Societe Generale	83369MD25	8/19/2020	250,000.00	248,505.00	250,000.00	1.000	1.088	323	8/19/2025
Wells Fargo	94974BGR5	1/13/2016	250,000.00	251,010.00	250,061.26	2.550	2.409	68	12/7/2020
Westpac Banking Corp	961214DQ3	7/25/2017	200,000.00	207,500.00	200,728.27	2.500	2.278	636	6/28/2022
Sub Total			**1,400,000.00**	**1,407,797.00**	**1,400,789.53**	**1.670**	**1.629**	**570**	
Total Investments			**3,100,000.00**	**3,204,889.50**	**3,100,789.53**	**2.161**	**2.143**	**737**	

Total Earnings	Month Ending September	Fiscal Year To Date
Current Year	5,303.50	15,984.34

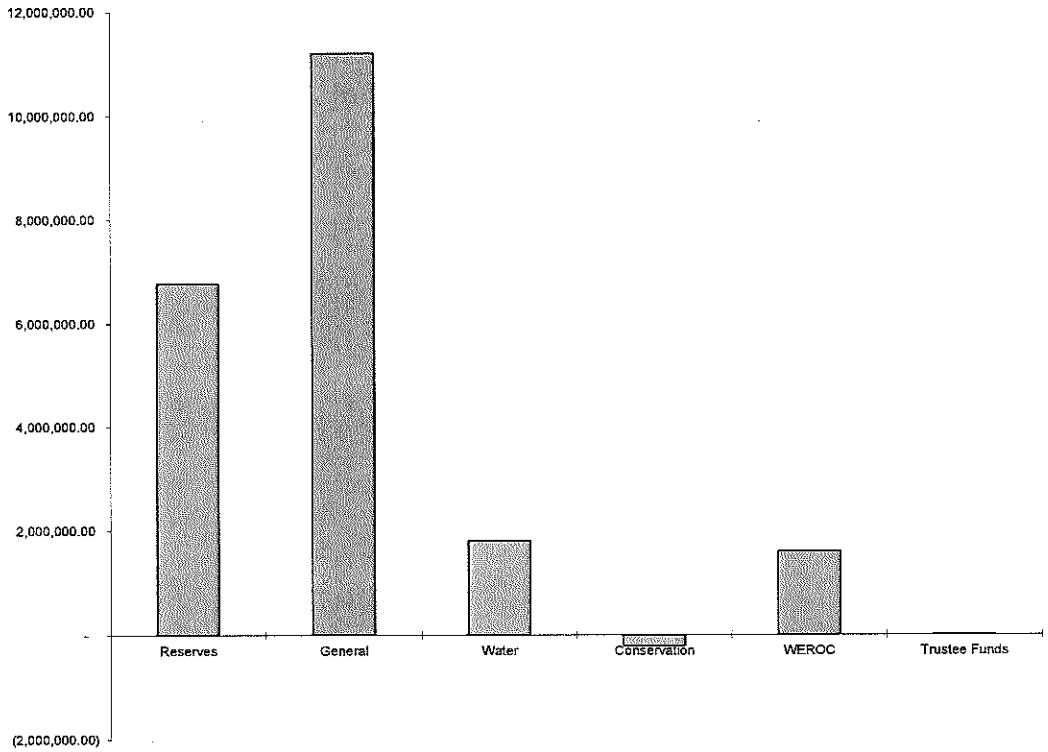
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
September 30, 2020

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds									
LAIF LGIP	LAIF	6/30/2010	13,013,397.67	13,013,397.67	13,013,397.67	0.679	0.679	1	N/A
Sub Total			**13,013,397.67**	**13,013,397.67**	**13,013,397.67**	**0.679**	**0.679**	**1**	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	4,946,517.24	4,946,517.24	4,946,517.24	1.001	1.001	1	N/A
Sub Total			**4,946,517.24**	**4,946,517.24**	**4,946,517.24**	**1.001**	**1.001**	**1**	
Total Investments			**17,959,914.91**	**17,959,914.91**	**17,959,914.91**	**0.768**	**0.768**		
Cash									
Petty Cash Cash	CASH	7/1/2010	500.00	500.00	500.00	0.000	0.000	1	N/A
US Bank Cash	CASHUSBANK	7/25/2018	121,644.43	121,644.43	121,644.43	0.000	0.000	1	N/A
Total Cash			**122,144.43**	**122,144.43**	**122,144.43**	**0.000**	**0.000**	**1**	
Total Cash and Investments			**18,082,059.34**	**18,082,059.34**	**18,082,059.34**	**0.768**	**0.768**	**1**	

Total Earnings	Month Ending September	Fiscal Year To Date
Current Year	18,356.66	53,979.28

Municipal Water District of Orange County
Cash and Investments at September 30, 2020

ALLOCATION	AMOUNT	%
MWDOC		
Designated Reserves		
General	$ 3,830,240	18.08%
Grant & Project Cash Flow	1,500,000	7.08%
Election Expense	696,000	3.29%
Building Repair	444,186	2.10%
OPEB	297,147	1.40%
Total Designated Reserves	6,767,573	31.95%
General	11,206,378	52.89%
Water	1,806,336	8.53%
Conservation	(214,898)	-1.01%
WEROC	1,607,079	7.59%
TOTAL MWDOC	$ 21,172,468	99.95%
TRUSTEE ACTIVITIES		
AMP Sales Admin	$ 10,381	0.05%
TOTAL TRUSTEE ACTIVITIES	$ 10,381	0.05%
TOTAL CASH & INVESTMENTS	**$ 21,182,849**	**100.00%**



PUBLIC AGENCY RETIREMENT SERVICES | PARS

Item No. 3d

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

Account Report for the Period
9/1/2020 to 9/30/2020

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

Account Summary

Source	Balance as of 9/1/2020	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 9/30/2020
OPEB	$2,427,554.19	$0.00	-$39,844.45	$1,160.53	$0.00	$0.00	$2,386,549.21
PENSION	$675,305.85	$0.00	-$11,084.43	$266.27	$0.00	$0.00	$663,955.15
Totals	**$3,102,860.04**	**$0.00**	**-$50,928.88**	**$1,426.80**	**$0.00**	**$0.00**	**$3,050,504.36**

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

				Annualized Return			
Source	**1-Month**	**3-Months**	**1-Year**	**3-Years**	**5-Years**	**10-Years**	**Plan's Inception Date**
OPEB	-1.64%	4.54%	7.70%	6.19%	7.46%	-	10/26/2011
PENSION	-1.64%	4.42%	7.57%	-	-	-	7/31/2018

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

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

Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 10/31/20

	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	TOTALS
Cash - Beginning Balance	$ (662,317.98)	$ (714,498.92)	$ (140,775.56)	$ (214,897.70)	$ (340,526.95)	$ (340,526.95)	$ (340,526.95)	$ (340,526.95)	$ (340,526.95)	$ (340,526.95)	$ (340,526.95)	$ (340,526.95)	
REVENUES:													
BUREC													$ -
City of Brea		253.00	222.00	333.00									808.00
City of Buena Park				222.00									222.00
City of Fountain Valley		126.50		444.00									570.50
City of San Clemente	250.00	625.00		1,185.00									2,060.00
City of San Juan Capistrano													-
City of Tustin	111.00	632.50	222.00	444.00									1,409.50
City of Newport Beach	111.00	126.50	333.00										570.50
City of Orange	111.00		333.00	333.00									777.00
City of Westminster													-
County of Orange	124,617.14												124,617.14
Department of Water Resources		236,887.19											236,887.19
East Orange County Water District													-
El Toro Water District	290.00	269.99		520.00									1,079.99
East Orange County Water District													-
Golden State Water Company													-
Irvine Ranch Water District	69.99	383.18		16,142.88									16,596.05
Laguna Beach County Water District	40.00			613.84									653.84
Mesa Water District		720.00											720.00
Metropolitan Water District	221,040.00	392,146.78		83,479.49									696,666.27
Moulton Niguel Water District	15,351.82	1,600.00	3,101.70	32,062.22									52,115.74
Santa Margarita Water District													-
Trabuco Canyon Water District		20.00											20.00
Yorba Linda Water District													-
Miscellaneous Revenues													
Miscellaneous													-
Interest Revenue													-
Total Revenues	361,991.95	633,790.64	4,211.70	135,779.43	-	-	-	-	-	-	-	-	$ 1,135,773.72
EXPENDITURES:													
Budget Based Tiered Rates, Raftelis													-
Ecotech, Ferguson	8,800.00		9,305.00	5,475.00									23,580.00
IRWD													-
GardenSoft Corp													-
Large Plumbing			9,205.00										9,205.00
Metropolitan Water District				3,320.00									3,320.00
MNWD	155,422.00												155,422.00
Mission RCD		10,935.25		17,103.95									28,039.20
Multi Family HET Direct	16,400.00												16,400.00
Plant Nerd	13,560.00		17,570.00	29,820.00									60,950.00
Recycled Water On Site Retrofit program													-
Spray to Drip program	7,994.30	4,393.37	4,202.10	336.00									16,925.77
TerraWorks Studio				2,625.00									2,625.00
Turf Removal	210,312.49	44,738.66	38,051.74	187,728.73									480,831.62
Water Savings Incentive Program				15,000.00									15,000.00
Water Systems Optimization													-
Miscellaneous Expenses													
Miscellaneous													-
Interest Expense	1,573.10												1,573.10
Salary & Benefit													-
Total Expenditures	414,172.89	60,067.28	78,333.84	261,408.68	-	-	-	-	-	-	-	-	$ 813,982.69
Cash - Ending Balance	$ (714,498.92)	$ (140,775.56)	$ (214,897.70)	$ (340,526.95)	$ (340,526.95)	$ (340,526.95)	$ (340,526.95)	$ (340,526.95)	$ (340,526.95)	$ (340,526.95)	$ (340,526.95)	$ (340,526.95)	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

COMBINED FINANCIAL STATEMENTS

AND

BUDGET COMPARATIVE

JULY 1, 2020 THRU SEPTEMBER 30, 2020

Municipal Water District of Orange County
Combined Balance Sheet
As of September 30, 2020

ASSETS	**Amount**
Cash in Bank	122,144.43
Investments	21,060,704.44
Accounts Receivable	30,634,263.60
Accounts Receivable - Other	92,733.17
Accrued Interest Receivable	69,697.06
Prepaids/Deposits	350,876.49
Leasehold Improvements	4,284,127.08
Furniture, Fixtures & Equipment	649,773.62
Less: Accum Depreciation	(3,318,434.48)
TOTAL ASSETS	$53,945,885.41
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	30,080,116.93
Accounts Payable - Other	93.77
Accrued Salaries and Benefits Payable	498,657.05
Other Liabilities	1,580,984.50
Unearned Revenue	658,092.22
Total Liabilities	32,817,944.47
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	1,028,452.53
Total Restricted Fund Balances	1,028,452.53
Designated Reserves	
General Operations	3,830,240.00
Grant & Project Cash Flow	1,500,000.00
Election Expense	696,000.00
Building Repair	444,186.00
OPEB	297,147.00
Total Designated Reserves	6,767,573.00
General Fund	4,908,358.72
General Fund Capital	682,542.68
WEROC Capital	115,298.58
WEROC	284,002.59
Total Unrestricted Fund Balances	12,757,775.57
Excess Revenue over Expenditures	
Operating Fund	7,251,547.50
Other Funds	90,165.34
Total Fund Balance	21,127,940.94
TOTAL LIABILITIES AND FUND BALANCES	53,945,885.41

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru September 2020

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
REVENUES						
Retail Connection Charge	0.00	7,837,792.40	7,837,792.00	100.00%	0.00	(0.40)
Ground Water Customer Charge	0.00	595,323.00	595,323.00	100.00%	0.00	0.00
Water rate revenues	0.00	8,433,115.40	8,433,115.00	100.00%	0.00	(0.40)
Interest Revenue	23,113.42	68,725.07	458,000.00	15.01%	0.00	389,274.93
Subtotal	23,113.42	8,501,840.47	8,891,115.00	95.62%	0.00	389,274.53
Choice Programs	1,188,495.79	1,193,812.79	1,574,100.00	75.84%	0.00	380,287.21
MWD Revenue - Shared Services	24,178.00	24,178.00	0.00	0.00%	0.00	(24,178.00)
Miscellaneous Income	184.89	237.93	3,000.00	7.93%	0.00	2,762.07
Revenue Other	0.00	1,258.00	0.00	0.00%	0.00	(1,258.00)
Transfer-In From Reserve	0.00	0.00	97,733.00	0.00%	0.00	97,733.00
Subtotal	1,212,858.68	1,219,486.72	1,674,833.00	72.81%	0.00	455,346.28
TOTAL REVENUES	1,235,972.10	9,721,327.19	10,565,948.00	92.01%	0.00	844,620.81

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru September 2020

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
EXPENSES						
Salaries & Wages	357,519.00	1,071,832.90	4,151,602.00	25.82%	0.00	3,079,769.10
Director's Compensation	18,990.94	56,972.82	258,909.00	22.00%	0.00	201,936.18
MWD Representation	13,097.20	35,362.44	157,070.00	22.51%	0.00	121,707.56
Employee Benefits	105,256.33	332,940.42	1,335,116.00	24.94%	0.00	1,002,175.58
CalPers Unfunded Liability Contribution	0.00	207,000.00	207,000.00	100.00%	0.00	0.00
Director's Benefits	9,701.61	28,513.07	101,971.00	27.96%	0.00	73,457.93
Health Insurance for Retirees	7,597.34	15,785.22	87,449.00	18.05%	0.00	71,663.78
Training Expense	2,485.00	754.20	64,500.00	1.17%	8,895.60	54,850.20
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Personnel Expenses	514,647.42	1,749,161.07	6,373,617.00	27.44%	8,895.60	4,615,560.33
Engineering Expense	31,100.92	53,462.84	340,000.00	15.72%	318,414.78	(31,877.62)
Legal Expense	25,266.78	57,028.05	210,500.00	27.09%	153,471.95	0.00
Audit Expense	11,500.00	19,000.00	29,725.00	63.92%	10,725.00	0.00
Professional Services	128,907.72	234,425.56	1,525,503.00	15.37%	857,419.96	433,657.48
Professional Fees	196,775.42	363,916.45	2,105,728.00	17.28%	1,340,031.69	401,779.86
Conference-Staff	200.00	915.00	26,515.00	3.45%	0.00	25,600.00
Conference-Directors	25.00	735.00	18,695.00	3.93%	0.00	17,960.00
Travel & Accom.-Staff	720.20	1,349.38	62,495.00	2.16%	0.00	61,145.62
Travel & Accom.-Directors	0.00	0.00	24,900.00	0.00%	0.00	24,900.00
Travel & Conference	945.20	2,999.38	132,605.00	2.26%	0.00	129,605.62
Membership/Sponsorship	675.00	54,086.64	127,161.00	42.53%	0.00	73,074.36
CDR Support	0.00	0.00	53,158.00	0.00%	53,100.32	57.68
Dues & Memberships	675.00	54,086.64	180,319.00	29.99%	53,100.32	73,132.04
Business Expense	0.00	0.00	4,500.00	0.00%	0.00	4,500.00
Maintenance Office	9,850.77	25,904.05	125,420.00	20.65%	101,115.95	(1,600.00)
Building Repair & Maintenance	1,073.91	6,177.11	15,000.00	41.18%	8,620.43	202.46
Storage Rental & Equipment Lease	52.13	159.06	1,750.00	9.09%	590.94	1,000.00
Office Supplies	872.59	2,459.39	39,000.00	6.31%	3,200.00	33,340.61
Supplies - Water Loss Control	46.52	535.81	10,000.00	5.36%	0.00	9,464.19
Postage/Mail Delivery	638.58	2,156.15	9,300.00	23.18%	2,113.72	5,030.13
Subscriptions & Books	120.00	239.97	1,000.00	24.00%	0.00	760.03
Reproduction Expense	0.00	3,371.14	83,700.00	4.03%	5,745.50	74,583.36
Maintenance-Computers	439.71	473.30	8,000.00	5.92%	0.00	7,526.70
Software Purchase	12,246.07	19,281.61	57,000.00	33.83%	0.00	37,718.39
Software Support	2,840.70	24,684.47	47,640.00	51.81%	1,800.00	21,155.53
Computers and Equipment	1,470.22	7,673.34	33,550.00	22.87%	0.00	25,876.66
Maintenance-Expense	0.00	0.00	6,000.00	0.00%	0.00	6,000.00
Automotive Expense	0.00	0.00	20,000.00	0.00%	0.00	20,000.00
Vehicle Expense	298.88	1,289.69	6,350.00	20.31%	0.00	5,060.31
Toll Road Charges	0.00	0.00	2,300.00	0.00%	0.00	2,300.00
Insurance Expense	11,443.33	34,401.51	110,000.00	31.27%	0.00	75,598.49
Utilities - Telephone	3,146.01	9,418.01	30,850.00	30.53%	1,028.91	20,403.08
Bank Fees	0.00	494.01	1,200.00	41.17%	0.00	705.99
Miscellaneous Expense	3,130.36	5,101.33	113,800.00	4.48%	3,823.03	104,875.64
MWDOC's Contrb. to WEROC	20,103.00	60,309.00	241,236.00	25.00%	0.00	180,927.00
Depreciation Expense	4,485.38	13,456.13	0.00	0.00%	0.00	(13,456.13)
Other Expenses	72,258.16	217,585.08	967,596.00	22.49%	128,038.48	621,972.44
Building Expense	8,014.73	38,556.07	726,883.00	5.30%	278,595.24	409,731.69
Capital Acquisition	0.00	43,475.00	79,200.00	54.89%	34,560.00	1,165.00
TOTAL EXPENSES	793,315.93	2,469,779.69	10,565,948.00	23.37%	1,843,221.33	6,252,946.98
NET INCOME (LOSS)	442,656.17	7,251,547.50	0.00			

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July thru September 2020

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
WATER REVENUES					
Water Sales	12,664,349.70	40,941,997.00	208,407,327.00	19.65%	167,465,330.00
Readiness to Serve Charge	963,901.00	2,891,703.00	11,583,326.00	24.96%	8,691,623.00
Capacity Charge CCF	324,353.33	973,059.99	3,892,240.00	25.00%	2,919,180.01
SCP/SAC Pipeline Surcharge	33,153.82	102,011.53	315,000.00	32.38%	212,988.47
Interest	632.73	2,198.99	22,000.00	10.00%	19,801.01
TOTAL WATER REVENUES	13,986,390.58	44,910,970.51	224,219,893.00	20.03%	179,308,922.49
WATER PURCHASES					
Water Sales	12,664,349.70	40,941,997.00	208,407,327.00	19.65%	167,465,330.00
Readiness to Serve Charge	963,901.00	2,891,703.00	11,583,326.00	24.96%	8,691,623.00
Capacity Charge CCF	324,353.33	973,059.99	3,892,240.00	25.00%	2,919,180.01
SCP/SAC Pipeline Surcharge	33,153.82	102,011.53	315,000.00	32.38%	212,988.47
TOTAL WATER PURCHASES	13,985,757.85	44,908,771.52	224,197,893.00	20.03%	179,289,121.48
EXCESS OF REVENUE OVER EXPENDITURES	632.73	2,198.99	22,000.00		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July thru September 2020

	Year to Date Actual	Annual Budget	% Used
Spray To Drip Conversion			
Revenues	16,036.85	38,900.00	41.23%
Expenses	17,707.42	38,900.00	45.52%
Excess of Revenues over Expenditures	(1,670.57)	0.00	
Member Agency Administered Passthru			
Revenues	0.00	175,000.00	0.00%
Expenses	0.00	175,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	340.00	2,000.00	17.00%
Expenses	340.00	2,000.00	17.00%
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	9,847.40	77,000.00	12.79%
Expenses	9,845.00	77,000.00	12.79%
Excess of Revenues over Expenditures	2.40	0.00	
CII Rebate Program			
Revenues	0.00	12,500.00	0.00%
Expenses	0.00	12,500.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Turf Removal Program			
Revenues	267,905.15	648,000.00	41.34%
Expenses	297,565.77	648,000.00	45.92%
Excess of Revenues over Expenditures	(29,660.62)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	57,027.23	130,784.00	43.60%
Expenses	84,171.17	130,784.00	64.36%
Excess of Revenues over Expenditures	(27,143.94)	0.00	
Recycled Water Program			
Revenues	0.00	61,750.00	0.00%
Expenses	0.00	61,750.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
WSIP - Industrial Program			
Revenues	13,471.46	30,000.00	44.90%
Expenses	13,471.46	30,000.00	44.90%
Excess of Revenues over Expenditures	0.00	0.00	
Land Design Program			
Revenues	40,210.00	404,000.00	9.95%
Expenses	63,215.00	404,000.00	15.65%
Excess of Revenues over Expenditures	(23,005.00)	0.00	
WUE Projects			
Revenues	404,838.09	1,579,934.00	25.62%
Expenses	486,315.82	1,579,934.00	30.78%
Excess of Revenues over Expenditures	(81,477.73)	0.00	
WEROC			
Revenues	301,545.00	482,472.00	62.50%
Expenses	113,980.05	482,472.00	23.62%
Excess of Revenues over Expenditures	187,564.95	0.00	

Item No. 4b

Memorandum

DATE: November 12, 2020

TO: Administrative & Finance Committee
(Directors Thomas, Finnegan, Dick)

FROM: Robert Hunter

SUBJECT: Quarter ending September 2020 Fiscal YTD Financials Actual versus Budget

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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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget Summary Report
Fiscal Year to Date ending September 2020 (Unaudited)
($000 Omitted)
General Fund and Reserve Fund

GENERAL FUND

	YTD Actual	Annual Budget	% Used
REVENUES			
Water Rate revenues:			
Retail Connection Charge	7,838	7,838	100.00%
Ground Water Customer Charge	595	595	100.00%
Subtotal	8,433	8,433	100.00%
Other Revenues:			
Interest Income	69	458	15.01%
Choice Programs(1)	1,218	1,574	77.38%
Other Income(2)	1	3	49.87%
Transfer in from Reserve(3)	0	98	0.00%
Subtotal	1,288	2,133	60.40%
TOTAL REVENUES	9,721	10,566	92.01%
EXPENSES			
Personnel Expenses (incl. Dir.)	1,750	6,374	27.45%
Professional Services(4)	253	1,555	16.30%
Outside Engineering (5)	53	340	15.72%
Legal Expense	57	211	27.09%
Travel & Conference(6)	3	133	2.26%
Dues and Memberships	54	180	30.00%
General & Admin Expense	218	968	22.49%
Building Repair & Expense(7)	39	727	5.30%
Capital Acquisition (not including building repairs)(8)	43	79	54.89%
TOTAL EXPENSES	2,470	10,566	23.38%
EXCESS OF REVENUES OVER EXPENSES	7,251		

RESERVE FUND

Beginning Balance	6,132
Nov 2019 - excess from FY2018-19 General Func	635
TOTAL RESERVE FUND	6,767

(1) Choice Programs are paid in the beginning of the fiscal year
(2) Other Income - Wellness Grant for employees from ACWA JPIA
(3) Transfer in from Reserves is moved at year-end
(4) Professional Services - Projects in process
(5) Outside Engineering - Projects in process
(6) Travel is suspended due to COVID-19
(7) Work is in progress for Building Repair & Expense
(8) Capital Acquisition is a work in progress

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending September 2020 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge	7,837,792	7,837,792	100.00%
Ground Water Customer Charge	595,323	595,323	100.00%
Water Rate Revenues	8,433,115	8,433,115	100.00%
Choice Programs	1,193,813	1,574,100	75.84%
MWD Revenue - Shared Services	24,178	0	0.00%
Interest Revenue	68,725	458,000	15.01%
Miscellaneous Income	1,496	3,000	49.87%
School Contracts	0	0	0.00%
Gain on Sale of Investment	0	0	0.00%
Transfer in from Reserve	0	97,733	0.00%
Other Revenues	**1,288,212**	**2,132,833**	**60.40%**
TOTAL REVENUES	**9,721,327**	**10,565,948**	**92.01%**

