

MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
October 13, 2021, 8:30 a.m.

Due to the current state of emergency related to the spread of COVID-19 and pursuant to Government Code Section 54953(e), MWDOC will be holding this Board and Committee meeting 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#

A&F Committee:

Director McVicker, Chair
Director Dick
Director Thomas

Staff: R. Hunter, J. Berg, H. Chumpitazi,
H. De La Torre, K. Davanaugh, C. Harris

Ex Officio Member: Director Tamaribuchi

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

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO 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>.

PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – September 2021
 - b. Disbursement Approval Report for the month of October 2021
 - c. Disbursement Ratification Report for the month of September 2021
 - d. GM Approved Disbursement Report for the month of September 2021

- e. Consolidated Summary of Cash and Investment – August 2021
 - f. OPEB and Pension Trust Fund monthly statement
2. FINANCIAL REPORT - Combined Financial Statements and Budget Comparative for the Period Ending August 31, 2021

ACTION ITEMS

- 3. AUTHORIZE FY 2021-22 BUDGET REVISIONS
- 4. TEMPORARY ACOUSTIC LEAK DETECTION SURVEYS AND STAFF TRAINING
- 5. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) PROPOSED BYLAWS UPDATE

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.)

- 6. 2022 HEALTH BENEFIT RATES
 - a. Association of California Water Agencies (ACWA) Joint Powers Insurance Authority (JPIA) Retiree Medical Insurance Plan Changes
 - b. Consumer Driven Health Plans
 - c. 2022 Health Insurance Rates and Open Enrollment
- 7. CALPERS ANNUAL VALUATION REPORT AS OF JUNE 30, 2020
- 8. INDIVIDUAL CHARGES DISCLOSURE REPORT
- 9. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology
- 10. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

OTHER ITEMS

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

ADJOURNMENT

NOTE: At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process

includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning 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.

**Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
September 2021**

Item 1a

WATER REVENUES

<u>Date</u>	<u>From</u>	<u>Description</u>	<u>Amount</u>
9/01/2021	Trabuco Canyon Water District	July 2021 Water deliveries	111,668.74
9/03/2021	City of Brea	July 2021 Water deliveries	108,621.02
9/07/2021	City of Buena Park	July 2021 Water deliveries	247,901.18
9/07/2021	City of La Palma	July 2021 Water deliveries	2,104.96
9/07/2021	Santa Margarita Water District	July 2021 Water deliveries	2,878,101.32
9/07/2021	Serrano Water District	July 2021 Water deliveries	198,695.65
9/07/2021	South Coast Water District	July 2021 Water deliveries	527,910.21
9/13/2021	City of Garden Grove	July 2021 Water deliveries	673,569.17
9/13/2021	Laguna Beach County Water District	July 2021 Water deliveries	376,090.43
9/13/2021	El Toro Water District	July 2021 Water deliveries	645,050.55
9/14/2021	City of Orange	July 2021 Water deliveries	1,596,342.58
9/14/2021	City of San Juan Capistrano	July 2021 Water deliveries	631,717.46
9/15/2021	Golden State Water Company	July 2021 Water deliveries	880,547.26
9/15/2021	Irvine Ranch Water District	July 2021 Water deliveries	2,638,346.22
9/15/2021	Moulton Niguel Water District	July 2021 Water deliveries	2,803,301.31
9/15/2021	Orange County Water District	July 2021 Water deliveries	387,228.44
9/15/2021	Yorba Linda Water District	July 2021 Water deliveries	2,356,056.92
9/15/2021	East Orange County Water District	July 2021 Water deliveries	1,164,534.39
9/24/2021	City of Huntington Beach	August 2021 Water deliveries	542,252.32
9/27/2021	City of Newport Beach	August 2021 Water deliveries	223,078.47
9/29/2021	Serrano Water District	August 2021 Water deliveries	198,617.95