OPERATING EXPENSES			
Salaries & Wages	1,071,833	4,151,602	25.82%
less Recovery's	0	0	0.00%
Directors' Compensation	56,973	258,909	22.01%
MWD Representation	35,362	157,070	22.51%
Employee Benefits	332,941	1,335,116	24.94%
less Recovery's	0	0	0.00%
CALPERS Unfunded Liability Contribution	207,000	207,000	100.00%
Directors Benefits	28,513	101,971	27.96%
Health Insurances for Retirees	15,785	87,449	18.05%
Training Expense	754	64,500	1.17%
Tuition Reimbursement	0	5,000	0.00%
Temporary Help Expense	0	5,000	0.00%
Personnel Expenses	**1,749,161**	**6,373,617**	**27.44%**
Engineering Expense	53,463	340,000	15.72%
Legal Expense	57,028	210,500	27.09%
Audit Expense	19,000	29,725	63.92%
Professional Services	234,425	1,525,503	15.37%
Professional Fees	**363,916**	**2,105,728**	**17.28%**
Conference-Staff	915	26,515	3.45%
Conference-Directors	735	18,695	3.93%
Travel & Accom.-Staff	1,349	62,495	2.16%
Travel & Accom.-Directors	0	24,900	0.00%
Travel & Conference	**2,999**	**132,605**	**2.26%**
Membership/Sponsorship	54,087	127,161	42.53%
CDR Support	0	53,158	0.00%
Dues & Memberships	**54,087**	**180,319**	**30.00%**

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending September 2020 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	0	4,500	0.00%
Maintenance Office	25,904	125,420	20.65%
Building Repair & Maintenance	6,177	15,000	41.18%
Storage Rental & Equipment Lease	159	1,750	9.09%
Office Supplies	2,459	39,000	6.31%
Supplies - Water Loss Control	536	10,000	5.36%
Postage/Mail Delivery	2,156	9,300	23.18%
Subscriptions & Books	240	1,000	24.00%
Reproduction Expense	3,371	83,700	4.03%
Maintenance-Computers	473	8,000	5.91%
Software Purchase	19,282	57,000	33.83%
Software Support	24,685	47,640	51.82%
Computers and Equipment	7,673	33,550	22.87%
Maintenance Expense	0	6,000	0.00%
Automotive Expense	0	20,000	0.00%
Vehicle Expense	1,290	6,350	20.31%
Toll Road Charges	0	2,300	0.00%
Insurance Expense	34,402	110,000	31.27%
Utilities - Telephone	9,418	30,850	30.53%
Bank Fees	494	1,200	41.17%
Miscellaneous Expense	5,101	113,800	4.48%
MWDOC's Contribution to WEROC	60,309	241,236	25.00%
Depreciation Expense	13,456	0	0.00%
MWDOC Building Expense	38,556	726,883	5.30%
Capital Acquisition	43,475	79,200	54.89%
Other Expenses	**299,616**	**1,773,679**	**16.89%**
TOTAL EXPENSES	**2,469,779**	**10,565,948**	**23.37%**

EXCESS OF REVENUES OVER EXPENSES	**7,251,548**	**0**	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Revenues and Expenditures
Fiscal Year to Date ending September 2020 (Unaudited)
Water Funds

	YTD Actual	Annual Budget	Balance
Water Revenues			
Water Sales	40,941,997	208,407,327	(167,465,330)
Readiness to Serve Charge	2,891,703	11,583,326	(8,691,623)
Capacity Charge CCF	973,060	3,892,240	(2,919,180)
SCP/SAC Pipeline Surcharge	102,012	315,000	(212,988)
Interest	2,199	22,000	(19,801)
Total Water Revenues	44,910,971	224,219,893	(179,308,922)
Water Purchases			
Water Sales	40,941,997	208,407,327	(167,465,330)
Ready to Serve Charge	2,891,703	11,583,326	(8,691,623)
Capacity Charge	973,060	3,892,240	(2,919,180)
SCP/SAC Pipeline Surcharge	102,012	315,000	(212,988)
Total Water Purchases	44,908,772	224,197,893	(179,289,121)
EXCESS OF REVENUES OVER EXPENDITURES	2,199	22,000	(19,801)

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending September 2020 (Unaudited)
Other Funds

	YTD Actual	Annual Budget	Balance
WEROC			
Revenues	301,545	482,472	(180,927)
Expenditures	113,980	482,472	(368,492)
Excess of Revenues over Expenditures	187,565	0	187,565
WUE Projects (details on next page)			
Revenues	404,837	1,579,934	(1,175,097)
Expenditures	486,315	1,579,934	(1,093,619)
Excess of Revenues over Expenditures	(81,478)	0	(81,478)

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.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending September 2020 (Unaudited)
Water Use Efficiency Projects

	Actual	Variance %	Fiscal Year Budget	% of Budget	Projected Final FY Budget
Spray to Drip Conversion					
Revenues	16,037		38,900	41.23%	38,900
Expenditures	17,707		38,900	45.52%	38,900
Excess of Revenues over Expenditures	(1,670)	-10%			

Actual Variance: Payment to Program Participants ahead of Grant, Metropolitan (on water bill), and Retail Water Agencies reimbursements. All reporting current.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

Member Agency Administered Pass thru					
Revenues	0		175,000	0.00%	175,000
Expenditures	0		175,000	0.00%	175,000
Excess of Revenues over Expenditures	0	0%			

Actual Variance: Retail Water Agencies have not begun reporting their projects.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

ULFT Rebate Program					
Revenues	340		2,000	17.00%	2,000
Expenditures	340		2,000	17.00%	2,000
Excess of Revenues over Expenditures	0	0%			

Actual Variance: This tracks MWDOC member agencies activities to provide supplemental funding to increase activity in their service territories.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

HECW Rebate Program					
Revenues	9,847		77,000	12.79%	77,000
Expenditures	9,845		77,000	12.79%	77,000
Excess of Revenues over Expenditures	2	0%			

Actual Variance: This tracks MWDOC member agencies activities to provide supplemental funding to increase activity in their service territories.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

CII Rebate Program					
Revenues	0		12,500	0.00%	12,500
Expenditures	0		12,500	0.00%	12,500
Excess of Revenues over Expenditures	0	0%			

Actual Variance: This tracks MWDOC member agencies activities to provide supplemental funding to increase activity in their service territory

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

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.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending September 2020 (Unaudited)
Water Use Efficiency Projects

	Actual	Variance %	Fiscal Year Budget	% of Budget	Projected Final FY Budget
Turf Removal Program					
Revenues	267,905		648,000	41.34%	648,000
Expenditures	297,566		648,000	45.92%	648,000
Excess of Revenues over Expenditures	(29,661)	-11%			

Actual Variance: Posted revenues lagging behind expenses. All revenue reporting for reimbursement is up to date.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

Comprehensive Landscape (CLWUE)					
Revenues	57,027		130,784	43.60%	130,784
Expenditures	84,171		130,784	64.36%	130,784
Excess of Revenues over Expenditures	(27,144)	-48%			

Actual Variance: Grant funded program. Granting agencies are slow to provide their funding. All reporting is current.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

Recycled Water Program					
Revenues	0		61,750	0.00%	61,750
Expenditures	0		61,750	0.00%	61,750
Excess of Revenues over Expenditures	0	0%			

Actual Variance: Should begin reimbursing recycled water projects in the second quarter.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

WSIP - Industrial Program					
Revenues	13,471		30,000	44.90%	30,000
Expenditures	13,471		30,000	44.90%	30,000
Excess of Revenues over Expenditures	0	0%			

Actual Variance: N/A

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

Land Design Program					
Revenues	40,210		404,000	9.95%	404,000
Expenditures	63,215		404,000	15.65%	404,000
Excess of Revenues over Expenditures	(23,005)	-57%			

Actual Variance: Expenses out ahead of grant reimbursements. All local, State, and Federal reporting current.

Budget Variance: Stated budget number is a yearly number, actual number is for the first quarter. It is anticipated that by year's end Actual will be closer to Budget.

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, 2020

MWDOC

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INDEPENDENT AUDITORS' REPORT

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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, 2020, 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.

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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, 2020 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 2019 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated November 13, 2019. In our audit opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, 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 2, 2020 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.

Vasquez & Company LLP

Glendale, California
November 2, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

The following is a brief discussion of the Municipal Water District of Orange County's (District) activities and financial performance for the year ended June 30, 2020. Please read it in conjunction with the District's basic financial statements and accompanying notes which follow this section.

FINANCIAL HIGHLIGHTS

- The District's revenues were $174.2 million in FY 2019-20, compared to $173.8 million in the prior fiscal year, a 0.2% increase.
- The District's expenses were $172.9 million in FY 2019-20, compared to $172.5 million in the prior fiscal year, a 0.2% increase.
- The District's assets at June 30, 2020 were $50.1 million, a 43.5% increase compared to total assets of $34.9 million at June 30, 2019.
- The District's liabilities at June 30, 2020 were $39.0 million, a 55.3% increase compared to total liabilities of $25.1 million at June 30, 2019.
- The District's net position at June 30, 2020 was $11.7 million, a 12.6% increase compared to net position of $10.4 million at June 30, 2019.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT

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

STATEMENT OF NET POSITION

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

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

	FY 2020	PY FY 2019	Variance	Total Percent Change
Current Restricted Assets	$ 3,377	$ 2,181	$ 1,196	54.8%
Current Unrestricted Assets	45,182	31,502	13,680	43.4%
Capital Assets	1,630	1,289	341	26.5%
Total Assets	**50,189**	**34,972**	**15,217**	**43.5%**
Deferred Outflows of Resources	**965**	**852**	**113**	**13.3%**
Current Liabilities Payable from Restricted Assets	1,098	880	218	24.8%
Current Liabilities Payable from Unrestricted Liabilities	35,113	21,775	13,338	61.3%
Noncurrent Unrestricted Liabilities	2,832	2,481	351	14.1%
Total Liabilities	**39,043**	**25,136**	**13,907**	**55.3%**
Deferred Inflows of Resources	**324**	**219**	**105**	**47.9%**
Net Position:				
Investment in Capital Assets, Net of Related Debt	1,630	1,288	342	26.6%
Restricted for Trustee Activities	2,279	1,301	978	75.2%
Unrestricted	7,877	7,880	(3)	(0.0%)
Total Net Assets	**$ 11,786**	**$ 10,469**	**$ 1,317**	**12.6%**

- Total Assets increased by $15.2 million due to a $12 million increase in Accounts Receivable for Water Sales, upfront funding of WEROC's AWIA Project of $1.5 million, an increase in cash due to less travel and expenses of $980 thousand because of COVID-19, as well as the addition of large capital assets, which are explained in Table 3.

- Total Liabilities increased by $13.9 million because of larger credits due to MET Conservation rebates at year end; Unrestricted liabilities increased due to increase in accounts payable for water purchased from MWD of Southern California ($11 million), as well as WEROC's AWIA project and the District's new Shared Services program which added $406 thousand to the liability.

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 $1,317 thousand for the year ended June 30, 2020, as compared to an increase of $1,270 thousand for the year ended June 30, 2019. 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)

	FY 2020	FY 2019	Variance	Total Percent Change
Water Sales	$ 170,997	$ 170,399	$ 598	0.4%
Special Project Revenues	2,529	2,706	(177)	(6.5%)
Non-operating Revenues	696	699	(3)	(0.4%)
Total Revenues	**174,222**	**173,804**	**418**	**0.2%**
Operating Expenses	170,180	169,637	543	0.3%
Special Projects Expenses	2,529	2,706	(177)	(6.5%)
Depreciation Expense	196	191	5	2.6%
Total Expenses	**172,905**	**172,534**	**371**	**0.2%**
Change in Net Position	**1,317**	**1,270**	**47**	**3.7%**
Beginning Net Position	**10,469**	**9,199**	**1,270**	**13.8%**
Ending Net Position	**$ 11,786**	**$ 10,469**	**$ 1,317**	**12.6%**

The sources of change in net position are the following:

- Water Sales Revenues and Operating Expenses are slightly higher due to higher water sales.
- Special Projects Revenue and Expense are lower due to less State Grant activity in conservation rebates due to lower applicants.
- Non-operating Revenues are lower due to a decrease in interest revenue.
- Net position increased due to capital and building expense projects being carried over in to the new fiscal year and an increase in our election reserve for upcoming election expenses.

CAPITAL ASSETS

The following is a summary of the District's capital assets at June 30, 2020 and June 30, 2019.

TABLE 3
Capital Assets
(In thousands of dollars)

	FY 2020	FY 2019	Variance	Total Percent Change
Leasehold Improvements	$ 4,284	$ 3,804	$ 480	12.6%
Furniture, Equipment & Computer Equipment	650	602	48	8.0%
Subtotal	**4,934**	**4,406**	**528**	**12.0%**
Less Accumulated Depreciation	**(3,304)**	**(3,118)**	**(186)**	**6.0%**
Net Capital Assets	**$ 1,630**	**$ 1,288**	**$ 342**	**26.6%**

The District purchased a new IT server rack, a truck and utility van; replaced the IT server room HVAC unit, and upgraded the electrical panel. 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, 2020. No new long-term debt was incurred in the year ended June 30, 2020, and the District does not plan to issue new debt in the year ending June 30, 2021.

BUDGETARY HIGHLIGHTS

The District is governed by a Board of Directors consisting of seven elected members. The Board adopts an annual appropriated budget prior to the start of the fiscal year. The Budget may be revised by Board action during the fiscal year. All amendments to the budget, or transfers of operating budget appropriations to or from reserve accounts, require Board notification. The General Manager is authorized to transfer budget amounts within programs and cost centers. The legal level of budgetary control is at the total fund level. An actual vs. budget comparison schedule for FY 2019-20 is presented in Table 4 to demonstrate compliance with the adopted budget.

TABLE 4
FY 2020 Actual vs FY 2020 Budget
(In thousands of dollars)

	Actual	Budget	Variance	Total Percent Change
Revenues:				
From Operations	$ 173,526	$ 259,090	$ (85,564)	(33.0%)
Non-operating Revenues	696	603	93	15.4%
Total Revenues	**174,222**	**259,693**	**(85,471)**	**(32.9%)**
Expenses:				
From Operations				
Cost of Water	161,113	246,413	85,300	34.6%
Other Operating	11,596	13,145	1,549	11.8%
Depreciation	196	191	(5)	(2.6%)
Total Expenses	**172,905**	**259,749**	**86,844**	**33.4%**
Change In Net Assets	**$ 1,317**	**$ (56)**	**$ 1,373**	**(2,451.8%)**

The variances on the budget to actual are as follows:

- Revenues from Operations were $85.5 million less than budget due to actual water sales being lower than expected.
- Non-Operating Revenues are higher due to an increase in the fair value of investments.
- Expenses from Cost of Water purchased were $85.3 million lower than budget due to actual water sales being lower than expected.
- Other Operating Expenses were $1.5 million lower due to a reduction in travel conference and other expenses due to COVID19 and a reduction of applicants in the conservation rebate programs.

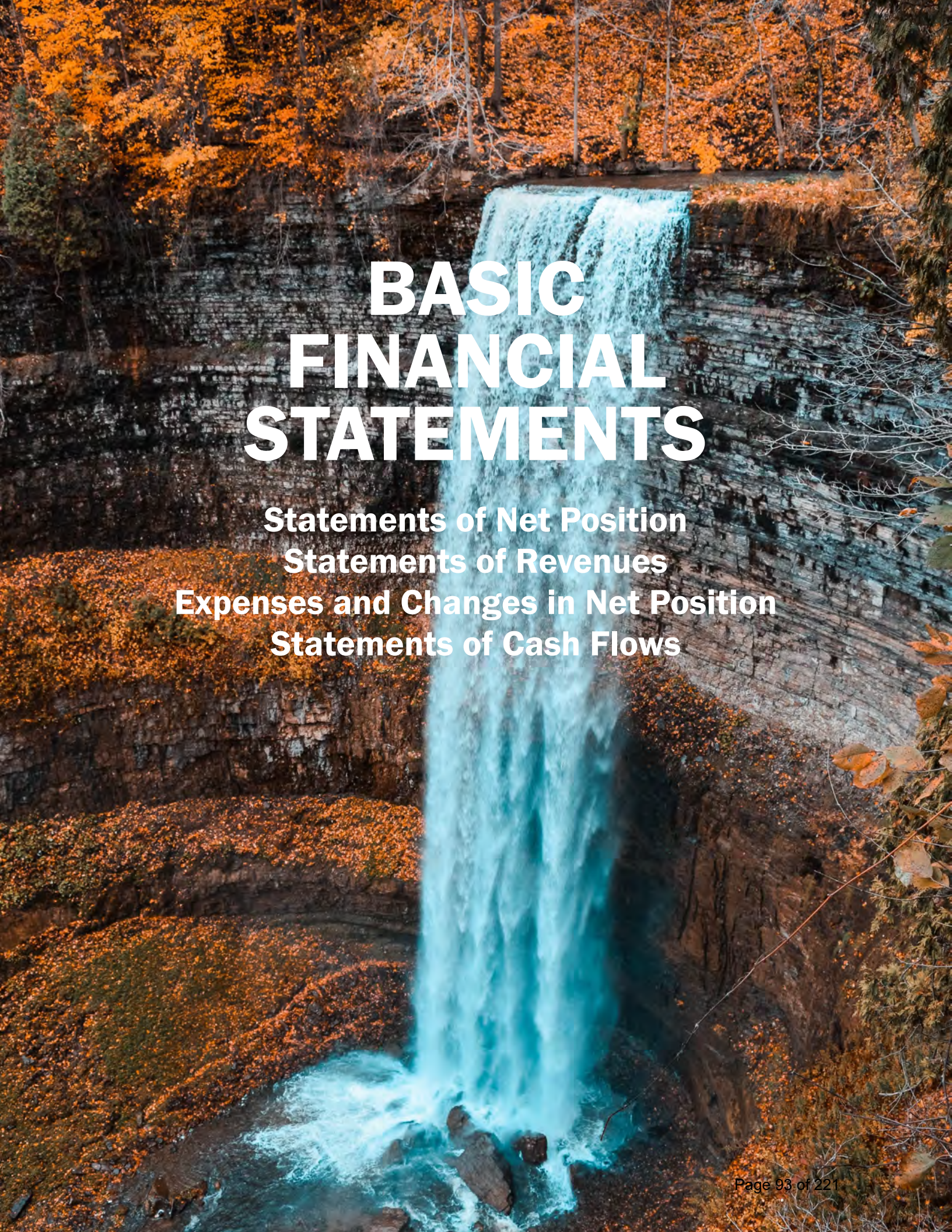
ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's Board of Directors and management considered many factors during preparation and approval of the annual budget for FY 2020-21. The budgeted operating expenses total $234.5 million and operating and non-operating revenues total $234.6 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, 2020, 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.



BASIC FINANCIAL STATEMENTS

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Net Position

June 30, 2020

(with comparative data as of June 30, 2019)

	2020	2019
ASSETS		
Current Assets:		
Restricted Assets (Note 3):		
Cash and Cash Equivalents (Note 2)	$ 1,817,311	$ 744,317
Accounts Receivable Other	1,557,816	1,432,806
Accrued Interest Receivable	2,058	4,056
Total Restricted Assets	3,377,185	2,181,179
Unrestricted Assets:		
Cash and Cash Equivalents (Note 2)	11,477,712	9,984,416
Investments (Note 2)	2,714,282	3,114,873
Accounts Receivable:		
Water Sales	29,851,130	18,019,979
Other	849,348	74,090
Accrued Interest Receivable	80,804	121,695
Deposits and Prepaid Expenses	208,462	187,146
Total Unrestricted Assets	45,181,738	31,502,199
Total Current Assets	48,558,923	33,683,378
Noncurrent Assets:		
Unrestricted Assets:		
Capital Assets, Net (Note 4)	1,630,237	1,288,478
Total Noncurrent Assets	1,630,237	1,288,478
TOTAL ASSETS	50,189,160	34,971,856
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount Related to Pensions (Note 7)	856,104	852,253
Deferred Amount Related to OPEB (Note 8)	108,419	161
TOTAL DEFERRED OUTFLOWS OF RESOURCES	964,523	852,414

See accompanying notes to basic financial statements

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Net Position (Continued)
June 30, 2020
(with comparative data as of June 30, 2019)

	2020	2019
LIABILITIES		
Current Liabilities:		
Payable from Restricted Assets		
Accrued Liabilities	$ 439,878	$ 80,266
Advances from Participants	658,092	799,951
Total Payable from Restricted Assets	1,097,970	880,217
Unrestricted Liabilities:		
Accounts Payable, Metropolitan Water District of Southern California	31,154,917	20,434,703
Accrued Liabilities	3,957,879	1,340,676
Total Unrestricted Liabilities	35,112,796	21,775,379
Total Current Liabilities	36,210,766	22,655,596
Noncurrent Liabilities:		
Unrestricted Liabilities:		
Net Pension Liability (Note 7)	2,516,221	2,214,703
Net OPEB Liability (Note 8)	316,000	266,409
Total Noncurrent Liabilities	2,832,221	2,481,112
TOTAL LIABILITIES	39,042,987	25,136,708
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount Related to Pensions (Note 7)	267,799	210,752
Deferred Amount Related to OPEB (Note 8)	56,477	7,883
TOTAL DEFERRED INFLOWS OF RESOURCES	324,276	218,635
NET POSITION		
Net Investment in Capital Assets	1,630,237	1,288,478
Restricted	2,279,215	1,300,962
Unrestricted	7,876,968	7,879,487
TOTAL NET POSITION	$ 11,786,420	$ 10,468,927

See accompanying notes to basic financial statements

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Revenues, Expenses and
Changes in Net Position
For the Fiscal Year Ended June 30, 2020
(with comparative data as of June 30, 2019)

	2020	2019
Operating Revenues:		
Water Sales	$ 170,997,486	$ 170,399,375
Special Projects Revenue	1,703,203	1,520,451
Federal Grant Revenue	178,610	169,354
State Grant Revenue	647,196	1,015,737
Total Operating Revenues	173,526,495	173,104,917
Operating Expenses:		
Cost of Water Sold	161,112,594	161,016,026
Salaries and Employee Benefits	6,089,438	5,263,408
General and Administrative	2,978,151	3,357,762
Special Project Expenses	2,529,009	2,705,543
Depreciation	195,898	191,366
Total Operating Expenses	172,905,090	172,534,105
Operating Income	621,405	570,812
Nonoperating Revenues:		
Investment Income	648,678	669,506
Other Income	47,410	29,504
Total Nonoperating Revenues	696,088	699,010
Change in Net Position	1,317,493	1,269,822
NET POSITION - BEGINNING OF YEAR	10,468,927	9,199,105
NET POSITION - END OF YEAR	$ 11,786,420	$ 10,468,927

See accompanying notes to basic financial statements

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2020

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

	2020	2019
Cash Flows from Operating Activities:		
Cash received from member agencies-water deliveries	$ 159,166,335	$ 187,959,595
Cash (payments) to Metropolitan Water District of Southern California	(150,392,380)	(178,988,878)
Cash (payments) for salaries and employee benefits	(5,744,797)	(5,144,145)
Cash (payments) for general and administrative expenses	(1,157,522)	(3,432,075)
Cash received from special projects	2,763,611	1,857,688
Cash (payments) for special projects	(2,670,868)	(2,859,904)
Other income	47,410	29,504
Net Cash Provided/(Used) by Operating Activities	2,011,789	(578,215)
Cash Flows from Capital and Related Financing Activity:		
Acquisition of capital assets	(537,657)	(127,991)
Cash Used by Capital and Related Financing Activity	(537,657)	(127,991)
Cash Flows from Investment Activities:		
Investment income	648,678	669,506
Investments matured/(purchased)	443,480	3,391,161
Cash Provided by Investment Activities	1,092,158	4,060,667
Net increase in cash and cash equivalents	2,566,290	3,354,461
Cash and Cash equivalents at beginning of year	10,728,733	7,374,272
Cash and Cash Equivalents at End of Year	$ 13,295,023	$ 10,728,733
Financial Statement Presentation:		
Cash and Cash Equivalents (Restricted)	$ 1,817,311	$ 744,317
Cash and Cash Equivalents (Unrestricted)	11,477,712	9,984,416
Totals	$ 13,295,023	$ 10,728,733

See accompanying notes to basic financial statements.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Cash Flows (Continued)

For the Fiscal Year Ended June 30, 2020

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

	2020	2019
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income	$ 621,405	$ 570,812
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	195,898	191,366
Other Income	47,410	29,504
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable - Water Sales	(11,831,151)	17,560,220
(Increase)/Decrease in Accounts Receivable - Other	(775,258)	436,897
(Increase) in Deposits and Prepaid Expenses	(21,316)	(3,570)
(Increase) in Accounts Receivable - Special Projects	(125,010)	(481,749)
(Increase)/Decrease in Deferred Outflows - Pension/OPEB Related	(112,109)	171,402
Increase/(Decrease) in Accrued and Other Liabilities	2,617,203	(507,640)
Increase/(Decrease) in Restricted Accrued Liabilities	359,612	(366,105)
(Decrease) in Advances from Participants	(141,859)	(154,361)
Increase/(Decrease) in Accounts Payable to Metropolitan Water District of Southern California	10,720,214	(17,972,852)
Increase/(Decrease) in Net Pension and OPEB Liability	351,109	(92,067)
Increase in Deferred Inflows - Pension/OPEB Related	105,641	39,928
Total Adjustments	1,390,384	(1,149,027)
Net Cash Provided(Used) by Operating Activities	$ 2,011,789	$ (578,215)
Noncash investing activity:		
Unrealized gain on investments*	$ 154,032	$ 125,479
Total noncash investing activity	$ 154,032	$ 125,479

*Per GASB 31 adjusted investments and cash equivalent to fair value for FY 2019-20

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

(1) Organization and Summary of Significant Accounting Policies

Reporting Entity

The Municipal Water District of Orange County (the District) was formed as a municipal water district on January 11, 1951 under the Municipal Water District Act of 1911. The District is a wholesale water supplier and resource planning agency that serves all of Orange County through 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, 2020 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, 2020.

(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.

(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, 2020.

(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.

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

Prior Year Data

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

(2) Cash and Investments

Cash and investments at June 30, 2020, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents (restricted)	$ 1,817,311
Cash and cash equivalents (unrestricted)	11,477,712
Investments (unrestricted)	2,714,282
Total Cash and Investments	$ 16,009,305

Cash and investments as of June 30, 2020 consist of the following:

Cash on hand	$ 500
Deposits with financial institutions	213,216
Investments	15,795,589
Total Cash and Investments	$ 16,009,305

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

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

(2) Cash and Investments (Continued)

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

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)		
Investment Type	Total	12 Months or Less	13 to 24 Months	25-60 Months
Negotiable Certificate of Deposits	$ 2,050,217	$ 253,490	$ 203,834	$ 1,592,893
Corporate Securities	664,065	252,315	207,842	203,908
Orange County Investment Pool	4,971,975	4,971,975	-	-
State Investment Pool	8,109,332	8,109,332	-	-
	$ 15,795,589	$ 13,587,112	$ 411,676	$ 1,796,801

(2) Cash and Investments (Continued)

Disclosures Relating to Credit Risk

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

			Ratings as of Year End				
					**	**	
Investment Type	Total	Minimum Legal Rating	AAAm	A	A-	AA-	Not Rated
Negotiable Certificate of Deposits	$ 2,050,217	N/A	$ -	$ -	$ -	$ -	$ 2,050,217
Corporate Securities	664,065	A	-	203,908	252,315	207,842	-
Orange County Investment Pool	4,971,975	N/A	4,971,975	-	-	-	-
State Investment Pool	8,109,332	N/A	-	-	-	-	8,109,332
	$15,795,589		$4,971,975	$203,908	$252,315	$207,842	$10,159,549

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

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, 2020:

		Fair Value Application			
Investment Type		1	2	3	Uncategorized
Negotiable Certificate of Deposits	$ 2,050,217	$ -	$2,050,217	$ -	$ -
Corporate Securities	664,065	-	664,065	-	-
Orange County Investment Pool	4,971,975	-	-	-	4,971,975
State Investment Pool	8,109,332	-	-	-	8,109,332
	$15,795,589	$ -	$2,714,282	$ -	$ 13,081,307

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.

(2) Cash and Investments (Continued)

Concentration of Credit Risk

The District's investment policy contains limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. At June 30, 2020 the District did not have investments in more than one issuer (other than U.S. Treasury securities, mutual funds, external investment pools) that represented 5% or more of total District investments.

Custodial Credit Risk

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

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. The Government Code also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2020 the District's deposits with financial institutions are covered by the Federal Deposit Insurance Corporation up to $250,000, the remaining amounts of $192,405 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

(2) Cash and Investments (Continued)

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, 2020, $3,377,185 was reported as restricted assets related to member agency activities.

(4) Capital Assets

The following is a summary of capital assets at June 30, 2020 with changes therein:

	2019	Additions	Deletions	2020
Furniture,Fixtures and Equipment	$ 602,412	$ 82,499	$ (35,137)	$ 649,774
Leasehold Improvements	3,804,126	484,265	(4,264)	4,284,127
	4,406,538	566,764	(39,401)	4,933,901
Less Accumulated Depreciation:				
Furniture,Fixtures and Equipment	(430,717)	(41,788)	6,258	(466,247)
Leasehold Improvements	(2,687,343)	(154,110)	4,036	(2,837,417)
	(3,118,060)	(195,898)	10,294	(3,303,664)
Net Capital Assets	$ 1,288,478	$ 370,866	$ (29,107)	$ 1,630,237

(5) Deferred Pension Plan

The District sponsors a Money Purchase Pension Plan (the Pension Plan), a defined contribution plan, under Internal Revenue Code Section 401(a). Currently the MWDOC Board of Directors, MWDOC MET Directors and the General Manager actively participate in the Pension Plan. In accordance with section 3401(c) of the Internal Revenue Code, the term employee includes officers, whether elected or appointed. The Directors contribute 7.5 percent of their covered compensation to the Pension Plan, in lieu of contributing to Social Security. The Directors' contributions to the Pension Plan totaled $27,939 for the year ended June 30, 2020. 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.

Based on the Attorney General's Opinion issued in April 2019, which concludes that MWDOC may make employer-paid pension contributions on behalf of its Directors without violating statutory limits regarding Directors compensation; the District reimbursed each Director based on the amount they reimbursed the District in 2015 plus interest which totaled $163,655.

(5) Deferred Pension Plan (Continued)

District employees were previously part of the Pension Plan until March 2003 when they became members of the CalPERS plan. See Note 7.

(6) Risk Management

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

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

At June 30, 2020, 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 and $500 for licensed vehicles/trailers.

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

Crime Policy/Fidelity Bond - The Insurance Authority has a coverage limit of $3 million, per loss. The District has a $1,000 deductible.

Cyber Liability – The Insurance Authority has a coverage limit of $3 million per claim and $5 million aggregate with a $10,000 to $50,000 retention based on annual revenue.

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

The JPIA's Liability Program is designed specifically for public water agencies. It provides protection to members against liability for bodily injury, property damage, errors and omissions, employment practices, fiduciary responsibilities, products, and pollution. The program provides pooled, reinsurance and excess coverage of up to $55 million for its members.

(6) Risk Management (Continued)

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

(7) Cost-Sharing Defined Benefit Plan

General Information about the Pension Plan

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

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

The Plans' provisions and benefits in effect at June 30, 2020, 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%	6.750%
Required employer contribution rates	10.221%	6.985%
Pensionable Compensation Cap*	No Cap	$151,549

∗ Will increase to reflect changes in the Consumer Price Index

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

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, 2020 were $349,145. 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, 2020, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plan is as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	$ 2,516,221

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, 2019, 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, 2018 rolled forward to June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 were as follows:

	Miscellaneous
Proportion - June 30, 2018	0.05877%
Proportion - June 30, 2019	0.06283%
Change - Increase (Decrease)	0.00406%

For the year ended June 30, 2020, the District recognized pension expense of $703,859.

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

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 174,762	$ 13,541
Changes of Assumptions	119,985	42,534
Differences between Projected and Actual Investment Earnings	-	43,991
Change in Employer's Proportion	212,212	-
Differences between District Contributions and Proportionate Share of Contributions	-	167,733
Pension Contributions Made Subsequent to Measurement Date	349,145	-
Total	$ 856,104	$ 267,799

The amount of $349,145 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, 2021. 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,	
2021	$ 223,263
2022	(11,515)
2023	18,523
2024	8,889
	$ 239,160

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

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuation were determined using the following actuarial assumptions.

	Miscellaneous
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
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	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

[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.

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

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

Asset Class[1]	Assumed Asset Allocation	Real Return Years 1-10[2]	Real Return 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 the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
[2] An expected inflation of 2.00% used for this period.
[3] An expected inflation of 2.92% used for this period.

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 (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
District's Net Pension Liability/(Asset)	$ 4,315,661	$ 2,516,221	$ 1,030,909

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.

(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 District-paid 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.

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

Plan membership. At June 30, 2020, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	12
Active plan members	13
Total	25

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, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2020. 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 2020; 5.9% for 2021; 5.80% for 2022; and decreasing 0.10% per year to an ultimate rate of 5.00% for 2030 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, 2020 valuation were based on a review of plan experience during the period July 1, 2018 to June 30, 2020.

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).

(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, 2020	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2019
Long-Term Expected Return of Plan Investments	6.00%	6.00%
Fidelity GO AA 20-Year Municipal Index	2.45%	3.13%
Discount Rate	6.00%	6.00%

The components of the net OPEB liability at June 30, 2020, were as follows:

Total OPEB liability	$ 2,602,083
Plan fiduciary net position	2,286,083
Net OPEB liability	$ 316,000
Measurement date	June 30, 2020
Reporting date	June 30, 2020
Covered payroll	$ 1,975,686
Net OPEB liaiblity (asset) as a percentage of covered payroll	15.99%
Plan fiduciary net position as a percentage of the total OPEB liability	87.86%

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

Schedule of Change in Net OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2019	$ 2,478,646	$ 2,212,237	$ 266,409
Changes for the year:			
Service Cost	30,118	-	30,118
Interest	148,417	-	148,417
Differences between expected and actual experience	(86,201)	-	(86,201)
Change in assumptions	102,437	-	102,437
Net investment income	-	85,732	(85,732)
Contributions			
Employer - cash subsidy	-	71,334	(71,334)
Benefit payments, including implicit subsidy	(71,334)	(71,334)	-
Administrative expense	-	(11,886)	11,886
Net changes	123,437	73,846	49,591
Balances at June 30, 2020	**$ 2,602,083**	**$ 2,286,083**	**$ 316,000**

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 (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB liability (asset)	$689,315	$316,000	$11,006

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 (5.00% decreasing to 4.00%)	Trend Rate (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Net OPEB liability (asset)	$14,860	$316,000	$683,735

(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, 2020, the District made a total contribution of $63,891, which represent actual health care costs for its retirees and their covered dependents. Total contribution inclusive of implicit subsidy amounted to $71,334.

OPEB Expense

For the year ended June 30, 2020, the District's OPEB expense was $61,261.

Service Cost	$	30,118
Interest Cost		148,417
Expected Return on Assets		(132,734)
Recognition of Deferred Outflows and Inflows		
Difference between expected and actual experience		(29,724)
Change of assumptions		35,323
Difference between projected and actual investments		9,861
Net OPEB Expense June 30, 2019 to June 30, 2020	$	61,261

Actuarially Determined Contribution

The following shows the actuarially determined contribution for the year ended June 30, 2020:

Service Cost	$	34,408
Net OPEB Liability Amoritization Payment (30-year)		15,439
Total	$	49,847

Valuation Date	July 1, 2020
Discount Rate	6.00%
Salary Increases	3.00%

(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, 2020, the District's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources are:

	Defered Outflows of Resources	Defered Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ 41,305	$ -
Differences between expected and actual experience	-	56,477
Changes in assumptions	67,114	-
Total	$ 108,419	$ 56,477

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

Fiscal Year ending June 30:	Defered Outflows of Resources	Deferred Inflows of Resources
2021	$ 45,184	$ (29,724)
2022	41,651	(26,753)
2023	9,808	-
2024	11,776	-
	$ 108,419	$ (56,477)

Investments

For the year ended June 30, 2020 the annual money-weighted rate of return on investments, net of investment expense, was 3.89%. 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, 2020.

(10) Subsequent Events

On March 4, 2020, California Governor Gavin Newsome declared a State of Emergency in response to the spread of COVID-19 in the state of California. Water utilities are identified as critical infrastructure by the United States Department of Homeland Security and the District has activated its emergency response plan. The District has instituted guidelines prescribed by the Centers for Disease Control (CDC) to help prevent the spread of COVID-19. Accordingly, as of report issuance date, there is no direct threat to the water supply from the COVID-19 pandemic and the District continues to monitor CDC and the Environmental Protection Agency (EPA) guidelines to ensure the District's groundwater and water delivery services are not compromised.

Other than the events described above, no events have occurred subsequent to the balance sheet date through November 2, 2020, the date on which the financial statements were available to be issued, that require adjustment to, or disclosure in, the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

(Unaudited)

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2020

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

Measurement Period	2020	2019	2018
Total OPEB Liability			
Service cost	$ 30,118	$ 34,408	$ 33,406
Interest on the total OPEB liability	148,417	140,392	134,254
Actual and expected experience difference	(86,201)	-	-
Changes in assumptions	102,437	-	-
Changes in benefit terms	-	-	-
Benefit Payments	(71,334)	(71,021)	(59,870)
Net change in total OPEB liability	123,437	103,779	107,790
Total OPEB liability - beginning	2,478,646	2,374,867	2,267,077
Total OPEB liability - ending (a)	2,602,083	2,478,646	2,374,867
Plan Fiduciary Net Position			
Contribution - employer	71,334	71,021	59,870
Net investment income	85,732	140,186	128,809
Benefit payments	(71,334)	(71,021)	(59,870)
Administrative expense	(11,886)	(5,669)	(11,456)
Net change in plan fiduciary net position	73,846	134,517	117,353
Plan fiduciary net position - beginning	2,212,237	2,077,720	1,960,367
Plan fiduciary net position - ending (b)	2,286,083	2,212,237	2,077,720
Net OPEB liability - ending (a)-(b)	$ 316,000	$ 266,409	$ 297,147
Plan fiduciary net position as a percentage of the total OPEB liability	87.86%	89.25%	87.49%
Covered-employee payroll	$ 1,975,686	$ 1,956,477	$ 1,933,612
Net OPEB liability as a percentage of covered-employee payroll	15.99%	13.62%	15.37%

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

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2020

Schedule of OPEB Contributions
Last Ten Fiscal Years*

Fiscal Year Ended June 30	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ 46,537	$ 49,847	$ 48,878
Contributions in relation to the ADC	(71,334)	(71,021)	(59,870)
Contribution deficiency (excess)	$ (24,797)	$ (21,174)	$ (10,992)
Covered-employee payroll	$ 1,975,686	$ 1,956,477	$ 1,933,612
Contributions as a percentage of covered-employee payroll	3.61%	3.63%	3.10%

* Fiscal year 2018 was the first year of implementation, therefore only 3 years are shown

Notes to Schedule:

The District's Net OPEB Liability was measured as of June 30, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2020 (June 30, 2020). 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, Level Percent of Pay
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	3.00%
Inflation Rate	3.00%
Investment Rate of Return	6.00%, net of OPEB plan investment expense
Healthcare cost-trend rates	6.00% for 2020; 5.90% for 2021; 5.80% for 2022; and decreasing 0.10% per year to an ultimate rate of 5.00% for 2030 and later years
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 appropriate, without projection.

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2020

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

	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.06283%	0.05877%	0.05774%	0.05387%	0.05019%	0.02186%
Proportionate share of the net pension liability	$ 2,516,221	$ 2,214,703	$ 2,276,032	$ 1,871,472	$ 1,376,955	$ 1,360,017
Covered Payroll	$3,482,913	$3,295,260	$3,022,872	$ 2,748,796	$ 2,640,576	$ 2,601,571
Proportionate share of the net pension liability as a percentage of covered payroll	72.24%	67.21%	75.29%	68.08%	52.15%	52.28%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	75.26%	73.31%	75.87%	78.40%	79.82%

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

Notes to Schedule:

Fiscal Year End:	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Valuation Date:	6/30/2018	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	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Discount Rate	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%
Projected Salary Increase	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service
Inflation	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Payroll Growth	2.75%	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 annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

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

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

Changes of Assumptions: None

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2020

Cost Sharing Retirement Plan
Schedule of Contributions
Last Ten Years*

	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	$ 349,145	$ 302,458	$ 273,125	$ 252,815	$ 220,517	$ 288,065
Contributions in relation to the actuarially determined contribution	(349,145)	(302,458)	(273,125)	(252,815)	(220,517)	(288,065)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 3,792,545	$ 3,482,913	$ 3,295,260	$ 3,022,872	$ 2,748,796 [1]	$ 2,640,576 [1]
Contributions as a percentage of covered-employee payroll	9.21%	8.68%	8.29%	8.36%	8.02%	10.91%

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

[1] Restated Covered Payroll

November 12, 2020

Introduction

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

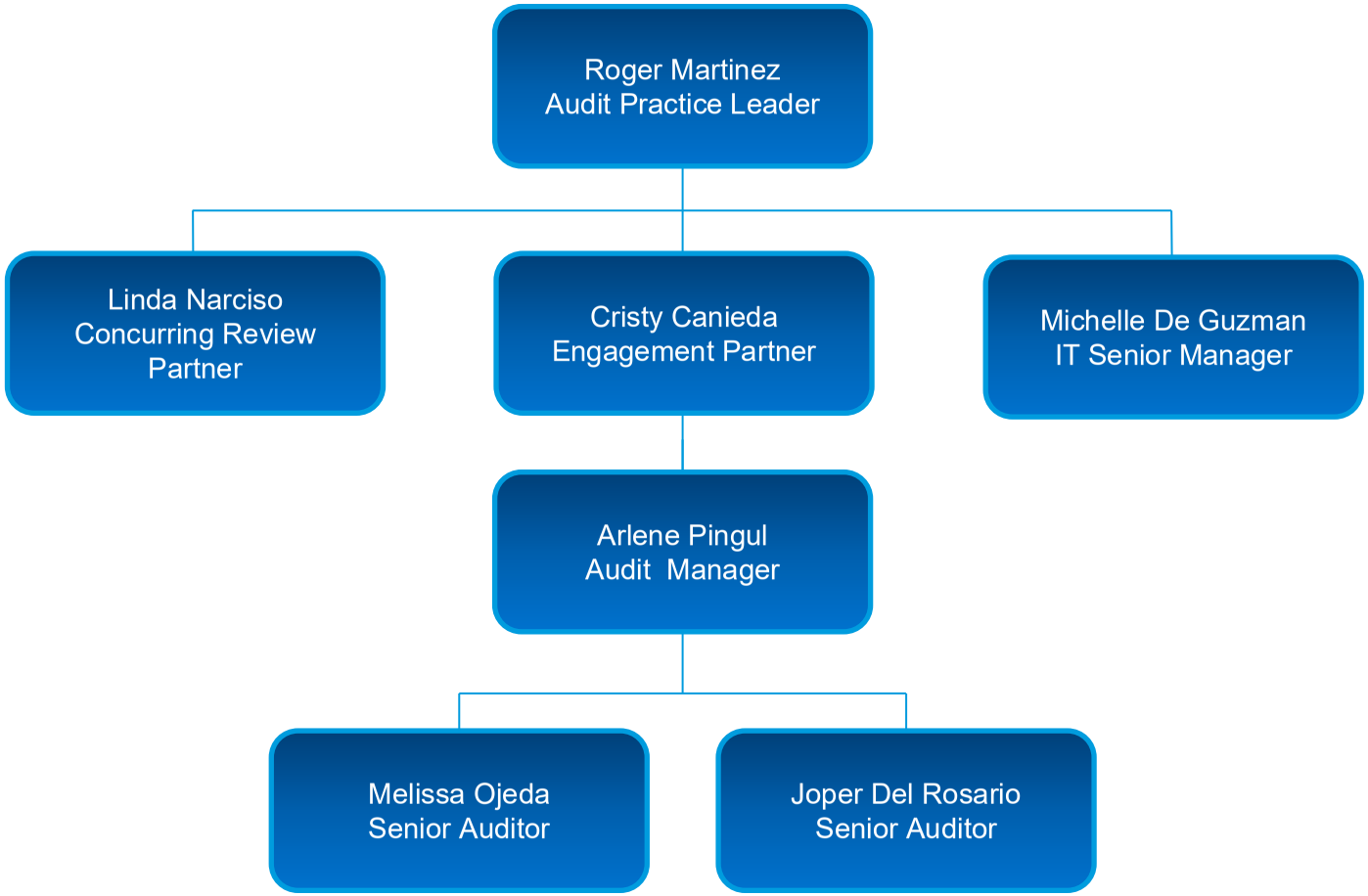
We are pleased to present this report related to our audit of the financial statements of Municipal Water District of Orange County (the District) as of and for the year ended June 30, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight 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.

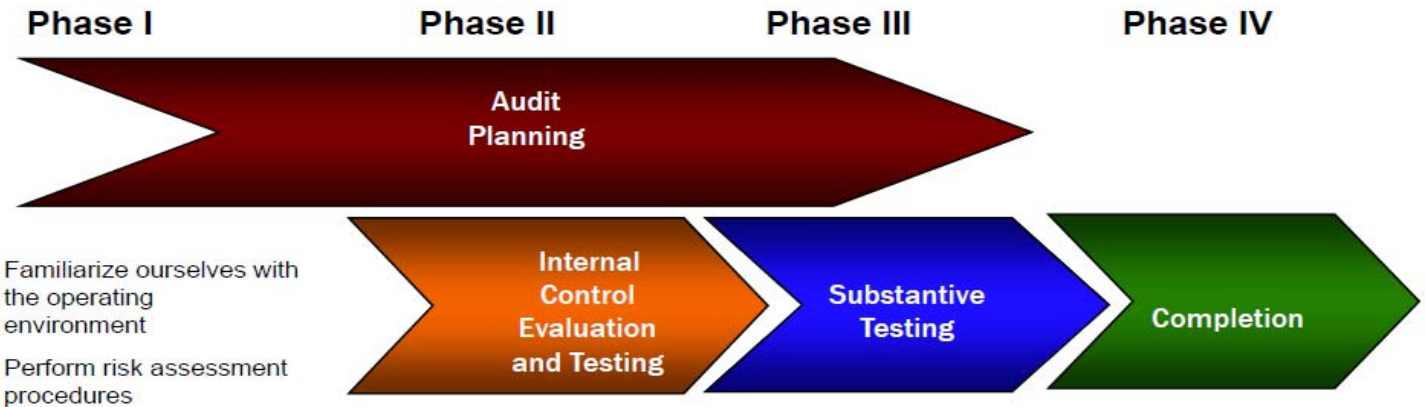
Agenda

- The Engagement Team
- Levels of Assurance
- Audit Strategy
- Results of the Audit
  - *Financial Audit*
  - *SAS 115*
  - *Uniform Guidance*
  - *AU-C 260 Required Communication*
- New Accounting Pronouncements – GASB Implementation

The Engagement Team



Audit Strategy



- Familiarize ourselves with the operating environment
- Perform risk assessment procedures
- Perform preliminary analytical review
- Develop audit plan
- Discuss and agree on financial statement format
- Evaluate the progress of the audit and make any changes to audit approach and procedures (if necessary)

- Assess internal control environment
- Perform SAS 99 (fraud evaluation procedures)
- Identify internal control strengths and weaknesses
- Evaluate design and implementation of selected controls
- Test controls over financial reporting
- Understand accounting and reporting activities
- Draft internal control management letter comments

- Plan and perform substantive audit procedures
- Conduct final analytical review
- Consider audit evidence sufficiency
- Conclude on critical accounting matters
- Discuss issues with management as they arise.