TOTAL WATER REVENUES \$ 19,191,736.55

**Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
August 2021**

MISCELLANEOUS REVENUES

<u>Date</u>	<u>From</u>	<u>Description</u>	<u>Amount</u>
9/02/2021	Cordoba Corporation	9/30/2021 Water Policy dinner	850.00
9/07/2021	Best, Best and Krieger	9/30/2021 Water Policy dinner	90.00
9/13/2021	Water Systems Consulting, Inc.	9/30/2021 Water Policy dinner	850.00
9/17/2021	Paypal	9/30/2021 Water Policy dinner	8,416.15
9/29/2021	Atkinson, Andelson, Loya, Ruud & Romo	9/30/2021 Water Policy dinner	850.00
9/30/2021	Paypal	9/30/2021 Water Policy dinner	3,532.19
9/02/2021	Patricia Meszaros	September 2021 Retiree Health insurance	40.63
9/07/2021	Karl Seckel	September 2021 Retiree Health insurance	241.40
9/20/2021	Stan Sprague	October 2021 Retiree Health insurance	241.40
9/29/2021	Keith Lyon	October 2021 Retiree Health insurance	271.85
9/20/2021	Igoe and Company Inc	COBRA and Retiree vision insurance	70.98
9/07/2021	US Bank	CAL Card rebate check	395.28
9/30/2021	US Bank	Monthly Interest payment	4.86
9/21/2021	US Bank Custodial Account	National Rural Utilities and Citigroup Interest payment	1,666.67
9/27/2021	US Bank Custodial Account	Barclays Bank Interest payment	2,835.62
9/15/2021	SDRMA	2020-21 Annual Workers Compensation reconciliation refund	344.26
9/20/2021	Moulton Niguel Water District	July 2021 Rotating Nozzle rebate program	140.00
9/13/2021	El Toro Water District	July 2021 Smartimer rebate program	75.00
9/20/2021	Irvine Ranch Water District	July 2021 Smartimer rebate program	3,149.99
9/20/2021	El Toro Water District	May 2021 Smartimer and Turf Removal rebate program	1,722.66
9/10/2021	City of Brea	July 2021 Turf Removal rebate program	111.00
9/10/2021	City of Tustin	July 2021 Turf Removal and Spray to Drip rebate program	666.00
9/13/2021	City of Orange	July 2021 Turf Removal and Spray to Drip rebate program	444.00
9/20/2021	El Toro Water District	May 2021 So Cal Watersmart rebate program	405.00
9/10/2021	City of San Clemente	July 2021 So Cal Watersmart rebate program	375.00
9/20/2021	Irvine Ranch Water District	July 2021 So Cal Watersmart rebate program	110.00
9/20/2021	Moulton Niguel Water District	July 2021 So Cal Watersmart rebate program	3,800.00
9/01/2021	Trabuco Canyon Water District	Water Loss Control Shared Services Year III	3,105.00
9/22/2021	Yorba Linda Water District	Water Loss Control Shared Services Year III	15,840.00
9/27/2021	City of Santa Ana	Water Loss Control Shared Services Year III	990.00
9/10/2021	City of Huntington Beach	Water Loss Control technical assistance - WSO, Inc. Year VI	3,568.00
9/22/2021	Yorba Linda Water District	Water Loss Control technical assistance - WSO, Inc. Year VI	23,680.00
9/27/2021	City of Santa Ana	Water Loss Control technical assistance - WSO, Inc. Year VI	5,804.00
9/03/2021	City of Brea	FY 2021-22 Choice Programs Billing Invoice	15,190.55
9/07/2021	City of Fountain Valley	FY 2021-22 Choice Programs Billing Invoice	11,712.28
9/07/2021	Serrano Water District	FY 2021-22 Choice Programs Billing Invoice	1,340.32
9/09/2021	Mesa Water District	FY 2021-22 Choice Programs Billing Invoice	50,134.81
9/10/2021	City of Westminster	FY 2021-22 Choice Programs Billing Invoice	23,686.07
9/13/2021	City of Garden Grove	FY 2021-22 Choice Programs Billing Invoice	16,041.01
9/13/2021	Golden State Water Company	FY 2021-22 Choice Programs Billing Invoice	2,072.39
9/13/2021	Laguna Beach County Water District	FY 2021-22 Choice Programs Billing Invoice	1,888.03
9/15/2021	East Orange Co Water District	FY 2021-22 Choice Programs Billing Invoice	1,393.41
9/15/2021	Trabuco Canyon Water District	FY 2021-22 Choice Programs Billing Invoice	34,683.12
9/17/2021	City of Huntington Beach	FY 2021-22 Choice Programs Billing Invoice	60,956.82
9/17/2021	City of Seal Beach	FY 2021-22 Choice Programs Billing Invoice	2,560.51
9/17/2021	City of Tustin	FY 2021-22 Choice Programs Billing Invoice	31,227.47
9/20/2021	City of La Habra	Fy 2021-22 Choice Programs Billing Invoice	14,186.27
9/20/2021	Moulton Niguel Water District	FY 2021-22 Choice Programs Billing Invoice	163,209.80
9/20/2021	Santa Margarita Water District	FY 2021-22 Choice Programs Billing Invoice	91,206.53
9/20/2021	South Coast Water District	FY 2021-22 Choice Programs Billing Invoice	108,699.14
9/24/2021	City of San Clemente	FY 2021-22 Choice Programs Billing Invoice	31,799.89
9/27/2021	City of La Palma	FY 2021-22 Choice Programs Billing Invoice	1,971.61
9/27/2021	City of Orange	FY 2021-22 Choice Programs Billing Invoice	35,640.54
9/20/2021	Moulton Niguel Water District	WEEA Sponsorship FY 2021-22	2,500.00
9/22/2021	Western Municipal Water District	WEEA Sponsorship FY 2021-22	1,000.00
9/29/2021	Los Angeles Department of Water and Power	WEEA Sponsorship FY 2021-22	5,000.00
9/15/2021	Orange County Water District	WEROG Funding for FY 2021-22	130,173.00

TOTAL MISCELLANEOUS REVENUES \$ 922,960.51
TOTAL REVENUES \$ 20,114,697.06


Robert J. Hunter, General Manager


Hilary Chumpitazi, Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2021**

Vendor/ Invoice	Description	Amount to Pay
ABSG Consulting Inc		
5107544	August 2021 Owner's Representative and relocation services for MWDOC office remodel	24,221.90
Total		<u>24,221.90</u>
ACCO Engineered Systems Inc		
20158239	9/1-11/30/21 HVAC Preventative Maintenance	1,014.00
20166332	Installation of bipolar ionization for the HVAC system	8,917.05
Total		<u>9,931.05</u>
Richard C Ackerman		
1314	Sept. 2021 Legal Consulting on Water Issues	2,550.00
Total		<u>2,550.00</u>
ACWA		
10122	2022 Annual membership dues	23,705.00
Total		<u>23,705.00</u>
Aleshire & Wynder LLP		
63666	August 2021 Legal Services	1,640.50
Total		<u>1,640.50</u>
Best Best and Krieger LLP		
913923	July 2021 Services for State legislative advocacy	8,000.00
55401-AUG21	August 2021 Legal Services	28,869.14
914354	August 2021 Services for State legislative advocacy	8,000.00
Total		<u>44,869.14</u>
The Brattle Group Inc		
63781	July 2021 Services for the Economic Benefit Studies and Modeling Work	6,250.00
63782	August 2021 Services for the Economic Benefit Studies and Modeling Work	11,750.00
Total		<u>18,000.00</u>
CDW Government		
K818687	Crowdstrike Malware end point protection for one year - Emergency purchase	42,562.32
Total		<u>42,562.32</u>
Hunter T Cook		
93021	July-Sept. 2021 Retiree medical premium	1,536.00
Total		<u>1,536.00</u>
Costco Wholesale		
547157783	Costco annual membership renewal	120.00
Total		<u>120.00</u>