- Perform completion procedures
- Draft audit report. Evaluate the financial statements and disclosures
- Draft management letter
- Conduct exit conference, including discussion of proposed audit adjustments, internal control and compliance findings and management letter
- Issue auditors' reports and management letter.

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Audit Focus Areas

Audit Area	Focus
Cash and Investments	The fair values reported in the statements of net position are fairly stated with no inaccurate, incomplete, or missing disclosures related to investment securities.
Receivables and related allowance for doubtful accounts	Receivables are recorded correctly and are properly valued as to collectability.
Capital Assets	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.
Revenues	Billings to agency participants are reasonably stated and 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 rates.

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 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

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

SUMMARY OF AUDIT RESULTS

Report of Independent Auditors

UNMODIFIED OPINION

- Audit performed 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*
- 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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AU-C 260– 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.
- 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.
- The financial statements were prepared on the assumption that the District will continue as a going concern.
- There were no material audit adjustments made during the year.
- We encountered no disagreements with management on financial accounting and reporting matters as it relates to the current year financial statements

Required Communications (Continued)

- We are not aware of any consultations management had with other accountants about accounting and auditing matters.
- No significant issues were discussed, or subject to correspondence, with management prior to retention.
- 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.
- 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.

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.

Status of prior year recommendations

- Enhanced Password Parameters Setup – *Implemented in FY 20*
- Perform Daily Anti-Virus Quick Scans - *Implemented in FY 20*
- Perform Annual Disaster Recovery Plan Testing - *Implemented in FY 20*

NEW ACCOUNTING PRONOUNCEMENTS – GASB IMPLEMENTATION

New Accounting Pronouncements - GASB Implementation

To be implemented in 2020
GASB 95 – Postponement of the Effective Dates of Certain Authoritative Guidance

To be implemented in 2021
GASB 84 – Fiduciary Activities
GASB 90 – Majority Equity Interest
GASB 93 – Interbank Offered Rates (except LIBOR Removal and Lease Modifications)

To be implemented in 2022
GASB 87 – Leases
GASB 89 – Construction-Period Interest
GASB 92 – Omnibus (multiple effective date)
GASB 93 – LIBOR Removal and Lease Modifications
GASB 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

To be implemented in 2023
GASB 91 – Conduit Debt
GASB 94 – Public-Private Partnerships
GASB 96 – Subscription-Based Information Technology Arrangements

DISCUSSION AND QUESTIONS

THANK YOU FOR YOUR TIME AND ATTENTION

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Item No. 5

CONSENT CALENDAR ITEM
November 18, 2020

TO: Board of Directors

FROM: **Planning & Operations Committee**
(Directors McVicker, Yoo Schneider, Dick)

Robert J. Hunter
General Manager

Staff Contact: Karl Seckel,
Charles Busslinger

SUBJECT: **APPROVAL OF ALLEN MCCOLLOCH PIPELINE (AMP) CAPACITY FLOW WAIVER FOR EAST ORANGE COUNTY WATER DISTRICT**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve/grant an AMP capacity flow waiver for East Orange County Water District (EOCWD) due to an emergency requiring them to fill their reservoirs because of a fire near Santiago Canyon and high winds.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

MWDOC has the obligation to enforce both the Allen McColloch Pipeline (AMP) Sales Agreement and the AMP Proceeds Agreement; these two separate agreements designated the terms and conditions for the transfer/sale of the AMP from the local agencies to MET in 1995.

One of the provisions of the Proceeds Agreement (excerpt attached) is for MWDOC and the AMP Participants to limit the capacity usage on the AMP by each participant to the capacity they held in the AMP at the time of transfer of the facility to MET. Below are the capacities from Exhibit B of the AMP Proceeds Agreement, reorganized for agency consolidations that have occurred since that time.

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

AMP Participant Agency	Reach D1
YLWD	30.04
Anaheim	28.72
Orange	22.74
EOCWD	9.57
IRWD	70.67
MNWD	83.77
ETWD	26.33
SMWD	124.46
TCWD	4.01
San Juan Capistrano	4.91
San Clemente	6.87
SCWD	3.90
	415.99

Section 3.06 (starting on page 20 of the AMP Proceeds Agreement) explains the financial implications for exceeding peak day usage on the AMP, and includes a provision allowing MWDOC to **"not consider peak flows resulting from emergency situations, inadvertent flow changes or operational adjustments required by Metropolitan or other agencies" (see attachment).**

Since 1995, MWDOC has provided approximately 13 "waivers" for agencies who exceeded their peak AMP capacity or who might exceed their AMP capacity if a situation was known in advance. This has primarily occurred when local facilities were; out of operation due to an emergency, construction work impacting facilities, or due to planned shutdowns. Some waivers have been requested in advance and then were subsequently not needed. In emergency events, the flow exceedance may have occurred and then MWDOC notified the AMP Participants of the event to see if they had any concerns. There was also a waiver at one point to allow more in-lieu storage water to be taken by agencies to increase the groundwater storage in the OC Basin. The most recent waiver was provided to the City of San Clemente in August 2020 for the increase in flows due to a leak on the Joint Transmission Main.

MWDOC was notified by EOCWD of an emergency situation on October 26, 2020 due to a fire near Santiago Canyon and high winds. EOCWD is requesting an AMP flow waiver to increase their flows above their capacity of 9.57 cfs in order to top off their reservoirs for potential fire flow needs. EOCWD will be increasing flows from their OC-70 connection off the AMP.

Staff will inform the AMP Participants to see if any issues arise due to the recommendation of the flow waiver.

BOARD OPTIONS

Option #1: Approve/grant the flow waiver for EOCWD

Fiscal Impact: None.

Business Analysis: Increase in flow on the AMP was due to an emergency and was necessary to meet demands.

Option #2: Do NOT approve/grant the flow waiver

Fiscal Impact: Cost to EOCWD for capacity exceedance in AMP Reaches D1 through D5 escalated at 4% = $559,740 per CFS, for each CFS rounded to the nearest CFS of exceedance.

Business Analysis: Should the Board decide not to grant the flow waiver, then the above costs would be levied to EOCWD in the event they are unable to avoid taking the water from the AMP; any funds paid would be distributed among the other AMP Participants, based on which agencies are not using their full capacity in the AMP.

STAFF RECOMMENDATION

Option # 1

Agreement, and all other documents connected therewith, the services of consultants and staff time ("Negotiation Costs") shall be allocated among the Participants and Leasing Agencies on the basis of their cfs-foot ownership under the Adjusted Capacities (as shown on Exhibit "B"). At the Closing Date, upon receipt of the Initial Payment from Metropolitan, MWDOC shall determine the total Negotiation Costs tobe reimbursed to MWDOC and shall calculate each Participant's and Leasing Agency's share of said Negotiation Costs. MWDOC shall deduct each Participant's and Leasing Agency's share of the Negotiation Costs from its share of the Initial Payment prior to distribution or, with respect to those Leasing Agencies with a negative RPOI, shall either add such Participant's or Leasing Agency's share of the Negotiation Costs to its lump-sum payment under Section 3.02 or invoice the Participant or Leasing Agency separately for such share. of the Negotiation Costs which will be paid within sixty (60) days of such invoice. In the event all of the Negotiation Costs tobe reimbursed to MWDOC have not been determined at the time of the first distribution of Sale Proceeds, deductions and invoices for the remaining Negotiation Costs will be made at the time of subsequent distributions of sale proceeds.

section 3.06. <u>Readjustment of Capacities.</u>

During the term of this Agreement and until such time as Metropolitan augments the capacity of the AMP in any manner, including, but not limited to, construction of the Diemer Pump Station or other capital facility, MWDOC shall monitor each

Participant's and Leasing Agency's usage. At any time prior to augmentation of capacity in the AMP by Metropolitan, any Participant or Leasing Agency whose peak day flow exceeds its Adjusted Capacity, shall be required to pay for an additional full cubic foot per second (cfs) of capacity for the amount by which it exceeded its Adjusted Capacity rounded to the nearest cfs.

For purposes of determining whether a Participant or Leasing Agency has exceeded its capac.ity, MWDOC shall not consider peak flows resulting from emergency situations, inadvertent flow changes or operational adjustments required by Metropolitan or other agencies. The Peak Flow shall be defined as the most recent three-year moving average peak day flow in each reach of the AMP.

calculation of payment for use of additional capacity will be made in the same manner as Section 3.02, except that the price of capacity shall be escalated from 1993 to the year in which the readjustment is made at the annual interest rate of 4.0% and payment shall be made in cash at the time of the readjustment.

The readjustment of capacities hereunder and the payments shall not affect the Participants' and Leasing Agencies' RPOI or Debt Servic Payments as provided herein. Payment for additional capacity purchases and the readjustment of capacities shall be shared among Participants and Leasing Agencies using less than their Adjusted Capacities in proportion to unused capacity calculated on the most recent three-year moving average of actual flows compared to the Adjusted capacities on a cfs-foot weighting system. Notwithstanding the reallocation provided herein, any

Participant or Leasing Agency may elect to forego any portion of the readjustrnent payrn nt and retain the full arnount of its Adjusted Capacity allocation. After Metropolitan cornpletes any project which augrnents the capacity of the AMP in any arnount, no further readjustrnent of capacity shall be rnade.

ARTICLE IV

OBLIGATIONS OF MWDOC

Section 4.01 **Administration-cf Proceeds Allocation.**

MWDOC shall be responsible for and shall perforrn or provide for the perforrnance of all functions n cessary to adrninister the collection and allocation of funds under this Agreement. Said functions shall include:

(a) Calculation of all arnounts due from each Financing Participant at each rental payrnent date and notification of each Financing Participant of the arnount and payrnent instructions thereof at least ten (10) days prior to the payrnent date.

(b) Receipt of each installrnent payrnent from Metropolitan to be paid to MWDOC.

(c) Calculation and distribution of each Participant's and Leasing Agency's sh re of Sale Proceeds based upon their RPOI and collection of the payrnents due from those Participants and Leasing Agencies with negative RPOis.

(d) Monitor peak day usage as provided in Section 3.06 and calculate readjusted capacities, and payrnents due to and from each Participant and Leasing Agency for the readjustrnent of

Item No. 6

CONSENT CALENDAR ITEM
November 18, 2020

TO: Board of Directors

FROM: **Planning & Operations Committee**
(Directors McVicker, Yoo Schneider, Dick)

Robert J. Hunter
General Manager

Staff Contact: Karl Seckel,
Charles Busslinger

SUBJECT: **APPROVAL OF ALLEN MCCOLLOCH PIPELINE (AMP) CAPACITY FLOW WAIVER FOR SOUTH COAST WATER DISTRICT AND CITY OF SAN CLEMENTE**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve/grant an AMP capacity flow waiver for South Coast Water District (SCWD) and the City of San Clemente (CSC) due to temporary operational conditions that will be caused by a shutdown of the Joint Transmission Main (JTM) to perform a structural inspection and condition assessment. The shutdown of the JTM could cause both the SCWD and the CSC to increase their flows from the Allen McColloch Pipeline (AMP) into the South County Pipeline (SCP).

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

MWDOC has the obligation to enforce both the Allen McColloch Pipeline (AMP) Sales Agreement and the AMP Proceeds Agreement; these two separate agreements designated the terms and conditions for the transfer/sale of the AMP from the local agencies to MET in 1995.

One of the provisions of the Proceeds Agreement (excerpt attached) is for MWDOC and the AMP Participants to limit the capacity usage on the AMP by each participant to the capacity they held in the AMP at the time of transfer of the facility to MET. Below are the capacities

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

from Exhibit B of the AMP Proceeds Agreement, reorganized for agency consolidations that have occurred since that time.

AMP Participant Agency	Reach D1
YLWD	30.04
Anaheim	28.72
Orange	22.74
EOCWD	9.57
IRWD	70.67
MNWD	83.77
ETWD	26.33
SMWD	124.46
TCWD	4.01
San Juan Capistrano	4.91
San Clemente	6.87
SCWD	3.90
	415.99

Section 3.06 (starting on page 20 of the AMP Proceeds Agreement) explains the financial implications for exceeding peak day usage on the AMP, and includes a provision allowing MWDOC to **"not consider peak flows resulting from emergency situations, inadvertent flow changes or operational adjustments required by Metropolitan or other agencies" (see attachment).**

Since 1995, MWDOC has provided approximately 13 "waivers" for agencies who exceeded their peak AMP capacity or who might exceed their AMP capacity if a situation was known in advance. This has primarily occurred when local facilities were; out of operation due to an emergency, construction work impacting facilities, or due to planned shutdowns. Some waivers have been requested in advance and then were subsequently not needed. In emergency events, the flow exceedance may have occurred and then MWDOC notified the AMP Participants of the event to see if they had any concerns. There was also a waiver at one point to allow more in-lieu storage water to be taken by agencies to increase the groundwater storage in the OC Basin. The most recent waiver was provided to the CSC in August 2020 for the increase in flows due to a leak on the JTM.

As operator of the Joint Transmission Main (JTM), SCWD notified MWDOC of an upcoming shutdown of the JTM from November 8, 2020 to November 10, 2020 to perform a structural inspection and pipeline condition assessment. They are requesting an AMP flow waiver for the potential increase in flow above their combined capacity ownership during this shutdown period. SCWD shares a service connection, SC-5B, on the South County Pipeline (SCP) with the CSC, which is supplied by the AMP and they have a combined total allocated capacity of 10.77 cfs.

Staff will inform the AMP Participants to see if any issues arise due to the recommendation of the flow waiver.

BOARD OPTIONS

Option #1: Approve/grant the flow waiver for SCWD and the CSC

Fiscal Impact: None.

Business Analysis: Potential increase in flow on the AMP/SCP due to a temporary operational adjustment to meet demands.

Option #2: Do NOT approve/grant the flow waiver

Fiscal Impact: Cost to SCWD and the CSC for capacity exceedance in AMP Reaches D1 through S5 escalated at 4% = $954,395 per CFS, for each CFS rounded to the nearest CFS of exceedance.

Business Analysis: Should the Board decide not to grant the flow waiver, then the above costs would be levied to SCWD and the CSC in the event they are unable to avoid taking the water from the AMP; any funds paid would be distributed among the other AMP Participants, based on which agencies are not using their full capacity in the AMP.

STAFF RECOMMENDATION

Option # 1

Agreement, and all other documents connected therewith, the services of consultants and staff time ("Negotiation Costs") shall be allocated among the Participants and Leasing Agencies on the basis of their cfs-foot ownership under the Adjusted Capacities (as shown on Exhibit "B"). At the Closing Date, upon receipt of the Initial Payment from Metropolitan, MWDOC shall determine the total Negotiation Costs tobe reimbursed to MWDOC and shall calculate each Participant's and Leasing Agency's share of said Negotiation Costs. MWDOC shall deduct each Participant's and Leasing Agency's share of the Negotiation Costs from its share of the Initial Payment prior to distribution or, with respect to those Leasing Agencies with a negative RPOI, shall either add such Participant's or Leasing Agency's share of the Negotiation Costs to its lump-sum payment under Section 3.02 or invoice the Participant or Leasing Agency separately for such share. of the Negotiation Costs which will be paid within sixty (60) days of such invoice. In the event all of the Negotiation Costs tobe reimbursed to MWDOC have not been determined at the time of the first distribution of Sale Proceeds, deductions and invoices for the remaining Negotiation Costs will be made at the time of subsequent distributions of sale proceeds.

section 3.06. <u>Readjustment of Capacities.</u>

During the term of this Agreement and until such time as Metropolitan augments the capacity of the AMP in any manner, including, but not limited to, construction of the Diemer Pump Station or other capital facility, MWDOC shall monitor each

Participant's and Leasing Agency's usage. At any time prior to augmentation of capacity in the AMP by Metropolitan, any Participant or Leasing Agency whose peak day flow exceeds its Adjusted Capacity, shall be required to pay for an additional full cubic foot per second (cfs) of capacity for the amount by which it exceeded its Adjusted Capacity rounded to the nearest cfs.

For purposes of determining whether a Participant or Leasing Agency has exceeded its capac.ity, MWDOC shall not consider peak flows resulting from emergency situations, inadvertent flow changes or operational adjustments required by Metropolitan or other agencies. The Peak Flow shall be defined as the most recent three-year moving average peak day flow in each reach of the AMP.

calculation of payment for use of additional capacity will be made in the same manner as Section 3.02, except that the price of capacity shall be escalated from 1993 to the year in which the readjustment is made at the annual interest rate of 4.0% and payment shall be made in cash at the time of the readjustment.

The readjustment of capacities hereunder and the payments shall not affect the Participants' and Leasing Agencies' RPOI or Debt Servic Payments as provided herein. Payment for additional capacity purchases and the readjustment of capacities shall be shared among Participants and Leasing Agencies using less than their Adjusted Capacities in proportion to unused capacity calculated on the most recent three-year moving average of actual flows compared to the Adjusted capacities on a cfs-foot weighting system. Notwithstanding the reallocation provided herein, any

Participant or Leasing Agency may elect to forego any portion of the readjustrnent payrn nt and retain the full arnount of its Adjusted Capacity allocation. After Metropolitan cornpletes any project which augrnents the capacity of the AMP in any arnount, no further readjustrnent of capacity shall be rnade.

ARTICLE IV

OBLIGATIONS OF MWDOC

Section 4.01 **Administration-cf Proceeds Allocation.**

MWDOC shall be responsible for and shall perforrn or provide for the perforrnance of all functions n cessary to adrninister the collection and allocation of funds under this Agreement. Said functions shall include:

(a) Calculation of all arnounts due from each Financing Participant at each rental payrnent date and notification of each Financing Participant of the arnount and payrnent instructions thereof at least ten (10) days prior to the payrnent date.

(b) Receipt of each installrnent payrnent from Metropolitan to be paid to MWDOC.

(c) Calculation and distribution of each Participant's and Leasing Agency's sh re of Sale Proceeds based upon their RPOI and collection of the payrnents due from those Participants and Leasing Agencies with negative RPOis.

(d) Monitor peak day usage as provided in Section 3.06 and calculate readjusted capacities, and payrnents due to and from each Participant and Leasing Agency for the readjustrnent of

Item No. 7

CONSENT CALENDAR ITEM

November 18, 2020

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: **Selection of a Consultant for Rate Study Services**

STAFF RECOMMENDATION

Staff recommends that the Board of Directors authorize the General Manager to enter into a professional services contract with Raftelis Financial Consultants, Inc. for Rate Study Services not-to-exceed $67,405.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

Staff prepared and issued a Request for Proposals (RFP) for Rate Study Services to be applied to the District's FY2021-22 Budget. It has been five years since our last rate study. The RFP was posted to MWDOC, CSDA and CSMFO's websites as well as emailed it to the following consultants:

- Black & Veatch
- Carollo Engineers
- EES Consulting
- FCS Group
- HF&H Consultants, LLC
- Raftelis Financial Consultants, Inc.
- Municipal & Financial Services Group
- RDN (Robert D. Niehaus, Inc.)
- Stantec
- Trilogy Consulting LLC

Budgeted (Y/N): Yes	Budgeted amount: $82,500	Core X	Choice
Action item amount: $67,405	Line item: 7040-2000-41		
Fiscal Impact (explain if unbudgeted): Not applicable			

- Bartel Wells Associates

Proposals and Proposal Evaluation

MWDOC received two proposals by the closing date:

- Raftelis Financial Consultants, Inc.
- HF&H Consultants, LLC

The proposals received met the initial qualifying criteria and were reviewed by a Committee of Staff consisting of: Rob Hunter, Harvey De La Torre, Joe Berg, Hilary Chumpitazi and Damon Micalizzi who rated and scored each proposal individually.

The staff Committee convened to review the summary of combined rankings of the proposals and unanimously voted for Raftelis Financial Consultants, Inc. The review panel found Raftelis' approach, budget and experience with a number of other water agencies in Orange County best suited for MWDOC. In addition, with Raftelis performing MWDOC's last rate study five years ago, staff felt this past knowledge and understanding of MWDOC's current rate structure will aid in meeting the District's budget schedule for FY 2021-22.

BOARD OPTIONS

Option #1: Staff recommends that the Board of Directors authorize the General Manager to enter into a professional services contract with Raftelis Financial Consultants, Inc. for Rate Study Services not-to-exceed $67,405.

Fiscal Impact: $82,500 was included in the 2020-2021 budget for a Rate Study. Expenditures under Option 1 would amount to $67,405; $15,095 less than budgeted.

Business Analysis: The last rate study MWDOC conducted was in 2015, MWDOC staff recommends to conduct a rate study every five years.

Option #2: Not move forward with staff's recommendation of Raftelis Financial Consultants, Inc. and direct staff to re-issue the Request for Proposal (RFP) for Rate Study Service.

Impact: Option 2 would delay the completed of a rate study, which may result in not having a revised rate structure in place for FY2021-22.

Option #3: Not move forward with staff's recommendation of Raftelis Financial Consultants, Inc. and not conduct a MWDOC rate study for 2021.

Impact: Option 3 would maintain our current rate structure.

STAFF RECOMMENDATION

Option # 1

Item No. 8

CONSENT CALENDAR ITEM
November 18, 2020

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: **Award contract for Audio Visual (AV) Equipment and Installation for new Conference Rooms**

STAFF RECOMMENDATION

It is recommended that the Board of Directors authorize the General Manager to enter into a contract with EEI Systems to update Conference Rooms 101 and 102 with new AV Equipment.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

Staff solicited bids to update Conference Room 101 with AV Equipment to accommodate our new design and layout for committee meetings, training and to operate as an Emergency Operations Center, as well as Conference Room 102 for meetings.

Staff received three quotes as follows:

Vendor	Total
Western Audio Visual	$ 123,068.53
Pinnacle	$ 84,862.20
EEI Systems	$ 62,789.11

Budgeted (Y/N): Y	Budgeted amount: $20,000	Core X	Choice
Action item amount: $62,789.11			
Fiscal Impact (explain if unbudgeted): FY 2021-22 Budget			

Staff reviewed the requirements of the newly designed conference rooms and the AV equipment that would be needed and per our Administrative Code, requested quotes from local, reputable companies. Based on staff's review of the quotes and the Conference Room's needs, staff is recommending an award of contract to EEI Systems.

BOARD OPTIONS

Option #1: Staff recommends that the Board of Directors authorize the General Manager to enter into a professional services contract with EEI Systems for Audio Visual Equipment and Installation for $62,789.11.

> **Fiscal Impact:** $20,000 has been carried over from prior budget years and the remaining amount will be budgeted in FY 2021-22 when the project is expected to be completed.

Option #2: Not move forward with staff's recommendation and direct staff to obtain more quotes.

> **Impact:** None

Option #3: Not move forward with staff's recommendation and do not add any new Audio Visual equipment in the new Conference Rooms.

> **Impact:** Option 3 would maintain the continued use of our current Audio Visual equipment, which will not work well in the new conference room design.

STAFF RECOMMENDATION

Option #1:

Item No. 9-1

ACTION ITEM
November 18, 2020

TO: **Board of Directors**

FROM: **Planning & Operations Committee**
(Directors McVicker, Yoo Schneider, Dick)

Robert Hunter, General Manager Staff Contact: Vicki Osborn

SUBJECT: **Approval of Resolution Designating Authorized Agents for FY19 Grant Transfer Agreements for Homeland Security Grants and Execution of Transfer Agreement**

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve the execution of the 2019 Grant Transfer Agreement with the City of Santa Ana as the Local Urban Area Security Initiative (UASI) Administrator, and adopt a Resolution authorizing the WEROC Director of Emergency Management and the General Manager as designated Authorized Agents for FY 2019 Homeland Security Grants and authority to execute any subsequent agreements related to the Homeland Security Grants. Staff will come back to the Board for a purchase award in the event the award is greater than $25,000.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

In Orange County, all UASI funds are administered through either Santa Ana or Anaheim as part of the Anaheim/Santa Ana Urban Area (ASAUA) and additional Homeland Security Grants are administered by the County of Orange. The Municipal Water District of Orange County (MWDOC) and the Water Emergency Response Organization of Orange County (WEROC) has been awarded 2010 Homeland Security Grants Funds for use in training

Budgeted (Y/N): No	Budgeted amount: $0	Core ✓	Choice __
Action item amount: $0	Line item:		
Fiscal Impact (explain if unbudgeted): This is a request to approve participation in Homeland Security Grant Programs for the 2018 fiscal year. Actual projects over $25,000 will be brought back to the Board for review and approval.			

costs and may be awarded additional monies for regional projects. More information will provided about these projects in a future staff report as warranted.