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2021**

Vendor/ Invoice	Description	Amount to Pay
Edward G Means III		
MWDOC-1097	Sept. 2021 MET issues & strategic guidance to staff	1,562.50
MWDOC-1302	Sept. 2021 East Orange County Feeder #2 Emergency Pilot Project Consulting Services	687.50
Total		<u>2,250.00</u>
GovConnection Inc		
71862183	Smartnet annual maintenance renewal for Cisco router and switch	770.35
Total		<u>770.35</u>
Hashtag Pinpoint Corporation		
1472	Bolsa Chica Virtual Tour Videos	2,950.00
1480	Sept. 2021 Social Media consultation & service	7,913.00
Total		<u>10,863.00</u>
IDS Group Inc		
18X093.02-9	July 2021 Seismic retrofit design and project support MWDOC office remodel	2,712.50
18X093.0-15	August 2021 Seismic retrofit design and project support MWDOC office remodel	6,800.00
18X093.2-10	August 2021 Seismic retrofit design and project support MWDOC office remodel	1,117.09
Total		<u>10,629.59</u>
Lawnscapes Systems Inc		
422342	9/21/21 Landscape Maintenance for Atrium	495.00
Total		<u>495.00</u>
Phil Letrong		
93021	July-Sept. 2021 Retiree medical premium	445.50
Total		<u>445.50</u>
Lewis Consulting Group		
2021-128	September 2021 Consulting services	3,687.50
Total		<u>3,687.50</u>
Keith Lyon		
93021	July-Sept. 2021 Retiree medical premium	891.00
Total		<u>891.00</u>
Mega Maids Cleaning Service		
12060	September 2021 Cleaning services for COVID-19 prevention	540.00
Total		<u>540.00</u>
Natural Resource Results LLC		
3583	Sept. 2021 Federal legislative advocacy services	8,000.00
Total		<u>8,000.00</u>

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2021**

Vendor/ Invoice	Description	Amount to Pay
NDS		
789423	8/27/21 Board packet delivery service	186.50
790026	9/3/21 Board packet delivery service	186.50
790328	9/10/21 Board packet delivery service	186.50
Total		<u>559.50</u>
Jeffrey Haugh		
09232021-01	Sept. 2021 Fire protection engineering services for MWDOC office remodel	5,750.00
Total		<u>5,750.00</u>
Office Depot Inc		
194619748001	9/9/21 Office supplies	24.39
194089549001	9/13/21 Office supplies	126.97
2525863888	Printing for 9/30/21 Water Policy Forum and Dinner	261.28
2526104864	Printing for 9/30/21 Water Policy Forum and Dinner	1.23
Total		<u>413.87</u>
Office Solutions		
I-01919841	9/28/21 Office supplies	75.78
Total		<u>75.78</u>
Optima RPM Inc		
5000422	Sept. 2021 Construction services for MWDOC office seismic improvements and remodel	104,027.08
Total		<u>104,027.08</u>
Orange Coast Plumbing Inc		
24685	Drain descaling, clean out, and camera at MWDOC office	1,705.48
Total		<u>1,705.48</u>
Orange County Water District		
23448	August 2021 Postage, shared office and maintenance expense	6,168.58
Total		<u>6,168.58</u>
PeopleSpace		
DEPSO1030921.1	40% Payment upon shipment on purchase of furniture for Phase 3 of MWDOC office remodel	57,063.24
INV52195	Final payment on furniture for Phase 1 & 2 of MWDOC office remodel	11,762.18
INV52720	Final payment on additional furniture for Phase 1 & 2 of MWDOC office remodel	1,000.06
Total		<u>69,825.48</u>
Resilient Communications		
802761	Replacement power injector for wireless access point	140.78
Total		<u>140.78</u>

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2021**

Vendor/ Invoice	Description	Amount to Pay
Karl Seckel		
100121	Oct. 2021 Retiree medical premium	657.60
Total		<u>657.60</u>
Joey C Soto		
2021-MWDOC-GA- AUG-43	August 2021 Grant Research and Acquisition services	3,250.00
2021-MWDOC-GA- SEP-45	Sept. 2021 Grant Research and Acquisition services	3,250.00
Total		<u>6,500.00</u>
SPS Data Communications		
92118	Sept. 2021 Data Cables and Data jacks preparation and installation for MWDOC office remodel	1,275.00
Total		<u>1,275.00</u>
USA Fact, Inc		
1093132	Sept. 2021 Background check for new hire	40.06
Total		<u>40.06</u>
Water Systems Optimization Inc		
2069	Sept. 2021 Technical Assistance Program services for Water Loss Control	33,870.00
2071	Sept. 2021 Services for Water Loss Control Shared Services template development	1,540.00
Total		<u>35,410.00</u>
Total Core Expenditures		<u>440,257.06</u>
 Choice Expenditures:		
Building Block Entertainment Inc		
3451-3	Sept. 2021 Choice Elementary School Program K-2	3,600.00
Total		<u>3,600.00</u>
Orange County Water District		
23448	August 2021 Postage for Water Use Efficiency rebate programs	21.93
Total		<u>21.93</u>
Westerly Meter Service Co-Lane M Matsuno		
16915	Sept. 2021 Meter Accuracy Testing for Trabuco Canyon Water District	4,405.86
Total		<u>4,405.86</u>
Total Choice Expenditures		<u>8,027.79</u>

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2021**

Vendor/ Invoice	Description	Amount to Pay
Other Funds Expenditures:		
EcoTech Services Inc		
2039	August 2021 Landscape Design and Maintenance Assistance programs	6,360.25
Total		<u>6,360.25</u>
Flume Inc		
1235	7/1/21-9/13/21 Residential End Use Study services	58,181.25
Total		<u>58,181.25</u>
Herndon Solutions Group LLC		
INV-0000001568	August 2021 Services to assist with America's Water Infrastructure Act compliance	23,507.75
Total		<u>23,507.75</u>
Large Plumbing		
25730	August 2021 Services for Pressure Regulating Valve program	985.00
Total		<u>985.00</u>
Lighthouse Fire Protection		
26823	Fire extinguisher services and annual tagging at S. EOC	100.00
Total		<u>100.00</u>
Mission RCD		
3044	August 2021 Field inspection and verification for Water Use Efficiency rebate programs	11,536.67
3054	Sept. 2021 Field inspection and verification for Water Use Efficiency rebate programs	7,768.23
Total		<u>19,304.90</u>
Joey C Soto		
2021-MWDOC-SA- AUG-44	August 2021 Grant Administration Services for Prop 1 North	2,961.75
2021-MWDOC-SA- SEP-46	Sept. 2021 Grant Administration Services for Prop 1 North	495.00
Total		<u>3,456.75</u>
Total Other Funds Expenditures		<u>111,895.90</u>
Total Expenditures		<u><u>560,180.75</u></u>

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of September 2021**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
Corodata Records Management Inc				
9/30/2021	EFT	RS4727912	August 2021 Records Storage Fees	52.25
Total				52.25
Rachel Davis				
9/30/2021	EFT	70121	July 2021 Business expense	100.00
Total				100.00
Al Nederhood				
9/30/2021	EFT	82321	August 2021 Business expense	4.03
Total				4.03
Ricoh USA Inc				
9/30/2021	EFT	5062708307	6/1-8/31/21 Ricoh copier maintenance	725.81
Total				725.81
Judy Roberts				
9/30/2021	EFT	73121	July 2021 Business expense	26.34
Total				26.34
Spectrum Business				
9/15/2021	140466	343564091021	Sept. 2021 Telephone expense for 1 analog fax line	39.99
9/07/2021	140449	375210083021	Sept. 2021 Telephone and internet expense	1,411.54
Total				1,451.53
US Bank				
9/30/2021	140485	0208-AUG21	7/23/21-8/23/21 Cal Card Charges - GM	835.33
9/30/2021	140485	4192-AUG21	7/23/21-8/23/21 Cal Card Charges - PA	2,669.19
9/30/2021	140485	4279-AUG21	7/23/21-8/23/21 Cal Card Charges - Gen	9,610.08
Total				13,114.60
Verizon Wireless				
9/07/2021	140450	9886948284	August 2021 4G Mobile broadband unlimited service	114.03
Total				114.03
Total Core Disbursements				15,588.59

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of September 2021**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Choice Disbursements:				
City of San Juan Capistrano				
9/15/2021	140464	16852	Refund prior year credit balance after Choice Programs FY 21-22 billing	4,126.97
Total				4,126.97
US Bank				
9/30/2021	140485	4279-AUG21	7/23/21-8/23/21 Cal Card Charges - Gen	436.26
Total				436.26
US Bank Voyager Fleet Systems				
9/15/2021	EFT	8694349932135	7/25/21-8/24/21 Fuel for Water Loss Control Shared Services vehicles	240.24
Total				240.24
Total Choice Disbursements				4,803.47
Other Funds Disbursements:				
AT&T				
9/15/2021	140452	291831812-SEP21	Sept. 2021 U-Verse internet service for WEROC N. EOC	64.20
Total				64.20
AT&T				
9/15/2021	140453	16954893	August 2021 Telephone expense for WEROC N. & S. EOC	385.41
9/15/2021	140453	16954894	August 2021 Telephone expense for WEROC N. EOC	116.16
Total				501.57
Mesa Water District				
9/15/2021	EFT	10574	July 2021 Credit for Local Resources program	82,176.00
Total				82,176.00
Metropolitan Water District				
9/30/2021	WIRE	10504	July 2021 Water deliveries	20,428,445.37
Total				20,428,445.37
Santa Margarita Water District				
9/30/2021	EFT	JUL2021	July 2021 SCP Pipeline Operation Surcharge	32,428.94
Total				32,428.94