In order to receive 2019 UASI grant funds and future Homeland Security Grant funds, the District must designate by resolution at least one authorized agent for this grant. Staff recommends that the board approve two authorized agents by title – the General Manager and the WEROC Director of Emergency Management. The recommendation to designate two authorized agents by title is to allow the greatest flexibility in the grant funding management.

The Board has taken similar action in regards to Homeland Security Funds and Urban Areas Security Initiative (UASI) funds. Attached is the 2019 UASI grant agreement. Additionally, attached is a resolution approving the authorized agents. By signing this agreement, the district would also be eligible for other grants opportunities throughout the 2019 UASI Grant cycle, should a project present itself as a good opportunity that may meet national homeland security goals.

Since 2006, WEROC has obtained $1,047,294.00 in grants finding to support projects and training.

Attachments

1. UASI FY 2019 Transfer Agreement
2. Resolution approving execution of transfer agreement and designation of two authorized agents

RESOLUTION NO.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
WATER EMERGENCY RESPONSE ORGANIZATION OF ORANGE COUNTY (WEROC)
AUTHORIZATION FOR FEDERAL FINANCIAL ASSISTANCE
PROVIDED BY THE FEDERAL DEPARTMENT OF HOMELAND SECURITY

WHEREAS, The Municipal Water District of Orange County (MWDOC) manages the Water Emergency Response Organization of Orange County (WEROC) Program on behalf of the organization's 36 signatories.

WHEREAS, WEROC has been designated by the County of Orange as the water and wastewater Operational Area coordination entity for the purpose of assisting the county's water and wastewater utilities with disaster preparedness, prevention, response, recovery, and mitigation.

WHEREAS, MWDOC desires to keep the WEROC emergency operations centers, communications equipment and other such supplies in good working order and to date with the current technological abilities of the Operational Area.

WHEREAS, MWDOC also desires to keep its program and volunteer staff trained in current emergency management practices and required levels of training according to the National Incident Management System and the California State Emergency Management System.

WHEREAS, MWDOC also desires to ensure eligibility for project and training funding that may become available throughout the year.

WHEREAS, MWDOC has and will continue to submit grant applications to the Homeland Security Grant Program to continue to enhance the capabilities of the WEROC program, its staff and its member agencies.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Municipal Water District of Orange County that the Water Emergency Response Organization of Orange County (WEROC) Director of Emergency Management, or the MWDOC General Manager, is hereby authorized to execute for and on behalf of the Municipal Water District of Orange County, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining federal financial assistance provided by the federal Department of Homeland Security and sub-granted through the County of Orange or the Cities of Anaheim and Santa Ana as the Administrators for Fiscal Year Grant 2019.

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

AYES:
NOES:
ABSENT:

ABSTAIN:

I hereby certify that the foregoing is a true and correct copy of Resolution No. adopted by the Board of Directors of Water District at its meeting held on.

_____

MARIBETH GOLDSBY
District Secretary
Municipal Water District of Orange County

Item No. 9-2

ACTION ITEM
November 18, 2020

TO: Board of Directors

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

Robert J. Hunter, General Manager

SUBJECT: **RECONSIDER MEMBERSHIP IN ASSOCIATION OF METROPOLITAN WATER AGENCIES (AMWA)**

STAFF RECOMMENDATION

It is recommended that the Board of Directors approve the continuation of MWDOC's participation in AMWA.

COMMITTEE RECOMMENDATION

The Committee voted to refer this item to the Board for consideration/discussion.

SUMMARY

For the last few years, MWDOC has reviewed the continuation or reinstatement of membership in the Association of Metropolitan Water Agencies (AMWA). When membership has been removed from the budget process it has been subsequently reinstated. AMWA membership was removed from this year's final budget but the Board has requested that the issue be agendized for reconsideration prior to the expiration of MWDOC's membership on December 31, 2020. The annual membership is currently $20,426 and there is no travel anticipated during the remainder of this fiscal year. Funding for this expense is not budgeted but is anticipated to be covered by the avoided cost of having to fund only four of the five director elections this year ($1,332,740 budgeted).

Discussions during the Federal Advocacy Services procurement process have included the possibility of greater reliance on and participation with national water organizations. AMWA is such an organization, represents large water agencies and is a leading voice and participant in federal water legislation, regulation, funding and issues. Rob Hunter is on the AMWA Board of Directors.

Budgeted (Y/N): N	Budgeted amount:	Core _X_	Choice _
Action item amount: $20,426			
Fiscal Impact (explain if unbudgeted):			

BOARD OPTIONS

Option #1

- **Authorize the continued membership in AMWA for calendar year 2021**

Fiscal Impact: $20,426 – use of anticipated surplus in election expense budget.

Option #2

- **Do not authorize the continued membership in AMWA for calendar year 2021**

Fiscal Impact: None

STAFF RECOMMENDATION

Option #1

Item No. 9-3

ACTION ITEM
November 18, 2020

TO: Board of Directors

FROM: **Public Affairs and Legislation Committee**
(Directors Yoo Schneider, Dick, and McVicker)

Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: MWDOC LEGISLATIVE POLICY PRINCIPLES ANNUAL UPDATE

STAFF RECOMMENDATION

Staff recommends the Board of Directors review and adopt the updated Legislative and Regulatory Policy Principles for 2020.

COMMITTEE RECOMMENDATION

Committee will review this item on November 16, 2020 and make a recommendation to the Board.

BACKGROUND

At the September Public Affairs and Legislation (PAL) Committee meeting, staff presented this item for information purposes, and requested feedback. In addition to soliciting input from the Board of Directors, staff also requested input from senior staff and the member agencies through the general managers and other participating city staff via the MWDOC Member Agencies Managers and Legislative Coordinators group. The direction from the PAL Committee was to streamline and condense the principles to be less redundant and more concise.

At the October PAL meeting, there was discussion of the preliminary updated policies, and additional input to staff was received from members of the Board. Direction was provided

Budgeted (Y/N): N/A	Budgeted amount: N/A	Core _X_	Choice __
Action item amount: None	Line item:		
Fiscal Impact (explain if unbudgeted):			

by the committee to streamline the document further, specifically the Water Use Efficiency and Distribution System Water Loss section.

All updates and feedback received have been incorporated to the attached document.

REPORT

MWDOC maintains a set of legislative policy principles that serve as guidelines for staff and our legislative advocates on issues that are of importance to the District. The policy principles attached are a culmination of current policies and initial changes recommended by staff and member agencies.

These principles assist District staff and its legislative advocates in the evaluation of legislation that may impact the District, its member agencies, the interests of Orange County, the Metropolitan Water District of Southern California and/ or its member agencies. Having such principles in place allow the District to respond to certain types of legislation in a timely manner; however in cases where issues are not clear or have complicated implications will be presented to the Board for further guidance.

The focus of this month's discussion is for staff to receive final input from the committee and update the policy principles to advance the Board's objective of establishing legislative and regulatory policy principles to help guide for both our federal and state legislative programs.

BOARD OPTIONS

Option #1

- Adopt the Legislative and Regulatory Policy Principles as updated for 2021

Fiscal Impact: None
Business Analysis: The updated Legislative and Regulatory Policy Principles enable the Board, staff, and MWDOC's legislative advocates to work in Washington D.C. and Sacramento to further the District's goals and interests that benefit Orange County. Updating them yearly allows for the inclusion of new and/or additional issues that arise throughout the previous year.

Option #2

- Do not approve the Legislative and Regulatory Policy Principles as updated for 2021

Fiscal Impact: None
Business Analysis: MWDOC's Board, staff, and legislative advocates would continue to operate under the approved Legislative and Regulatory Policy Principles adopted in 2020, potentially hampering their ability to advocate on certain issues.

STAFF RECOMMENDATION

Option #1

Attached: Municipal Water District of Orange County Legislative and Regulatory Policy Principles

~~Strikethrough~~ = Removed
Italics = Addition
(Parentheses) = Source of change

Municipal Water District of Orange County
Legislative and Regulatory Policy Principles

OVERALL POLICY

Legislation and regulations addressing water resource management issues should be guided by local and regional water resource officials with knowledge and experience in addressing opportunities, threats and needs for success within the water industry.

IMPORTED WATER SUPPLY

It is MWDOC's policy to support legislation, regulations and administrative actions that:

~~1) Balances California's competing water needs and results to provide a reliable supply of high- quality water for Orange County.~~ (While a true statement, it is not useful when analyzing legislation.)

2) Facilitates the implementation of a Sacramento-San Joaquin Delta Improvement program similar to the Delta Conveyance Project that addresses the co-equal goals of reliable water supply and ecosystem restoration, and related policies that provide long term, comprehensive solutions for the San Francisco Bay/Sacramento-San Joaquin River Delta that:

a) Provide reliable water supplies to meet California's short- and long- term needs;

b) Improve the ability to transport water through the Delta either for, or supplemental to, State Water Project deliveries;

c) Improve the quality of water delivered through the Delta;

d) Enhance the Bay-Delta's ecological health in a balanced manner;

e) Employ sound scientific research and evaluation to advance the co-equal goals of improved water supply and ecosystem sustainability.

f) Expedite the ~~Delta Conveyance Project~~ *the completion of the State Water Project* and EcoRestore initiative;

g) Encourages regular infrastructure maintenance and upkeep of the levees to counter the effects of subsidence *and seismic risk.*

~~3) Funds a comprehensive Bay-Delta solution in a manner that equitably apportions costs to all beneficiaries.~~ (This is covered under Water Infrastructure Financing and Project Funding, #1)

4) Authorizes, appropriates, and expeditiously distributes the *state and* federal share of funding to improve the ~~Delta Conveyance~~ *State Water Project* ~~project~~ and EcoRestore initiative.

~~5) Authorizes, appropriates, and expeditiously implements the ongoing state share of funding to improve the Delta Conveyance project or similarly effective measures, and the EcoRestore initiative.~~ (Redundant to #4 above)

~~6) Provides funding for Colorado River water quality and supply management efforts~~. (This is not stated as a principle and is fact specific. Should this issue arise in funding or policy, it would need to be brought to the Board with an analysis.)

7) Promotes continued federal funding and coordination between states for the Colorado River Basin Salinity Control Program under the Federal Department of Agriculture and Interior.

8) Protects and preserves Metropolitan's interest in binational water conservation programs.

~~9) Expeditiously implement programs and funding previously approved by voters and the Legislature.~~ (This implies we support every approved program and appropriation. Each one is fact-specific and must be considered in light of MWDOC's other policy principles.)

10) Supports the completion of the Central Valley Project (CVP) which may include the construction of conveyance facilities in the Sacramento-San Joaquin Bay Delta and the raising of Shasta Dam.

It is MWDOC's policy to oppose legislation or regulation that:

1) Would make urban water supplies less reliable, or would substantially increase the cost of imported water without also improving the reliability and/or quality of such water.

2) Imposes water user fees to fund non-water supply improvements in the Delta region or user fees that are not proportional to the benefits received from a Delta region water supply improvement.

~~3) Delays or impedes implementation of the Delta Conveyance project and EcoRestore initiative~~. (Covered in Support, #2(f) above)

~~4) Takes away local control and decision-making processes from local water suppliers.~~ (This is covered under Governance, oppose #3)

<u>LOCAL WATER RESOURCES</u>

It is MWDOC's policy to support legislation and regulation that:

1) Supports the development of, provides funding for, and authorizes and/or facilitates the expanded use of, cost effective, water recycling, potable reuse, conservation, water use

efficiency, groundwater recovery and recharge, storage, brackish and ocean water desalination and surface water development projects where water supply is improved and the beneficiaries of the project pay for the portions of the project not funded by state or federal funds.

~~2) Recognizes that recycled water for both potable and non-potable reuse is a valuable resource that should be promoted and encouraged, while considering total cost elements, and regulated and permitted in a manner which promotes greater reuse throughout the county and state.~~ (This is covered in #1 above)

3) Reduces and/or streamlines regulatory burdens on augmented or alternative water supply projects, and provides protections for the use of these supplies during water supply shortages, through exemptions or provisions of credit during state mandated reductions.

4) Supports ecosystem restoration, increased stormwater capture where the capture avoids impact to others*,* and sediment management activities that are cost-effective and enhance the quality or reliability of water supplies.

~~5) Authorizes, promotes, and/or provides incentives for indirect and direct potable reuse projects and provides protections for the use of local supply projects during water shortages by exempting them from state mandated reductions.~~ (Covered in #1 above)

6) Recognizes that the reliability and high quality of supplies to the end user is the primary goal of water suppliers.

~~7) Keeps decision-making, with regard to stormwater management and recapture, at the local or regional level.~~ (Covered in #4 above and Governance, oppose #3)

~~8) Recognizes stormwater management and recapture, where the capture avoids impact to other water users, as important tools in a diversified water portfolio that can help to achieve improved water quality in local surface and groundwater supplies, and can augment surface and groundwater supplies.~~ (Covered in #4 above)

~~9) Reduces or removes regulatory hurdles that hinder the use of augmented or alternative water supplies.~~ (Covered in #1 above)

10) Provides incentives for local or regional use of augmented or alternative water supplies.

11) Support the inclusion of environmental infrastructure projects the Army Corps of Engineers must consider in its Report to Congress.

12) Allows Investor Owned Utilities to invest in redundancy and reliability projects.

~~13) Provides funding for seawater and brackish groundwater desalination studies and facilities.~~ (Covered in #1 above)

~~14) Streamlines permitting of desalination facilities.~~ (Covered in #3 above)

15) Encourages the State *and Federal government* to foster investments in water quality, storage, and/or reliability projects.

~~16) Eliminates state-mandated restrictions on any sources of recycled water, including desalinated water and water reuse by allowing local agencies beneficial use of such water without limitation. Whenever possible, such legislation, regulatory and administrative actions should encourage water use efficiency though goals and guidelines, not requirements.~~ (Covered under #3 above)

17) Recognizes that desalinated water, recycled water, and potable reuse are important components of water use efficiency and drought resiliency.

18) Standards should be science-based and peer-reviewed; take economic feasibility and impact into consideration, respect existing water rights, include reasonable time for implementation and compliance, and, be subject to Legislative oversight and review biennially.

19) Authorizes, promotes, and/or provides incentives for the development of extraordinary emergency water supplies for voluntary use by local water agencies during times of drought or water shortages.

20) Is inclusive of transparent collaboration techniques for legislation and regulation regarding water use efficiency.

It is MWDOC's policy to oppose legislation or regulation that:

1) Restricts a local governmental agency's ability to develop their local water resources in a manner that is cost-effective, environmentally sensitive, and protective of public health.

2) Imposes barriers or increases costs to the safe application of recycled water and continues to define recycled water as a waste or resource of lesser value than traditionally defined potable water.

3) Would make urban water supplies less reliable, or would substantially increase the cost of ~~imported~~ *local* water *supplies* without also improving the reliability and/ or quality of such water.

4) Restricts or limits a local governmental agency’s ability to establish local priorities for water resources planning decisions.

5) Reduces a local agency’s ability to benefit from local investments in drought-proof or emergency water supplies during water shortages.

~~6) Would impose conservation mandates that do not account for the unique local water-supply circumstances of each water district.~~ (Covered under #4 above)

~~7) Would disincentivize or impede water agencies from making investments to maximize the potential for recycled water, potable reuse, desalination and other drought-resilient local water supplies.~~ (Covered under #5 above)

8) Would prohibit ocean discharges and mandates that defined a percentage(s) of recycled water required to be used or served by water suppliers.

WATER STORAGE

It is MWDOC's policy to support legislation and regulation that:

1) Provides conveyance and storage facilities that are cost-effective for MWDOC, its member agencies and their customers, while improving the reliability and quality of the water supply.

~~2) Supports the *forecast-informed* evaluation *and operation* of reservoirs *and groundwater storage facilities* to provide an enhancement in water supplies.~~ (Evaluation is part of "provides in #1 above.)

~~3) Supports administrative/legislative action and funding to add surface and/or groundwater storage statewide.~~ (Funding for storage facilities that do not benefit MWDOC should be evaluated on a case-by-case basis.)

~~4) Supports administrative/legislative action and funding to add South of Delta above ground and ground water storage that is able to receive supplies from the State Water Project and Colorado River Aqueduct.~~ (This is a subset of #1 above and does not need to be separately stated.)

5) Supports "beneficiaries pay" for water storage that ensure full cost recovery.

~~6) Supports the siting and construction of surface storage in Southern California, which is sited to receive either State Water Project (SWP) or Colorado River Aqueduct (CRA) supplies.~~

7) Supports *funding at the state and federal level for surface and groundwater storage, including reauthorization and expansion of the WIIN Water Storage Program and bifurcation of* ~~*ed*~~ Surface and Groundwater Storage Funding at the state and federal level.

~~8) Will support the completion of the State Water Project (SWP) through the construction of conveyance facilities. The preferred capacity of the facilities should be between 9,000 and 15,000 CFS.~~ (Covered under Imported Water Supply, #2)

9) Supports the development of both a state and federal funding program to provide funding for local and regional dam safety/improvement projects and programs to repair conveyance facilities that have been damaged due to subsidence.

It is MWDOC's policy to oppose legislation or regulations that:

1) *Results in reducing the quantity or quality of water in either surface or groundwater storage of substantially increases the cost of operating and maintaining surface and groundwater storage facilities without an adequate increase in public safety, water quality, or water quantity.*

WATER USE EFFICIENCY AND DISTRIBUTION SYSTEM WATER LOSS

It is MWDOC's policy to support legislation and regulation that:

1) Furthers the statewide goal of increasing water use efficiency, *throughout the state, and* ~~as opposed~~ to water conservation *for local, regional, or statewide emergencies.* ~~throughout the state~~.

2) Would allow flexibility and fosters local and regional collaboration to develop and implement options for compliance in achieving statewide water reduction goals.

3) Seeks to cost-effectively improve water efficiency standards and policies for water-using devices *such as, but not limited to, the EPA Water Sense Program and Cal Green Building Standards.* (Staff)

~~4) Provides grants and low-interest loans to fund incentives for water conserving devices or practices.~~

~~5) Legislatively sets water efficiency standards provided the standards are developed with local and regional input, reasonable, cost effective for Orange County agencies, and customers, and consider unintended consequences, such as impacts to wastewater systems, reductions in recycled water supplies, demand hardening, and impacts to regional reliability and drought preparedness.~~

6) Reasonably improves ~~landscape water use efficiency~~ Commercial, Institutional and Industrial (CII) water use efficiency programs while preserving community choice and the local economy.

~~7) Encourages regionally appropriate statewide landscape water efficiency standards and regulations that consider *age of development,* land use, plant material, irrigation efficiency and climate factors. (Staff)~~

8) Provides financially appropriate incentives, funding, and other assistance ~~where needed~~ to facilitate market transformation and gain wider implementation of water-efficient indoor and outdoor technologies and practices.

~~9) Provides incentives, funding, and other assistance where needed to facilitate water use and energy efficiency partnerships with the energy sector.~~

10) Recognizes and protects past investments of agencies and customers in water use efficiency measures, especially from the demand hardening perspective.

~~11) Recognizes community *age,* growth and development when developing comparative standards for water use efficiency year-over-year.~~

12) Provides federal and state tax exemptions for water conservation or efficiency incentives for measures including, but not limited to, turf removal, devices, and other measures to reduce consumption of water or enhance the absorption and infiltration capacity of the landscape.

~~13) Creates a process for development and implementation of locally activated emergency drought declarations and regulations that recognizes *investments in supply reliability,* variations among communities, regions, and counties with respect to their abilities to withstand the impacts, water supply conditions, and effects of drought.~~

It is MWDOC's policy to oppose legislation or regulations that:

~~1) Fails to ensure balance in the implementation of water efficiency practices throughout the state and requirements for both urban and agricultural use.~~

2) Would repeal cost-effective efficiency standards for water-using devices.

~~3) Diminishes local agency control or flexibility in implementing water efficiency practices or standards.~~

4) Places unreasonable conservation measures on residential, commercial, industrial and institutional customers that would negatively impact or limit the potential for economic growth.

5) Fails to recognize the importance of both water use efficiency and water supply development.

6) Fails to recognize augmented or alternative water supplies as an efficient use of water, or that fails to provide an adequate incentive for investments in such water, for potable or non-potable reuse.

~~7) Fails to consider regional and local reliability *investments* when establishing any reduction targets during water shortages.~~

8) Requires water efficiency standards or performance measures that are infeasible, not practical or fail to have a positive cost-benefit ratio when comparing the cost of meeting the standard or implementing the performance measure with the value of the volume of water saved.

~~9) Creates a "one-size-fits-all" approach to emergency drought declarations and regulations that ignores variations among communities, regions, and counties with respect to their ability to withstand the impacts, water supply conditions, and effects of drought.~~

WATER QUALITY AND ENVIRONMENTAL IMPACTS

It is MWDOC's policy to support:

1) Legislation that protects the quality of surface water and groundwater including the reduction of salt loading to groundwater basins.

~~2) Funding that helps agencies meet state and federal water quality standards.~~ (This is not stated as a principle and is fact specific. Should this issue arise in funding or policy, it would need to be brought to the Board with an analysis.)

3) The establishment and/or implementation of standards for water-borne contaminants based on sound science and with consideration for cost-effectiveness.

4) A science-based regulatory process that has been established under the Safe Drinking Water Act is the best approach for any consideration and development of drinking water regulations to address any contaminant or family of contaminants, including per- and polyfluoroalkyl (PFAS).

5) The investment in the development of analytical methods to more reliably and accurately measure various contaminants, including PFAS, in drinking water.

4) Administrative/legislative actions to improve clarity and workability of CEQA, and eliminate other duplicative state processes.

5) Streamlining or exempting water, recycled water, wastewater projects, and/or environmental restoration projects, from the California Environmental Quality Act (CEQA).

6) Provides liability protections to public water districts, and related wholesale water providers, seeking to consolidate with or serve as the administrator for troubled water systems that cannot consistently demonstrate that they are able to provide safe, clean and reliable water supplies to their customers.

7) State-funded groundwater basin contamination studies and associated economic or environmental impacts.

8) Supports the efforts of water industry to promote policies that enhance the pace and scale of headwaters and forest management, including improved planning, coordination, and implementation; increase financing, research, and resources to protect water supply and quality; bring management practices in line with modern challenges; and provide multiple benefits to the State's water users.

9) Support the eradication and prevention of invasive species from becoming established in or around water supplies.

It is MWDOC's policy to oppose:

1) Legislation that could compromise the quality of surface water and groundwater supplies.

2) Legislation that establishes and/ or implements standards for water-borne contaminants without regard for sound science or consideration for cost effectiveness.

3) Projects that negatively impact the water quality of existing local supplies.

4) Legislation or regulation that would mandate an unscientifically supported federal or state maximum contaminant level, or mandating an artificial deadline for promulgating a maximum contaminant level for drinking water.

5) Legislation, regulation or other policy that would hold drinking water and wastewater facilities liable for PFAS contamination caused by third parties; or that does not clearly state that the party directly responsible for the PFAS pollution is solely liable for the costs associated with the contamination cleanup.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

It is MWDOC's policy to oppose legislation or regulation that:

1) Compromises the existing governance structure and the representation of member agencies on the Metropolitan Water District Board of Directors.

2) Would restrict MET's rate-making ability.

WATER TRANSFERS

It is MWDOC's policy to support legislation and regulation that:

1) Encourages and facilitates voluntary water transfers*, or streamlines the transfer approval process.*

2) Provides appropriate protection or mitigation for impacts on the environment, aquifers, water-rights holders and third-parties to the transfer including those with interests in the facilities being used.

~~3) Encourages transfers, or streamlines the transfer approval process, which augment existing water supplies, especially in dry years.~~ (Covered under #1 above.)

It is MWDOC's policy to oppose legislation or regulation that:

1) Undermines the operations and maintenance of the conveyance system conveying the water.

2) Interferes with the financial integrity of a water utility or compromises water quality.

3) Increases regulatory or procedural barriers to water transfers at the local or state level.

WATER INFRASTRUCTURE FINANCING AND PROJECT FUNDING

It is MWDOC's policy to support legislation and regulation that:

1) Employs a "beneficiary pays" principle that establishes a clear nexus between the costs paid to the direct benefit received. ~~Likewise, those who do not benefit from a particular project or program should not be required to pay for them.~~ (The last line is redundant.)

2) *Reduces the cost of financing water infrastructure planning and construction,* establishes grants or other funding *and finance* opportunities. ~~for local and regional water projects, including but not limited to infrastructure projects.~~ (Unnecessarily specific.)

3) Considers local investments made in infrastructure, programs, mitigation and restoration in determining appropriate cost shares for water infrastructure*,* and project investments.

~~4) Reduces the cost of financing water infrastructure planning and construction, such as tax-credit financing, tax-exempt municipal bonds, Water Resources Development Act (WRDA), Water Infrastructure Finance Innovation Act (WIFIA), the Environmental Infrastructure Accounts, the Title XVI Water Reclamation and Reuse Project, and other funding mechanisms.~~ (Combined into #2 above; and unnecessarily specific.)

It is MWDOC's policy to oppose legislation or regulation that:

1) Establishes a fee or tax that does not result in a clear and proportional benefit to the District, its member agencies, and their customers.

2) Would reduce the total available water infrastructure financing measures such as WIFIA, state-revolving funds, and others.

ENERGY

It is MWDOC's policy to support legislation or regulation that:

1) Facilitates the development and expansion of clean, and cost effective renewable energy in California, ~~including~~ *and recognizes hydroelectric* power *as a clean, renewable energy source and that its generation and use meets the greenhouse gas emission reduction compliance requirements called for in the Global Warming Solutions Act of 2006 (AB 32 and SB 100).*

~~2) Supports water supply reliability as the primary focus of water agencies and energy intensity of water supplies as a secondary factor.~~

~~3) Recognizes the role and value of the water industry investment in water use efficiency and therefore recognizes WUE efforts towards greenhouse gas reduction, including funding such activities.~~

~~4) Recognizes hydroelectric power as a clean, renewable energy source and that its generation and use meets the greenhouse gas emission reduction compliance requirements called for in the Global Warming Solutions Act of 2006 (AB 32 and SB 100).~~ (Combined into #1 above)

5) Facilitates voluntary and cost effective local investments in renewable energy, energy management and storage, and energy efficiency which improve the water-energy nexus and reduce local agency costs.

6) Provides water agencies greater flexibility to run backup generators to support critical facilities during deenergization and PSPS events.

FISCAL POLICY

It is MWDOC's policy to support legislation or regulation that:

1) Requires the federal and state governments to provide a subvention to reimburse local governments for all mandated costs of regulatory actions.

2) Allows ~~member agencies~~ *retail water providers* to voluntarily offer localized Water Rate Assistance Programs that comply with Proposition 218 of California's Constitution and/or are funded either voluntarily or via non-restricted/non-water-rates revenues.

3) Support Proposition 13 as embodied in Article XIII A of the California Constitution, and oppose the "split roll" efforts that would increase property taxes on businesses.

4) Changes how inverse condemnation liability is determined for water service providers in order to limit water agency liability for impacts of wildfire.

It is MWDOC's policy to oppose legislation or regulation that:

1) Is inconsistent with the District's current investment policies and practices.

2) Pre-empts the District's or its member agencies' ability to impose or change cost-of-service-based water rates, fees, or assessments, or requires them to submit their rates or charges to any state agency for approval.

3) Impairs the District's ability to maintain levels of reserve funds that it deems necessary and appropriate.

~~4) Impairs the District's ability to provide services to its member agencies and ensure full cost recovery.~~ (Unnecessary and not a legislative issue.)

5) Makes any unilateral reallocation of District revenues, or those of its member agencies, by the state unless the state takes compensatory measures to restore those funds.

~~6) Would impose mandated costs or regulatory constraints on the District or its member agencies without reimbursement.~~

7) Mandates a specific rate structure for water agencies.

8) Imposes a "public goods charge" "water user fee*",* or "water tax" on public water agencies or their ratepayers.

GOVERNANCE

It is MWDOC's policy to support legislation or regulation that:

1) Advances good government practices and public transparency measures in a manner that does not take a "one-size fits all" approach, respects local government control, and facilitates technological efficiencies to meet state reporting and disclosure requirements.

~~2) For LAFCO-initiated reorganizations, support the existing protest thresholds per the Cortese-Knox-Hertzberg Act, & Oppose changes that would make it more difficult for citizens to protest a LAFCO-initiated reorganization.~~ (Rewritten below)

2) Are consistent with the current LAFCO processes defined in the Cortese-Knox-Hertzberg Act. (Rewritten to encompass the more specific statements in #2 and #3)

~~3) Support exempting special districts from Cumulative and Ranked Choice Voting methods and Oppose attempts to make this method an option or a mandate for special districts elections.~~ (Covered under #2 above.)

4) Supports or facilitates responsible programs, procedures, and methods that promote collaboration, transparency and open government.

It is MWDOC's policy to oppose legislation or regulation that:

1) Imposes unnecessarily broad burdens *or new costs* upon all local governments *absent a clear and necessary benefit*. (Combined with #5 below)

~~2) Shifts state programs, responsibilities and costs to local governments without first considering funding to support the shift.~~ (Covered under #1 above, and under Fiscal Policy #1, support)

~~3) Seeks to limit or rescind local control.~~ (Covered under #1, support, above)

4) Reduces or diminishes the authority of the District to govern its affairs.

~~5) Imposes new costs on the District and the ratepayers absent a clear and necessary benefit.~~ (Combined into #1 above)

6) Resolves state budget shortfalls through shifts in the allocation of property tax revenue or through fees for which there is no direct nexus to benefits received.

PUBLIC EMPLOYEE PENSION REFORM

It is MWDOC's policy to support legislation that:

1) Seeks to contain or reform public employee pension and other post-employment benefit (OPEB) cost obligations that are borne by public agencies via taxpayers and ratepayers.

EMERGENCY RESPONSE

It is MWDOC's policy to support legislation that:

1) Increases coordination on Homeland Security and emergency response efforts among the federal, state, and local governments with clearly defined roles and responsibilities for each.

2) Provides continued funding to enhance and maintain local Homeland Security infrastructure, including physical and cyber protection of critical infrastructure.

3) Ensures adequate funding for expenditures related to disaster response and all phases of emergency management; including the earthquake early notification system and efforts to enhance water infrastructure resiliency.

4) Strengthens intergovernmental planning and preparation coordination for emergency response and drills.

5) Enhances protection of information and cyber security for critical infrastructure through policy and funding for local efforts.

6) Supports water utility capability to notify customers of emergency protective measures through ~~reverse~~ *mass* notification systems.

7) Properly recognizes water agencies' role in emergency response to wildfires and other natural disasters, where water service is needed or may be impacted, because water and wastewater services are essential public utilities that ensure public health and safety.

It is MWDOC's policy to oppose legislation or regulation that:

1) Reduces a water utility's ability to represent itself ~~in~~ *or implement activities of* any component of the disaster preparedness cycle, especially ~~the~~ *within* response and recovery section ~~staff~~.

2) Negatively impacts water and wastewater utility's ability to prepare, mitigate or respond to, *or recover from disaster and* emergencies in order to provide fire suppression, drinking water and wastewater services.

Item No. 9-4

ACTION ITEM
November 18, 2020

TO: **Public Affairs and Legislation Committee**
(Directors Yoo Schneider, Dick, and McVicker)

FROM: **Robert Hunter, General Manager**

Staff Contact: Heather Baez

SUBJECT: **SELECTION OF A FIRM TO PROVIDE STATE LEGISLATIVE ADVOCACY SERVICES**

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to enter into a professional services contract with Best, Best & Krieger (BB&K) to provide state legislative advocacy services.

COMMITTEE RECOMMENDATION

Committee will review this item on November 16, 2020 and make a recommendation to the Board.

REPORT

Pursuant to section 8000 of the Administrative Code, "It is MWDOC's policy that purchasing and contracting shall be conducted in a fair, open, and transparent manner so as to maximize benefits to MWDOC. All contracts should be reviewed and re-bid at least every five (5) years, except in situations with documented significant benefits to MWDOC." The state advocacy services contract last went out for competitive bid in 2015, therefore a competitive RFP process was implemented.

With this in mind, staff led the effort in preparing and issuing a Request for Proposals (RFP) for state advocacy services under the schedule below:

Budgeted (Y/N): Y	Budgeted amount: $96,000	Core X	Choice __
Action item amount: $96,000 Flat fee billed at $8,000/month, plus $5,000 annually to cover any necessary travel	Line item: 02-31-7040		
Fiscal Impact (explain if unbudgeted):			

STATE RFP PROJECT TIMELINE	
Task Item	Completion Date
1. MWDOC completion of draft in-house RFP	September 16
2. Issue Draft RFP to Potential Consultants (issued to 12 firms)	September 18
3. Closing date for submittal of comments and questions by Consultants and Agencies	October 1
4. Proposals Due (2 proposals were received)	October 14 5:00 PM
5. Ad-Hoc Committee met to review and discuss potential interviews	October 19
6. Interviews with firms	October 29
7. Ad-Hoc Committee rankings due	November 6
8. Recommendation to the Public Affairs & Legislation Committee	November 16
9. Authorization by MWDOC Board	November 18
10. Contract start	January 1, 2021

Proposals and Proposal Evaluation

MWDOC received two proposals by the closing date:

- Best, Best & Krieger
- Nossaman, LLP

Both proposals received met the initial qualifying criteria and were reviewed by the Ad-Hoc Committee consisting of: Directors Tamaribuchi, Yoo Schneider and Dick, Rob Hunter, Heather Baez, and Kathy Viatella of Metropolitan Water District of Southern California.

The Ad-Hoc Committee convened to review and rank the proposals and approach. From there, it was decided that both firms would be interviewed. The proposals received met MWDOC's initial guidelines and qualifications, and the interviews highlighted both common elements and distinct differences between the firms. The members of the Ad-Hoc Committee independently discussed and ranked the firms. Based on the combined rankings, Best, Best & Krieger was unanimously selected.

Recommendation

Staff's recommendation is to proceed with a contract with BB&K to provide state advocacy services. Both firms interviewed were quality firms. Ultimately, BB&K was unanimously chosen. Their proposal stood out based on the following qualities the committee felt was important for MWDOC to be successful in Sacramento.

1. They will assist MWDOC in developing a strong comprehensive, strategic plan to help achieve short and long-term goals with objectives and deadlines.
2. While both firms offer bill tracking and identifying bills of interest to MWDOC and its member agencies, where BB&K stood out was their ability to utilize their legal team and lobbying firm to spot issues, and have recommended positions ready early in the process so that MWDOC can be proactive in our advocacy approach.
3. They will also proactively identify and source opportunities to build strategic relationships that will benefit MWDOC and its member agencies.

BOARD OPTIONS

Option #1

- Enter into a contract with Best, Best & Krieger for one year, with the option to renew an additional four years.

Fiscal Impact: $96,000
Business Analysis: Best, Best & Krieger has provided advocacy services for MWDOC in Sacramento for the last five years. They maintain relationships on our behalf with members of our legislative delegation, key committees, and regulatory agencies. They also ensure that we are kept up-to-date and informed on state issues of importance to MWDOC and our member agencies.

Option #2

- Do not renew the contract with Best, Best & Krieger's

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

STAFF RECOMMENDATION

Option #1

Item No. 9-5

ACTION ITEM
November 18, 2020

TO: **Public Affairs and Legislation Committee**
(Directors Yoo Schneider, Dick, and McVicker)

FROM: **Robert Hunter, General Manager**

Staff Contact: Heather Baez

SUBJECT: **SELECTION OF A FIRM TO PROVIDE FEDERAL LEGISLATIVE ADVOCACY SERVICES**

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to enter into a professional services contract with Natural Resource Results to provide federal legislative advocacy services.

COMMITTEE RECOMMENDATION

Committee will review this item on November 16, 2020 and make a recommendation to the Board.

REPORT

Pursuant to section 8000 of the Administrative Code, "It is MWDOC's policy that purchasing and contracting shall be conducted in a fair, open, and transparent manner so as to maximize benefits to MWDOC. All contracts should be reviewed and re-bid at least every five (5) years, except in situations with documented significant benefits to MWDOC." The federal advocacy services contract last went out for competitive bid in 2015, therefore a competitive RFP process was implemented.

With this in mind, staff led the effort in preparing and issuing a Request for Proposals (RFP) for state advocacy services under the schedule below:

Budgeted (Y/N): Y	Budgeted amount: $96,000	Core X	Choice __
Action item amount: Flat fee billed at $6,500/month, plus $5,000 annually to cover any necessary travel.	Line item: 02-31-7040		
Fiscal Impact (explain if unbudgeted):			

STATE RFP PROJECT TIMELINE	
Task Item	Completion Date
1. MWDOC completion of draft in-house RFP	September 16
2. Issue Draft RFP to Potential Consultants (issued to 14 firms)	September 18
3. Closing date for submittal of comments and questions by Consultants and Agencies	October 1
4. Proposals Due (10 proposals were received)	October 14 5:00 PM
5. Ad-Hoc Committee met to review and discuss potential interviews	October 19
6. Interviews with firms	October 29 and November 3
7. Ad-Hoc Committee rankings due	November 6
8. Recommendation to the Public Affairs & Legislation Committee	November 16
9. Authorization by MWDOC Board	November 18
10. Contract start	January 1, 2021

Proposals and Proposal Evaluation

MWDOC received ten proposals by the closing date:

- Barker Leavitt
- Best, Best & Krieger
- Blue Water Strategies
- Mercury Public Affairs
- Nossaman LLP
- Natural Resource Results
- Potomac Partners DC
- Troutman Sanders Strategies
- Van Scoyoc Associates, Inc.
- Water Strategies, LLC

All ten proposals received met the initial qualifying criteria and were reviewed by the Ad-Hoc Committee consisting of: Director SatTamaribuchi, Director Megan Yoo Schneider, Director Larry Dick, Rob Hunter, Heather Baez, and Abby Schneider of Metropolitan Water District of Southern California.

The Ad-Hoc Committee convened to review and rank the proposals and approach. From there, agencies were “shortlisted” for interviews. The committee interviewed the following five firms: Barker Leavitt, Best, Best & Krieger, Nossaman LLP, Natural Resource Results, and Van Scoyoc Associates. In addition, Potomac Partners DC was added to the list of firms to interview after the initial interviews were conducted. The quality of the proposals was quite high and the interviews highlighted both common elements and distinct

differences between the shortlisted firms. The members of the Ad-Hoc Committee met on two occasions to discuss the qualifications of each firm, and independently ranked them. Based on the combined rankings, Natural Resource Results was selected.

Recommendation

Staff's recommendation is to proceed with a contract with Natural Resource Results to provide federal advocacy services. All six firms interviewed were quality firms. Ultimately Natural Resource Results was chosen by the majority of the committee. Their proposal and interview stood out based on the following qualities the committee felt was important for MWDOC to be successful in Washington D.C.

1. They will assist MWDOC in developing a strong comprehensive, strategic plan to help achieve short and long-term goals with objectives and deadlines.
2. Their extensive and deep relationships/contacts in Washington D.C. will provide benefits to MWDOC and its member agencies.
3. Their ability to bring organizations, and their own clients together on issues to realize similar goals.
4. They will proactively identify and source opportunities to build strategic relationships that will benefit MWDOC and its member agencies.

Cost/Pricing Information

MWDOC staff and Natural Resource Results agreed upon $6,500/month for the first three months of the contract. At that time, the scope of services and monthly retainer will be assessed.

BOARD OPTIONS

Option #1

- Enter into a contract with Natural Resource Results for one year, with the option to renew an additional four years.

Fiscal Impact: $78,000 at this time. Subject to reevaluation of scope and services
Business Analysis: There are a number of key issues facing water agencies in 2021 and beyond. Natural Resource Results will advise and advocate on MWDOC's behalf on critical policy and appropriations proposals. In addition, they will maintain relationships, identify strengths of key Congressional, Administration, and Federal contacts, and educate key staff in relevant offices.

Option #2

- Do not enter into a contract with Natural Resource Results.

Fiscal Impact: $96,000 would be added to the general fund

Business Analysis: MWDOC would not have representation in Washington D.C. in 2021 and beyond, to advocate at the legislative and regulatory level on federal issues of importance to MWDOC and its member agencies.

STAFF RECOMMENDATION

Option #1

Item No. 9-6

ACTION ITEM
November 18, 2020

TO: Board of Directors

FROM: **Public Affairs and Legislation Committee**
(Directors Yoo Schneider, McVicker, Dick)

Robert J. Hunter
General Manager

Staff Contact: Karl Seckel,
Charles Busslinger

SUBJECT: **APPROVAL OF ALLEN MCCOLLOCH PIPELINE (AMP) CAPACITY FLOW WAIVER FOR THE CITY OF SAN JUAN CAPISTRANO**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve/grant an AMP capacity flow waiver for the City of San Juan Capistrano (SJC) due to temporary operational conditions that will be caused by a shutdown of the Joint Transmission Main (JTM) and the Eastern Transmission Main (ETM) to perform a structural inspection and condition assessment. The shutdown of the JTM and ETM will cause SJC to increase their flows from the Allen McColloch Pipeline (AMP) into the South County Pipeline (SCP).

COMMITTEE RECOMMENDATION

Committee will review this item on November 16, 2020 and make a recommendation to the Board.

SUMMARY

MWDOC has the obligation to enforce both the Allen McColloch Pipeline (AMP) Sales Agreement and the AMP Proceeds Agreement; these two separate agreements designated the terms and conditions for the transfer/sale of the AMP from the local agencies to MET in 1995.

One of the provisions of the Proceeds Agreement (excerpt attached) is for MWDOC and the AMP Participants to limit the capacity usage on the AMP by each participant to the capacity they held in the AMP at the time of transfer of the facility to MET. Below are the capacities from Exhibit B of the AMP Proceeds Agreement, reorganized for agency consolidations that have occurred since that time.

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

AMP Participant Agency	Reach D1
YLWD	30.04
Anaheim	28.72
Orange	22.74
EOCWD	9.57
IRWD	70.67
MNWD	83.77
ETWD	26.33
SMWD	124.46
TCWD	4.01
San Juan Capistrano	4.91
San Clemente	6.87
SCWD	3.90
	415.99

Section 3.06 (starting on page 20 of the AMP Proceeds Agreement) explains the financial implications for exceeding peak day usage on the AMP, and includes a provision allowing MWDOC to **"not consider peak flows resulting from emergency situations, inadvertent flow changes or operational adjustments required by Metropolitan or other agencies" (see attachment).**

Since 1995, MWDOC has provided approximately 13 "waivers" for agencies who exceeded their peak AMP capacity or who might exceed their AMP capacity if a situation was known in advance. This has primarily occurred when local facilities were; out of operation due to an emergency, construction work impacting facilities, or due to planned shutdowns. Some waivers have been requested in advance and then were subsequently not needed. In emergency events, the flow exceedance may have occurred and then MWDOC notified the AMP Participants of the event to see if they had any concerns. There was also a waiver at one point to allow more in-lieu storage water to be taken by agencies to increase the groundwater storage in the OC Basin. The most recent waiver was provided to the City of San Clemente in August 2020 for the increase in flows due to a leak on the JTM.

The City of San Juan Capistrano (SJC) notified MWDOC that the shutdown of the Joint Transmission Main (JTM) affects the Eastern Transmission Main (ETM) and due to logistics of the structural inspection, the ETM will be out of service from November 8, 2020 to November 20, 2020. SJC is requesting an AMP flow waiver for increasing their flow above their capacity ownership of 4.91 cfs during this shutdown period. SJC has notified staff they will be taking approximately 6.0 cfs through their SC-04 connection on the South County Pipeline.

Staff will inform the AMP Participants to see if any issues arise due to the recommendation of the flow waiver.

Staff will be returning to the P&O Committee next month to discuss consideration of a Delegation of Authority to the GM for future AMP Capacity Waivers for those situations that are resulting from emergency situations, inadvertent flow changes or operational

adjustments required by MET or other agencies; as these situations are specifically called out in the AMP Proceeds Agreement.

BOARD OPTIONS

Option #1: Approve/grant the flow waiver for SJC

Fiscal Impact: None.

Business Analysis: Potential increase in flow on the AMP/SCP due to a temporary operational adjustment to meet demands.

Option #2: Do NOT approve/grant the flow waiver

Fiscal Impact: Cost to SJC for capacity exceedance in AMP Reaches D1 through S5 escalated at 4% = $954,395 per CFS, for each CFS rounded to the nearest CFS of exceedance.

Business Analysis: Should the Board decide not to grant the flow waiver, then the above costs would be levied to SJC in the event they are unable to avoid taking the water from the AMP; any funds paid would be distributed among the other AMP Participants, based on which agencies are not using their full capacity in the AMP.

STAFF RECOMMENDATION

Option # 1

GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES NOVEMBER 2020

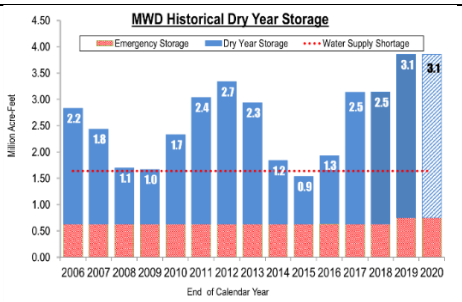
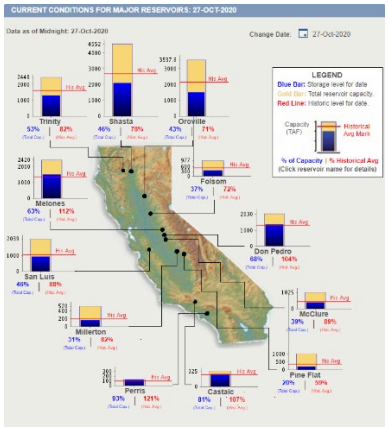
MWDOC Agencies Managers Meeting	MWDOC held its Member Agency Managers' meeting at its office in Fountain Valley on October 22, 2020. **In attendance were:** L. Ohlund – East Orange County WD, D. Cafferty – El Toro WD, H. Lee – Fountain Valley, C. Pasillas – Garden Grove, B. Ragland, Chris Davis – Huntington Beach, P. Weghorst – Irvine Ranch WD, Chris Regan, D. Youngblood – Laguna Beach County WD, J. Chavira – La Palma, P. Shoenberger – Mesa Water, L. Rocha, M. Collings – Moulton Niguel WD, S. Catron, M. Vukojevic– Newport Beach, J. Kennedy – Orange County WD, E. Bauman – San Juan Capistrano, D. Ferons, J. Leach, R. Grantham – Santa Margarita WD, R. Shintaku – South Coast WD, M. Grisso – Tustin, S. Miller – Westminster **Staff in attendance were:** R. Hunter, K. Seckel, H. De La Torre, V. Osborn, M. Baum-Haley, A. Heide, C. Lingad **Information/Discussion Items:** ➢ MWDOC Board Draft Agendas ➢ AMP Participants Common Interest Agreement ➢ Metropolitan Shutdown Updates **Updates on Metropolitan Issues:** ➢ Metropolitan Item Updates ➢ Demand Management Budget and Rates ➢ General Manager Recruitment ➢ IRP Status Update ➢ Regional Recycled Water Program Update ➢ Bay-Delta Update The next meeting is tentatively scheduled for November 19, 2020.
Meetings	• MWDOC staff participated in a Zoom meeting on September 30, 2020, with OCWD to discuss the OC Water Demand Forecast proposal. • Charles Busslinger and Chris Lingad participated in a Zoom meeting on September 30, 2020, with OC LAFCO and CDR to discuss some MWDOC boundary discrepancies between data at MET and OC LAFCO. OC LAFCO is currently working to resolve the discrepancies, and CDR is providing support to MWDOC. • MWDOC staff held several meetings throughout October with consultants ABS Consulting and Blackman and Forsyth to discuss move management for the MWDOC building retrofit and remodel project.

Meetings - continued	• Charles Busslinger and Chris Lingad attended the on-site OC-70 meter test on October 6, 2020, with MET and EOCWD. • Karl Seckel, Charles Busslinger, and Chris Lingad participated in a conference call on October 15, 2020, with MET, the City of Newport Beach, the City of Huntington Beach, and Mesa Water District to discuss the upcoming Irvine Cross Feeder Shutdown. • Charles Busslinger and Chris Lingad attended a presentation via Zoom on October 26, 2020, regarding MET member interest in a potential new meter testing facility. MET is in the preliminary stages of researching member agency interest in such a facility. The initial concept is a facility on existing MET property similar to the meter testing facility at Utah Water Research Lab, which MET is currently using to conduct meter testing. MET will be investigating the concept in more detail over the next six months and will provide a report of their findings and preliminary cost estimates. If the concept proves it is worth pursuing, and the MET Board approves, any such facility would not begin operations until the end of 2024 at the earliest. More details will be provided as this concept takes shape. • Charles Busslinger, Kevin Hostert, and Chris Lingad attended a Zoom meeting on October 27, 2020, with MET to meet MET's new operations liaison, Derrick Cheng, due to the pending retirement of Amy Dorado. • Karl Seckel and Rachel Waite participated in the South Orange County Watershed Management Area Management Committee Meeting on October 5, 2020. The main discussion topics were a SOCWA Special Study Update - HF183 Viability and Natural Bacteria Speciation, a discussion of the Salt and Nutrient Management Plan, and the South OC WQIP Outfall Capture Feasibility Study along with other updates. • Karl Seckel, Charles Busslinger, and Chris Lingad participated in a conference call with ETWD and MNWD regarding issues associated with a historical transfer of 2 cfs between the two agencies. Additional documentation will likely be developed among the agencies for the capacity transfer.
MET ITEMS CRITICAL TO ORANGE COUNTY	
MET's Finance and Rate Issues	**<u>Current Update</u>** Water Transactions for August 2020 totaled 148.9 thousand acre-feet (TAF), which were 5.6 TAF lower than the budget of 154.5 TAF. This translates to $131.8 million in revenues for August 2020, which were $7.9 million lower than the budget. At the September 14, 2020 Finance and Insurance Committee at MET, the Board received a review of the impacts of COVID-19. From this review, the Board approved the following recommended cost-containment measures to address the COVID-19 financial impacts as amended:

MET's Finance and Rate Issues - continued	a. Continue to track COVID-19 impacts to the member agencies with a focus on retail payment delinquencies. If interest from the member agencies, develop a payment deferral program that exempts penalties or interest for those agencies that record and report significant delinquencies and likewise grant deferrals to their customers. Bring back any deferral program criteria to the Board for review and consideration b. Monitor water demands, sales and expenditures and prepare additional cost-containment measures, as needed, for mid-cycle budget review. c. Maintain the current rates adopted by the Board to address the impacts of lower water sales and lower revenues while maintaining current credit ratings. d. Include in the mid-cycle budget review new revenue generation options, including through a groundwater replenishment program. e. Implement a moratorium on non-emergency unbudgeted proposals for the remaining part of the fiscal year that have not been anticipated in the budget. **Rate Issues** In December 2019, the MET Board voted to discontinue the collection of the Water Stewardship Rate (WSR) as part of the upcoming 2021 and 2022 rates and charges (December 2019 Board Letter). The Demand Management program will use program reserves to cover the costs of LRP, Conservation, and the Future Supply Actions Program for the next two years, or until a new funding mechanism is in place. At the October 13, 2020 Finance and Insurance Committee at MET, the Board received a review of the Water Stewardship Fund in relation to funding for Metropolitan's Demand Management Programs (October 2020 Board Letter). Metropolitan's robust demand management programs have been enormously successful and have been among the strongest tools in building Southern California's high degree of water reliability and resilience. Additionally, the successful implementation of demand management programs has been cost-effective and reduced the need for spending on infrastructure upgrades and supplemental water supplies. The continuance of these successful programs requires adopting a funding mechanism through the rate structure that enjoys broad support from the Board and the public. Metropolitan staff will be engaging with the Board and Member Agency staff in the coming months to bring forward options for consideration, to adopt a new funding approach by the close of CY 2021.
MET's General Manager Recruitment Process	**Current Update** On August 18, the Metropolitan Board authorized an agreement with The Hawkins Company as the executive search firm for the General Manager recruitment process. The Hawkins Company previously recruited the General Counsel (Jeff Kightlinger and Marcia Scully) and General Auditor (Gerry Riss) positions.

MET's General Manager Recruitment Process-continued	At the September 22 Special Organizational Personnel & Technology (OP&T) Committee, the Board discussed the input process for the job description versus executive profile and discussed the stakeholder engagement process.
	• A *Job Description* is a high-level description of expectations and responsibilities, including specific goals and objectives. It is established via the General Manager's business plan, performance goals, and approved budget.
	• An *Executive Profile* defines leadership core competencies used to identify, screen, and evaluate candidates. It informs and guides the recruitment strategy.
	
	At the October 13 OP&T Committee, the Metropolitan Board discussed the draft Job Description, including an additional responsibility for Human Resources processes and policies, including diversity and inclusion. Additionally, the following recruitment schedule was outlined:
	• Approve updated job description, brochure, and outreach plan
	  o November or December Board
	• Advertise for 30 to 60 days
	  o May need to advertise longer based on holidays
	• Executive Committee to work with Executive Search firm to prepare questions, develop an interview process
	  o November, December, or January Executive Committee
	• Executive Committee to work with Executive Search firm to screen candidates and develop candidate pool for the first round of interviews
	  o January, February, or March Executive Committee
	• Executive Committee to interview candidates and recommend three to five finalists for a Board interview
	  o February, March, or April Executive Committee
	• Board interview final candidates
	  o Special Board meeting to be scheduled

MET's Water Supply Conditions	With estimated total demands and losses of 1.54 million acre-feet (MAF) and a 20% SWP Table A Allocation, Metropolitan is projecting that demands will meet supply levels in Calendar Year (CY) 2020. Based on this, the estimated total dry-year storage for Metropolitan at the end of CY 2020 will remain at approximately 3.1 MAF. A projected dry-year storage supply of 3.1 MAF will be the highest amount for Metropolitan. A large factor in the increase in water storage is because water demands regionally have been at approximately 36-year lows.

MET's Water Supply Conditions-continued	 
Colorado River Issues	**<u>Lake Powell Pipeline Draft Environmental Impact Statement Update</u>** On September 24, 2020, the Utah Division of Water Resources (UDWR) and Washington County Water Conservancy District requested an extended timeline from the U.S. Bureau of Reclamation (Reclamation) to consider comments received on the Lake Powell Pipeline project (LPP) draft Environmental Impact Statement (EIS) submitted by the Colorado River Basin States, Tribes, water users, non-government organizations and members of the public. Following Reclamation's publication of the LPP draft EIS on June 20, 2020, over 14,000 comments were submitted during the public comment period. Metropolitan, the Colorado River Board of California, and the six Colorado River Basin States each submitted comment letters to Reclamation regarding the LPP DEIS. In response to this request for an extension of time, Reclamation will establish a new schedule for preparing a supplement to the draft EIS. The LPP is a proposal by the state of Utah, through UDWR, to construct a pipeline that would divert approximately 86,000acre-feet (AF) of water from Lake Powell near Glen Canyon Dam in Page, Arizona, to Sand Hollow Reservoir near St. George, Utah, for use in Washington County, Utah. The UDWR is proposing to build the LPP to bring a second source of water to Washington County, Utah, to meet future water demands, diversify the regional water supply portfolio, and enhance the reliability of the water supply.

Colorado River Issues - continued

Metropolitan's Colorado River Water Order for 2021

On September 15, Metropolitan submitted its Colorado River Diversion Estimate and Part 417 Consultation Questionnaire (Water Order) to Reclamation for 2021. Submitting the Water Order helps ensure Metropolitan's ability to access available Colorado River supplies fully. Metropolitan's 2021 Water Order estimates a total Colorado River water supply of 1.01 million AF, with a minimum diversion of 561,000 AF and a maximum creation of 450,000 AF of Extraordinary Conservation Intentionally Created Surplus. The Water Order reflects the 45,000 AF of water generated through the Palo Verde Irrigation District/Metropolitan Forbearance and Fallowing Program and the Bard Seasonal Fallowing Program.

Metropolitan Submits Seasonal Fallowing Call for Bard Water District

On September 30, Metropolitan submitted its notice to Bard Water District to fallow up to 3,000 acres of fallowable land during the spring and summer of 2021, which is the maximum allowed under the seasonal fallowing program. In its second year, the program incentivizes farmers in Bard to not irrigate a crop between April 1 and August 30, when water use is high and crop value low. Bard farmers are not obligated to meet the full fallowing call and will respond to Metropolitan's request later this year to determine how many acres will be fallowed next year. Based on 2020 participation, it is anticipated that nearly the full fallowing call will be met.

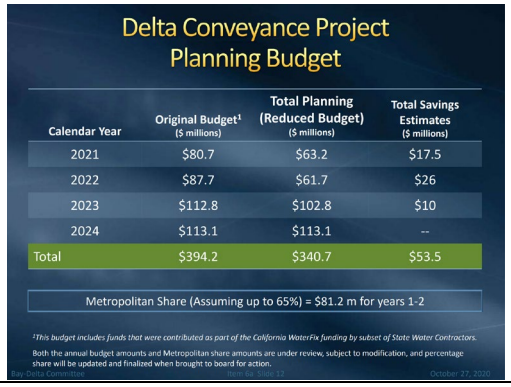
Delta Conveyance Activities and State Water Project Issues

Delta Conveyance

A comprehensive update on Delta Conveyance activities, including the Agreement in Principal for the Delta Conveyance to the State Water Project Contract and discussion regarding the planning budget, funding agreements, and Design and Construction Authority amendments, can be found attached.

Timeline for Future Metropolitan Board Discussions & Actions

By the end of 2020, the MET Board will be asked to commit to planning costs for the Delta Conveyance Project for 2021 and 2022. Assuming MET has up to a 65% share of the project, the forecasted funding agreement costs would be up to $81.2 million for 2021 and 2022. Of note, the Biennial Budget already includes MET's planned contribution of $25 million per year for Delta Conveyance project planning activities. This, in addition to State Water Contract expenditures. Following the same 65% share assumption, MET's forecasted planning costs for all four years would be $221.5 million.



Delta Conveyance Project Planning Budget

Calendar Year	Original Budget[1] ($ millions)	Total Planning (Reduced Budget) ($ millions)	Total Savings Estimates ($ millions)
2021	$80.7	$63.2	$17.5
2022	$87.7	$61.7	$26
2023	$112.8	$102.8	$10
2024	$113.1	$113.1	--
Total	$394.2	$340.7	$53.5

Metropolitan Share (Assuming up to 65%) = $81.2 m for years 1-2

[1]This budget includes funds that were contributed as part of the California WaterFix funding by subset of State Water Contractors.

Both the annual budget amounts and Metropolitan share amounts are under review, subject to modification, and percentage share will be updated and finalized when brought to board for action.

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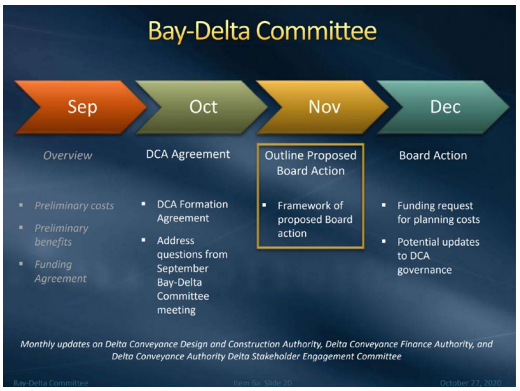
Delta Conveyance Activities and State Water Project Issues – continued

By the end of 2022, the MET Board will be asked to provide additional funding for continued planning costs. A final decision point on the level of MET's participation in the project is expected to occur in the latter half of 2024.



<u>Sites Reservoir</u>

At their September 17 joint meeting, the Sites Authority Board and Reservoir Committee approved Alternative 1 as the Authority's preferred project for the purposes of the Revised Draft EIR analysis and the purposes of the federal and state permitting processes. Alternative 1 includes a 1.5 million acre-feet reservoir size and the utilization of both existing and proposed new facilities, all of which will be in northern California in Glenn, Colusa, Tehama, and Yolo Counties.

Stemming from the recent strategic planning session, the Sites Authority Board and Reservoir Committee also approved a new vision statement - "affordable water sustainability managed for California's farms, cities, and environment for generations to come," a new mission - "the Sites Project Authority will build and operate a climate-resilient, 21st Century water storage system to responsibly manage and deliver water; improve the environment, and provide flood control and recreational benefits;" and defined new values and goals. A legal service contract to provide initial assistance in securing water right approvals for the project was awarded to the firm of Somach, Simmons, and Dunn.

Delta Conveyance Activities and State Water Project Issues - continued	**<u>Regulatory Activities</u>** On September 8-10, Metropolitan staff participated in a Delta Science Program sponsored workshop on the Sacramento River Drainage Spring-run Chinook salmon. The purpose of the virtual workshop was to convene subject-matter experts to develop the best possible approach to accurately estimate the population of spring-run Chinook salmon in the Sacramento River basin, which is a requirement in the DWR State Endangered Species permit (state permit) for SWP operations. Agency and stakeholder input provided at the workshop will be considered to inform the development and implementation of the Juvenile Production Estimate (JPE) for Spring-run Chinook salmon. The JPE will set action triggers for managing State Water Project operations under the state permit. Metropolitan staff also continued to participate in the collaborative groups called for in the 2019 federal Endangered Species permit for the State Water Project (SWP) and Central Valley Project (CVP), and the 2020 state permit for Long-term Operation of the SWP, to address science needs to inform management and operation of the water projects. The Delta Coordination Group coordinates the CVP and SWP management for federally listed species and is currently focused on Delta smelt summer/fall actions. The Longfin smelt Science Program is the cooperative science technical team to inform the longfin smelt management under the state permit. **<u>Science Activities</u>** Metropolitan staff continued participating in the Collaborative Science and Adaptive Management Program (CSAMP), including participation on the Collaborative Adaptive Management Team (CAMT). The September 15 CAMT meeting included a presentation on the draft report for the Coordinated Salmonid Science Plan project. The presentation provided a summary of the methods used to identify and prioritize salmon activities and the project results. Metropolitan staff is reviewing and preparing comments on the report. CAMT also received an update on the efforts to monitor habitat restoration in the Delta and discussed priorities for the CAMT work plan for 2021/22. Metropolitan's Bay-Delta Initiatives (BDI) staff, Ms. Alison Collins, and Dr. Shawn Acuña, with co-authors from Cramer Fish Sciences, ICF consultants, DWR, and the U.S. Bureau of Reclamation, published a paper on a Chinook salmon predation study. Chinook salmon were exposed to largemouth bass in a net pen under different conditions to evaluate the effects of man-made structures and aquatic weeds on predation. The results showed that aquatic weeds were a significant factor in affecting predation by Largemouth bass. The study was supported by grant funding from the California Department of Fish and Wildlife. The Interagency Ecological Program is holding its annual workshop virtually with workshop sessions held in two-hour blocks from August 25 to October 13, 2020. BDI staff is participating in the workshop, and sessions are addressing a variety of Delta science topics, including Delta fish abundance and habitats, aquatic vegetation

Delta Conveyance Activities and State Water Project Issues - continued	management, environmental stressors, and activities in Suisun Marsh. On September 15, BDI staff person Dr. Corey Phillis gave a presentation on an on-going study to model juvenile Chinook salmon response to food web subsidies from rice field drain water in the Sacramento River. **<u>Delta Flood Emergency Management Plan</u>** DWR is conducting emergency response exercises to train personnel, test response effectiveness, and upgrade Delta emergency preparedness plans. A large-scale emergency exercise is planned in spring 2021 involving multiple-island failures requiring robust response measures of the Delta Flood Emergency Management Plan (DFEMP), including the emergency freshwater pathway. It is planned as a tabletop exercise requiring preliminary testing in fall 2020 to prepare for a more comprehensive spring exercise. DWR is preparing input materials and manuals for the exercise and will use findings to prepare an after-action report and update the DFEMP. In connection with these processes, DWR conducts monthly meetings to review DWR and USACE emergency stockpile inventories and local emergency supplies and machinery for levee breach repairs.
ENGINEERING & PLANNING	
Economic Benefit Studies and Modeling Work to Quantify the Benefits of Local Projects in the Context of MET's 2020 Integrated Resources Plan (IRP)	MWDOC staff is working on getting the contracts in place with the Brattle Group and CDM Smith to coordinate the Economic Benefits Studies and modeling work. In this process, the consulting team will be working with MWDOC and the member agencies regarding the survey issues with businesses in Orange County.
Doheny Ocean Desalination Project	South Coast Water District (SCWD) continues working on the project: • SCWD submitted its NPDES permit application on March 13, 2020. SCWD anticipates approval of the NPDES permit in Early/Mid 2021. The next step would be the Coastal Commission, with a permit expected in Mid-2021. • Work is progressing on the Financial Analysis for a 2 mgd and 5 mgd scenario through Clean Energy Capital. SCWD is coordinating the financial analysis with the Alternative Energy Study. • Work is also progressing on an Alternative Energy Study for the project. A draft report is under review by SCWD. • Working groups are underway for a third party hydrogeology review. Two meetings have taken place in July and a third in August 2020.

Doheny Ocean Desalination Project-continued	On June 25, 2020, the SCWD Board approved an amendment to the Clean Energy Capital Financial Analysis to evaluate alternative project options that meet reliability benefits for SCWD similar to the Doheny Desalination Project, along with reducing overall life-cycle costs in light of the uncertain economic situation moving forward due to the COVID-19 pandemic. The Doheny Desalination Project is currently sized at a capacity of up to 5 MGD, which exceeds SCWD's average potable water demand expected during emergencies. SCWD has only received interest from SMWD for about 1 mgd of supply from Doheny. This leaves South Coast with potential capacity for others in a 5 MGD facility. Based on this, along with regional financial hardships caused by the COVID-19 pandemic and possible economic recession, SCWD believes that it is necessary to consider alternative, potentially lower-cost project options to utilize and potentially expand existing assets as a means to meet their reliability needs. This amended study will review design parameters and existing conditions at SCWD's existing Groundwater Recovery Facility (GRF) to obtain a comprehensive understanding of the actual production capacity of the GRF and current limitations and reliability concerns. A range of additional water production volumes needed to maintain emergency reliability for SCWD will be developed. Current estimates are that 1.2 to 2.2 mgd of additional reliability will be needed for SCWD based on a GRF production volume of 0.8 mgd.
SMWD San Juan Watershed Project	Santa Margarita WD focuses on diversifying its water supply portfolio for south Orange County residents, businesses, schools, and visitors through the San Juan Watershed Project. 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 way to increase production beyond 5 mgd. Fish passage and regulatory hurdles to satisfy subsurface travel time requirements are being tackled. 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 with an ability to meet the required travel time. SMWD believes that groundwater production and groundwater treatment 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. SMWD believes the new project area may 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.

South Orange County Emergency Service Program	MWDOC, IRWD, and Dudek have completed the study to determine if the existing IRWD South Orange County Interconnection capacity for providing emergency water to South Orange County can be expanded and/or extended beyond its current time horizon of 2030. Dudek participated in the November 6, 2019, SOC workshop to re-engage with the SOC agencies on this project. Support from the agencies was expressed to take a small next step to install Variable Frequency Drives at a pump station within IRWD, which SOC would pay to help move water from the IRWD system to SOC in an emergency. The Variable Frequency Drives will provide more flexibility to the IRWD operations staff to allow additional water to be sent to SOC while meeting all IRWD needs.
Strand Ranch Project	MWDOC and IRWD are continuing to exchange ideas on implementing the program to capture the benefits that can be provided by the development of "extraordinary supplies" from the Strand Ranch Project. Staff from MWDOC and IRWD met in August 2020 and will begin reaching out to other agencies to determine the project's level of interest.
Poseidon Resources Huntington Beach Ocean Desalination Project	The Santa Ana Regional Water Quality Control Board (SARWQCB) continues to work with Poseidon to renew the National Pollutant Discharge Elimination System (NPDES) Permit for the proposed HB Desalination Project. The renewal of the NPDES permit for the proposed desalination facility requires a California Water Code section 13142.5(b) determination in accordance with the State's Ocean Plan (a.k.a. the Desalination Amendment). To make a consistency determination with the Desalination Amendment, the Regional Board is required to analyze the project using a two-step process: 1. Analyze separately as independent considerations a range of feasible alternatives for the best available alternative to minimize intake and mortality of all forms of marine life: a. Site b. Design c. Technology d. Mitigation Measures 2. Then consider all four factors collectively and determine the best combination of feasible alternatives. Regional Board staff reviewed hundreds of documents and input from both an independent reviewer and a neutral 3rd party reviewer to develop Tentative Order R8-2020-0005. The key areas required by the Ocean Plan on which the Santa Ana Water Board is required to make a determination includes: • Facility onshore location; • Intake considerations including subsurface and surface intake systems; • Identified need for the desalinated water; • Concentrated brine discharge considerations;

Poseidon Resources Huntington Beach Ocean Desalination Project-continued	• Calculation of the marine life impacts; and • Determination of the best feasible mitigation project available. In evaluating the proposed project, Santa Ana Regional Board staff interpreted "the identified need for the desalinated water" as to whether or not the project is included in local area water planning documents, rather than a reliability need as analyzed in the OC Water Reliability Study. The Regional Board staff referenced several water planning documents; Municipal Water District of Orange County's (MWDOC) 2015 Urban Water Management Plan (UWMP), the OC Water Reliability Study, OCWD's Long Term Facilities Plan, and other OCWD planning documents in their evaluation of Identified Need. On December 6, 2019, SARWQCB, Regional Board staff conducted a workshop in Huntington Beach that was heavily attended with a considerable range of views expressed at the meeting. Several of the SARWQCB members were somewhat confused about the evaluation of "Identified Need" for the project (inclusion in local water planning documents vs. an identified reliability need for the project) and requested staff to help them understand the issue better. On May 15, 2020, SARWQB held a second workshop, which focused on the identified need for the desalinated water and marine life mitigation requirements. Karl Seckel presented to the Regional Board on several topics including MWDOC's role in Orange County, alternative definitions of "need" for a water supply project and the role of water agencies, Urban Water Management Plans, non-mandated planning documents, and what was and was NOT in the 2018 OC Water Reliability Study. On September 15, 2020, the Regional Board postponed action on the waste discharge permit renewal at Poseidon's request. Poseidon requested additional time to address concerns raised in three days of public hearings, among them: the need and cost of desalinated water; OCWD's commitment to purchase the supply; the harm to marine life caused by the facility's intake process; and whether the Bolsa Chica wetlands Marine Life Mitigation Plan satisfies the state's Ocean Plan requirements for seawater desalination plants. Poseidon informed the Regional Board that it plans to evaluate the mitigation recommendations, work with resource agency and board staffs, and expects to complete the process within 45-60 days. Assuming success at the Regional Board, Poseidon would then seek its final permits from the California Coastal Commission (CCC). The CCC has committed to reviewing the permit within 90 days of the SARWQCB NPDES permit issuance.
Trampas Canyon Dam and 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)

Trampas Canyon Dam and Reservor-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 Project Status - Complete 2. Dam and Pipelines Project Status – A Dedication Ceremony was held on October 9, 2020. SMWD and the Contractor are still working through a few issues that require resolution before the DSOD permit to fill the Reservoir can be obtained: a. Potential for the need to replace structural slurry in the cut off wall of the West Dam. b. The need to replace five piezometer deep wells on the Main Dam face. Ten to twelve weeks of smaller-scale construction activity, including Startup and Commissioning, is required to complete the overall project. 3. Pump Station Project Status – The construction period for the Pump Station began in January and is likely to be substantially complete by mid-November. This date has been delayed by six weeks due to late projected deliveries of the special pump control valves. The Pump Station is not needed to operate the Dam & Reservoir for filling purposes, so the control valve delay is considered inconsequential. AECOM and SMWD will be submitting the Emergency Action Plan (EAP) for Trampas Dam in mid-October to CalOES for review and approval. The approval of this Plan is a prerequisite to DSOD issuing a permit to operate Trampas Dam.
NAWI – National Alliance of Water Innovation	Karl Seckel has continued meeting as part of the Municipal Water Core Team process. The overall vision of NAWI is developing non-traditional water sources at pipe-parity costs of existing water sources today - this is an *aspiration*, not a *prediction!* Roadmaps are being prepared for five water end-user types and will be blended into an overall Roadmap by the end of the calendar year: 1. Power 2. Resource Extraction 3. Industrial 4. Municipal 5. Agricultural The Roadmapping Process includes the following steps: 1. Vision (current step, soon moving into the others) 2. Targets/Milestones

NAWI – National Alliance of Water Innovation-continued	3. GAPS/Challenges 4. Solutions 5. Action Plans Hopefully, by the end of this calendar year, solutions and action plans to fill the GAPS and resolve challenges will emerge to prioritize investments, starting with $100M from the Electric Power Research Institute. Water sources being considered in the Water Roadmap includes: 1. ocean water 2. inland brackish groundwater 3. industrial wastewater 4. municipal wastewater 5. mining wastewater 6. conventional produced water 7. unconventional produced water 8. power/cooling wastewater 9. agricultural wastewater
AMP Shutdown in 2021 to Replace PCCP Sections	In 2016, MET initiated a Prestressed Concrete Cylinder Pipe (PCCP) rehabilitation program to install 100 miles of steel liner throughout the MET system to address structural issues associated with prestressed steel wire failures in PCCP. As part of the program, MET monitors PCCP for wire breaks regularly. MWDOC staff was notified that a recent internal inspection of the AMP, which included an electromagnetic survey of the pipeline, revealed two pipe segments with increased wire breaks within the PCCP portion South of OC-70. Metropolitan Engineering considers this section of the pipeline high-risk, which will require relining. The minimum relining length needed would be approximately 1,000 feet, which would require a minimum 1-month shutdown only South of OC-70. A longer shutdown duration would allow Metropolitan to reline approximately 3,300 feet, reducing the number of shutdowns needed for future relining of the entire PCCP portion of the AMP and reducing the overall construction shutdown costs. MET had initially scheduled the AMP PCCP relining to begin in about five years, but based on the survey; this initial section's relining has been accelerated. MET's engineering group considers three pipe segments within a 1,000 linear foot reach downstream of OC-70 as an increased risk due to the segments having 20 or more wire breaks. MET does not recommend that repairs to these segments wait until Fall 2021. MWDOC staff coordinated a meeting with all AMP participants on May 13, 2020, to discuss the options for the proposed shutdown. Two MWDOC member agency projects are also scheduled around the same time as the pending AMP shutdown; a South Coast Water District vault rehabilitation on the JTM that was previously postponed due to the previous Diemer shutdown, and Santa Margarita Water District relocation of a portion of the Aufdenkamp Connection Transmission Main (ACTM) to accommodate the I-5 widening project. The South Coast project is scheduled for completion by the beginning of February 2021.

AMP Shutdown in 2021 to Replace PCCP Sections - continued	SMWD notified the MWDOC staff of pipe supply delays that could delay returning the ACTM to service. As the ACTM is needed to provide water during an AMP shutdown, this would subsequently delay the AMP shutdown. MWDOC staff asked SMWD to explore options for expediting the ACTM project. The pipe manufacturer indicated that overtime work would expedite pipe delivery at the cost of approximately $35,000, increasing the likelihood of completing the ACTM relocation by March 31, 2021, and allowing time for the AMP shutdown to occur before high water demand months. MWDOC staff coordinated a meeting with all affected AMP participants on August 12, 2020, to discuss the regional value of expediting the ACTM relocation and possible cost-sharing options. The SOC agencies agreed to share the costs of expediting the pipe manufacture work. MET has requested a 7-day extension of the AMP shutdown due to difficulties obtaining a 24/7 permit from the City of Irvine and feedback from potential bidders that a 30-day shutdown for planned AMP repairs is insufficient. With the extension, the shutdown is planned for April 3, 2021, through May 9, 2021. Staff is continuing to work with affected agencies and will keep both the Board and the AMP Participants informed as more information becomes available.
Other Shutdowns	**Orange County Feeder** MET is planning to reline and replace valves in a section of the Orange County Feeder from Bristol Ave to Corona Del Mar – this is the last section of this 80-year old pipeline to be lined. A meeting was held on August 27, 2020, between staff from MET, MWDOC, and Mesa WD, and a plan was developed to allow the shutdown to move forward while addressing MWDOC member agency concerns. Staff will continue to work with our member agencies and MET through this shutdown. Due to CIP budgeting changes, MET has proposed new shutdown dates of September 15, 2021, through June 15, 2021. MET will be re-evaluating this Orange County Feeder relining project in the June 2021 budget review. **Joint Transmission Main** SCWD is planning a rehabilitation project of their CM-10 vault in early 2021 on the Joint Transmission Main (JTM), including replacing existing valves. MWDOC coordinates this work with MET and SCWD, so the above referenced AMP shutdown and this project do not overlap. **Aufdenkamp Connection Transmission Main** SMWD is currently working on a relocation of the ACTM pipeline for the I-5 widening project. We are also coordinating with MET and SMWD, so the above referenced AMP shutdown and this project do not overlap. **OC Feeder extension** MET is planning to reline 300-linear feet of the OC Feeder extension affecting the City of Newport Beach. Due to CIP budgeting changes, MET has proposed revised

Other Shutdowns-continued	shutdown dates of June 16, 2022, through July 10, 2022. MET will be re-evaluating this Orange County Feeder relining project in the June 2021 budget review. **Lake Mathews Forebay** MET is also planning a shutdown of the Lake Mathews Forebay for maintenance and repair work, which will affect the Santiago Lateral from March 1-14, 2021. Staff is currently coordinating with MET and IRWD & Trabuco Canyon WD on this shutdown. **Irvine Cross Feeder** MET is planning a PCCP Inspection of the Irvine Cross Feeder November 2-4, 2020, affecting Newport Beach, Huntington Beach, and Mesa WD. Staff is currently coordinating with MET and our affected agencies on this shutdown.
EMERGENCY PREPAREDNESS	
October Incidents/ Events:	➢ (Public Safety Power Shutoff, Red Flag Warning, Silverado Fire, Blue Ridge Fire, Smoke Advisory and Orange County Demonstrations) ➢ Beginning October 23rd, following the WEROC PSPS Standard Operating Procedure, WEROC sent information out to agencies on the weather and Southern California Edison and San Diego Gas and Electric potential circuits to be shut off based on the Red Flag Warning and predicted Santa Ana Event. ➢ On October 26th, two fires started in Orange County (Silverado and Blue Ridge) ➢ WEROC coordinated with impacted agencies throughout the events and provided updates to all member agencies. ➢ WEROC communicated with MET regarding their systems, including the status of Diemer. ➢ WEROC did logistical coordination between agencies for potential mutual aid needs for generators. ➢ WEROC maintained coordination as a liaison with the OA EOC and the Incident Command Posts. ➢ WEROC, following the Smoke Advisory Procedure, provided updates for advisories to the member agencies. ➢ Throughout October, numerous demonstrations were scheduled in different member agency service areas. Open-source information was shared with the member agencies on these events to brief field operations and employees where these locations are for safety reasons. This information will continue to be shared with member agencies.
WEROC Program Assessment	➢ Vicki has completed the WEROC Assessment Report. She conducted interviews with employees, member agencies, governing documents, and national standards to perform her assessment. This document is shared with

WEROC Program Assessment -continued	the MWDOC Board of Directors in a three-part series during the P&O Committee meetings. ➢ Part 1 - What emergency management is, the organization, the history of WEROC. ➢ Part 2 - WEROC Strengths, Programs, and Key Findings ➢ Part 3 - Recommendations ➢ These presentations are being made at the MWDOC Manager, MET Managers, and the WEROC Funding agencies meetings.
America's Water Infrastructure Act (AWIA)	➢ WEROC and its consultant, Herndon Solutions Group (HSG), are continuing to work with WEROC agencies to achieve compliance with America's Water Infrastructure Act (AWIA). ➢ There are 18 agencies (both Tier I & II) working concurrently on their AWIA requirements. ➢ Final Emergency Response Plan presentation workshops occurred in September for the Tier 1 agencies with their plans due to EPA by September 30, 2020. All agencies did successfully self-certified by the due date. ➢ Tier II virtual meetings continue to occur for the Risk and Resiliency Assessments (RRA) due in December 2020. Agencies are already receiving their full draft reports for review. ➢ The city of Seal Beach reached out to WEROC in September and rejoined the AWIA project as a Tier 3 agency for Phase 2 & 3. Additionally, the East Orange County Water District will be proceeding with Phase 3. ➢ The city of San Juan Capistrano was formally withdrawn from the AWIA project due to the SMWD merger. They were a Tier 3 agency.
Communication and Coordination with Member Agencies and Outside Agencies	➢ On October 6th, the City of Tustin signed the WEROC (VEPO) agreement at their City Council meeting and has submitted the official paperwork to WEROC. The City of Tustin also joined CalWARN ➢ The Operational Area Agreement went into effect on September 26, 2020. The Orange County Sheriff Department sent Assistance General Manager Karl Seckel a request to identify the representation for the Operational Area Executive Board. Vicki will be the primary representative of the Water and Waste Water Mutual Aid. ➢ The Operational Area requested all agencies to submit their 2020 NIMS reporting to the OA by October 28th. This report is essential for agencies to complete to show compliance with NIMS. Vicki has made herself available for any agencies that may have questions. The due date submitted MWDOC/WEROC NIMS information. ➢ On October 15th, WEROC coordinated with the Orange County Intelligence Assessment Center regarding a cyber-bulletin. ➢ October 22nd was the Mutual Aid Regional Advisory Committee (MARAC) Quarterly meeting. Items on the agenda included recovery, training update, hazard mitigation, Southern California Edison presentation, the California Earthquake Warning California Program, and the California Adaptation Planning Guide.

Emergency Operations Center Readiness and Systems	➢ Daniel has been focusing on system checks and ensuring the Emergency Operations Centers' operational and communication systems are operational. ➢ Daniel has completed the annual recertification of fire safety systems at the EOCs. ➢ The WEROC team is working on the data management of all files. ➢ Janine continues to update contact lists and process sheets in Safety Center. ➢ Vicki has reached out to the Operational Area to update the Resource Management and Resource Request board issues. A coordination meeting to work on this issue has been scheduled for the beginning of November.
Standardized Emergency Management System and the National Incident Management System	➢ The training was delivered to 32 people in attendance for the October 6-8th ➢ ICS 300 – Intermediate Command System training was delivered on October 12- 16th. Unfortunately, the October 26 – 30th class was only able to meet one day, and then it was canceled due to the fires. This class will be rescheduled for January. ➢ ICS 400 – Advance Incident Command has been approved by the state and offered the week of November 9th.
COVID-19 (Corona Virus) Coordination	➢ As of October 27th, Orange County remains in the red tier due to its numbers over the past two weeks. WEROC provides updated information from the County Health Care Agency and the state as it is released and available. ➢ WEROC continues to monitor the State and County for changing information and is sharing information with agencies as it becomes available. ➢ WEROC is participating in the weekly Operational Area Conference calls. ➢ WEROC continues to hold bi-weekly conference calls on Tuesdays with member agencies to report on Federal, State, and County changes. Calls continue to support the sharing of information between agencies, logistics, legislation, and recovery updates. Additionally, agencies have an opportunity to share best practices or ask other agencies for input on an issue they are encountering. Post COVID-19, these calls will transition into different topics and continue as long as the agencies' information benefits. ➢ WEROC is monitoring the legislation related to COVID-19 and working with Government Affairs. ➢ WEROC continues to support agencies daily by answering their questions. Vicki has provided agency assistance with OSHA training and guidance on requirements due to the current COVID conditions.

WATER USE EFFICIENCY

Orange County Data Acquisition Partnership (OCDAP) Meeting	On October 12, Steve Hedges and Rachel Waite attended the OCDAP meeting. Those in attendance included OCDAP working group members. Topics on the agenda included: • Participation Agreement Tracking Log • OCDAP Cycle 1 Payment • Deliverables and Flight Status Update • OCDAP Website: Host and Content • Authorized User Agreements and Data Use • OCDAP Timeline and Lessons Learned • Discussion on OCDAP Steering Committee, Objectives, Mission, and Vision Statements • OCDAP Cycle 1 FAQ Update The next meeting is scheduled for December 14.
City of San Clemente – Leak Detection Kickoff Meeting	On October 13, Rachel Davis, Joe Berg, and Jason Thorsell held a leak detection survey kick-off meeting via Zoom with the City of San Clemente staff. Items discussed included: • Leak Detection Techniques • Survey Area, Schedule, and Scope • Reporting • Questions and Concerns
Orange County Leak Detection Forum	On October 13, Rachel D., Joe, and Jason hosted a Leak Detection Forum via Zoom. Staff from El Toro Water District, the City of San Clemente, Moulton Niguel Water District, and Irvine Ranch Water District joined MWDOC staff to exchange leak detection program ideas and experiences. Topics discussed included: • Leak Detection Survey Area Selection Methods and Criteria • Leak Detection Equipment, acoustic listening devices, correlating loggers, etc. The next Leak Detection Forum is scheduled for December 8.
DWR Water Loss Workgroup	On October 15, the California Department of Water Resources (DWR) held its second Water Loss Workgroup meeting in response to Senate Bill 555. DWR plans to convene this workgroup monthly. Joe was the guest speaker and described the MWDOC Water Loss Control Program. Approximately 80 attendees participated in this meeting

Metropolitan Water District of Southern California (MET) Water Use Efficiency Workgroup Meeting	On October 15, Beth Fahl participated in Metropolitan's Water Use Efficiency Workgroup meeting via Zoom. Topics on the agenda included:
	• Welcome
	• Gas Company Kicker on Rebates
	• October Metropolitan Board Presentations
	  o Multi-Family Property Toilet Replacement Program
	  o Flow Monitoring Device Pilot Program; and Resolution to Support Metropolitan's Application for USBR Grant Funding
	• Metropolitan Educational Programs Update
	  o Landscape Classes
	  o MWEL and WELDCP
	• Metropolitan External Affairs
	• Member Agency Roundtable
	
	The next workgroup meeting is scheduled for November 19 via Zoom.

Project Agreement 22 (PA 22) Advisory Workgroup	On October 19, Rachel W. attended the PA-22 Advisory Workgroup. Topics on the agenda included:
	• SARCCUP Water Budget Assistance
	  o Overview of RFP Edits
	  o Retail Agency Recruitment and Pilot Effort
	  o November 10 PA 22 Recommendation
	• Enhanced Water Budget Prop 1/USBR Project
	  o Project Schedule Update
	  o Overview Of SAWPA/DWR/USBR Discussion Regarding 2018 Statewide Imagery
	  o Next Steps
	• SAWPA Water Use Efficiency Related Invoicing Updates
	• Prop 84 2014 Drought Grant Retention Updates
	
	The next PA 22 Committee meeting is November 10, and the next PA 22 Advisory Workgroup is tentatively scheduled for late November.

Alliance for Water Efficiency (AWE) Research Committee	On October 22, Rachel W. participated in the AWE Research Committee, which water professionals attended across the United States and Canada. Topics on the agenda included: • Research Committee Activity • Committee Member Research Activity Updates • Committee Work Plan for 2021 • AWE Project Updates • CALWEP Research and Evaluation Committee • Other Business/Updates The next meeting is tentatively scheduled for Wednesday, December 16.

Qualified Water Efficient Landscaper (QWEL) Professional Certifying Organizations (PCO) Meeting	On October 22, Andrea Antony-Morr attended the QWEL PCO meeting. The purpose of this meeting is to share updates and resources on the QWEL training program. Topics on the agenda included:
	• Program Update
	  o QWEL Received a WaterSense Excellence Award
	• Online Roundtable
	  o Experiences Implementing QWEL via an Online Format
	
	The next meeting is tentatively scheduled for January 2021.

Grants Tracking and Acquisition Program – Bi-Monthly Informational Call	On October 27, Rachel W. attended the Grants Tracking and Acquisition Program Bi-Monthly Informational call hosted by Joey Soto of Soto Resources and Heather Baez. This meeting informs Orange County retailers of MWDOC's Grants Tracking and Acquisition Program with Soto Resources. Topics on the agenda included: • Program Overview • Program Description and Benefits • New Funding Opportunities • Upcoming Deadlines • Questions The next meeting is scheduled tentatively for December 22.
DWR Standards, Methodologies and Performance Measures Workgroup Meeting	On October 28, Joe and Rachel W. attended the DWR Standards, Methodologies, and Performance Measures Workgroup hosted by DWR. The meeting objectives were (1) to inform the Workgroup, and the public on DWR's process in developing a recommendation for an outdoor water use standard; and (2) Provide an overview of the Workgroup process to support this work. Topics on the agenda included: • 2018 Water Conservation Legislation • Process for the Development of Outdoor Water Use Standard Recommendations • Overview of Landscape Area Measurement Process and Reference Evapotranspiration • Data Analysis to Inform and Support Standard Development • Wrap Up and Next Steps The next meeting is not yet scheduled but is expected to take place in early 2021.
CA-NV AWWA Annual Fall Conference	On October 28, the American Water Works Association California-Nevada Section (CA-NV AWWA) held its Annual Fall Conference. Rachel D. gave a presentation titled "So You Want to Do Leak Detection: Stories from Our First Year" in collaboration with staff from Water Systems Optimization. The presentation was part of a broader Water Management and Efficiency Session and was attended by approximately 40 people.

Orange County Water Use Efficiency Coordinators Workgroup Meeting	On November 5, Joe, Steve, Beth, Rachel W., Andrea, and Rachel D. hosted the Orange County Water Use Efficiency Coordinators Workgroup meeting via Zoom. Highlights on the agenda included:
	• MWDOC Updates
	• Agency Roundtable/Problem Solving
	• Pressure Regulation Legislation
	• Metropolitan On-Site Retrofit Program
	  o Multi-Family Property Toilet Replacement Program
	  o Flow Monitoring Device Pilot Program
	  o MWEL and WELDCP
	• Water Use Efficiency Programs Update
	  o Rebate Processing Platform RFP Update
	  o Pressure Regulating Valves Program
	  o Dedicated Irrigation Meter Services
	  o
	• CalWEP Update
	
	The next meeting is scheduled for December 3.

PUBLIC/GOVERNMENT AFFAIRS	
Member Agency Relations	**Public Affairs Staff:** • Designed and ordered bill inserts for MWDOC member agencies • Coordinated and hosted a Public Affairs Workgroup for member agency public information officers via Zoom • Designed and printed vehicle magnets for the City of San Clemente **Governmental Affairs Staff:** • Participated in the Grants Tracking and Acquisition bi-monthly meeting with member agencies
Community Relations	**Public Affairs Staff:** • Participated in annual "Imagine a Day Without Water" campaign on social media by producing three video interviews with local Orange County business owners and education partner Orange County Coastkeeper
Media Relations	**Public Affairs Staff:** Coordinated with Martin Wiskol on OC Register stories
Education	**Public Affairs Staff:** • Prepared and distributed the Southern California Water-Energy Education Alliance (WEEA) education and industry surveys for feedback on workforce and Career Technical Education program (CTE) interest and needs

Education - continued	• Produced and shared a WEEA promotional video: https://youtu.be/BIxjYv74Szg • Hosted the quarterly WEEA Leadership Roundtable Meeting #6 • Met with Strategic Energy Innovations (SEI) and Metropolitan Water District of Southern California (Metropolitan) to discuss potential partnership opportunities for WEEA • Interviewed by the California Environmental Literacy Initiative on environmental literacy and education • Met with Ten Strands hosted CTE subcommittee on integrating environmental literacy into CTE programs • Met with SEI, Metropolitan, and Inland Empire Utilities Agency to discuss High Road Training Partnerships Grant opportunities • Met with Orange County Coastkeeper regarding potential partnership on education initiatives • Participated in the first session of Tap-In 2020 - Sustainable Education virtual conference hosted by Las Virgenes Municipal Water District • Participated in Metropolitan's Member Agency Education Coordinator's meeting • Attended MWDOC Choice Elementary School Program (K-2) virtual presentation hosted by Shows That Teach for Laguna Niguel Elementary School • Attended MWDOC Choice Elementary School Program (3-6) virtual presentation hosted by Discovery Cube Orange County for Sunset Lane Elementary • Provided information to member agencies regarding participation in Metropolitan's Virtual Solar Cup 2021 • Provided information regarding the MWDOC Choice School Programs to the City of Westminster • Requested participating member agency confirmation of the list of eligible schools in their service areas for participation in the MWDOC Choice School Programs
Special Projects	**Public Affairs Staff:** • Completed Public Affairs Communication Program and Plan updates • Met with Wyland Foundation President and Project Manager to discuss the strategy and execution of My Volunteer Water Project • Researched and coordinated media contact platforms • Created media contact sheet for Water Emergency Response Organization of Orange County (WEROC) • Published several website updates • Completed several websites, electronic, and print updates for MWDOC Water Use Efficiency (WUE) rebate programs • Met with Metropolitan staff to discuss collaboration on Boy and Girl Scouts Merit Badge and Patch clinics • Prepared a resolution for Director Joan Finnegan's retirement • Participated in CalDesal's Virtual Townhall

Special Projects- continued	• Completed annual Boy Scouts of America Youth Protection Training course • Interviewed as the California Association of Public Information Officials Communicator of the Year on staying motivated and engaging others during the COVID pandemic: https://rb.gy/amhjgt • Coordinated Director Dick's participation in Urban Water Institute Virtual Event with Jeff Kightlinger • Began the discovery process with LA Design Studio for Search Engine Optimization of the mwdoc.com website. **Governmental Affairs Staff:** • Sent out ISDOC Quarterly Luncheon reminder email • Sent out a calendar invite and reminder for the bi-monthly grants meeting for MWDOC and member agency grants staff • Staffed the WACO Planning Committee meeting • Collected, filed, and counted the ISDOC Executive Committee election ballots • Worked with MWD staff to coordinate speakers at upcoming MWD Board meetings • Reviewed WACO bylaws and sent corresponding information to the WACO nominating committee for the 2021-2022 Chair and Vice-Chair nomination/election • Sent out final ISDOC Quarterly Luncheon meeting invite • Staffed the ISDOC Executive Committee meeting • Researched ISDOC commendation plaques and shared the information with the executive committee members • Met with Joey Soto to discuss the grants program and future funding opportunities • Participated in Orange County Water Summit staff planning meeting
Legislative Affairs	**Governmental Affairs Staff:** • Sent out federal and state advocacy proposals received to the review committee • Participated in federal and state advocacy proposal review meeting to discuss the proposals received and determine which firms to interview • Met with Andrea Abergel, a new staffer at CMUA, to discuss MWDOC's legislative priorities • Worked with admin staff to schedule federal and state advocacy firm interviews • Participated in CMUA's annual legislative and regulatory planning meeting • Called all firms who received an interview to outline some discussion points the Committee would like them to focus on in their interview • Participated in the ACWA/CMUA SB 200 working group meeting • Participated in the ACWA Region 10 State Legislative Committee planning call • Interviewed six DC-based firms and two Sacramento based firms who sent proposals to provide federal and state advocacy services for MWDOC

Legislative Affairs-continued	• Participated in the ACWA State Legislative Committee Annual Planning meeting and reviewed potential ACWA sponsored legislation • Participated in CSDA's Annual Legislative Planning meeting and reviewed possible CSDA sponsored legislation • Met with the federal advocacy review committee to review and determine which firm to recommend to the Board of Directors

ITEM NO. 11

INFORMATION CALENDAR

MWDOC GENERAL INFORMATION ITEMS

MWDOC BOARD OF DIRECTORS

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

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