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of September 2021**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Santiago Aqueduct Commission				
9/30/2021	140484	JUL2021	July 2021 SAC Pipeline Operation Surcharge	2,602.43
Total				<u>2,602.43</u>
Spray to Drip Rebate				
9/29/2021	140474	S2D4-R-IRWD-42640-18106	R. Kumaran	227.72
9/29/2021	140479	S2D4-R-O-42162-18009	M. Odeh	297.50
Total				<u>525.22</u>
Turf Rebate				
9/29/2021	140471	TR13-R-MESA-39206-38077	M. Eichenbaum	4,779.00
9/29/2021	140469	TR13-R-O-39709-38538	M. Brown	1,912.00
9/29/2021	140470	TR14-C-MNT-26835-40572	East Nine Condominium Assoc. (Laguna Niguel)	38,214.00
9/29/2021	140473	TR14-R-FV-42412-41124	J. Horner	368.00
9/29/2021	140477	TR14-R-HB-41926-40664	N. McDonald	858.00
9/29/2021	140468	TR14-R-HB-42340-41053	R. Bird	1,161.08
9/29/2021	140480	TR14-R-IRWD-41857-40594	G. Tsudik	1,218.00
9/29/2021	140475	TR14-R-IRWD-42136-40876	R. Kumaran	1,924.00
9/29/2021	140478	TR14-R-IRWD-42471-41177	B. Ngo	592.60
9/29/2021	140472	TR14-R-MNT-41674-40435	C. Hall	3,650.00
9/29/2021	140476	TR15-R-MNT-42724-41398	G. Madrigal	1,412.00
Total				<u>56,088.68</u>
US Bank				
9/30/2021	140485	6066-AUG21	7/23/21-8/23/21 Cal Card Charges - WEROC	1,442.69
Total				<u>1,442.69</u>
Verizon Wireless				
9/07/2021	140450	9886948284	August 2021 4G Mobile broadband unlimited service	76.02
Total				<u>76.02</u>
Total Other Funds Disbursements				<u>20,604,351.12</u>
Total Disbursements				<u><u>20,624,743.18</u></u>



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

Cal Card Charges
Statement Date: August 23, 2021
Payment Date: September 30, 2021

Date	Description	Amount
R. Hunter Card:		
8/09/2021	Copies for Special District Files	142.50
8/16/2021	Urban Water Institute Fall conference in Costa Mesa, CA from Sept. 8-9, 2021 - Registration for Director Thomas	325.00
8/18/2021	Urban Water Institute Fall conference in Costa Mesa, CA from Sept. 8-9, 2021 - Registration for Director Nederhood	325.00
8/20/2021	R. Hunter business breakfast meeting	42.83
	Total:	835.33
C. Harris Card:		
7/20/2021	Three laptops for Board meetings	2,491.43
7/21/2021	CAPIO 2021 Annual conference in North Tahoe, CA from Nov. 2-5, 2021 - Airfare for T. Baca and S. Wilson	417.92
7/21/2021	Two laptops for Board meetings	1,660.96
7/23/2021	Laptop bags and headsets for Directors' laptops	402.98
7/23/2021	Bluetooth headsets for staff	271.80
7/24/2021	6/25-7/24/21 Web hosting service for MWDOC website	15.65
7/26/2021	Advanced PowerPoint training - Registration for C. Hernandez	179.00
7/27/2021	7/29/21 Water Loss Control instant soap	62.43
7/29/2021	Financial Analyst/Database Analyst recruitment job posting	150.00
7/30/2021	1,000 Landscape flags for Water Use Efficiency	234.49
8/03/2021	Analyst/Database Analyst recruitment job posting (paid 8/31/21 check 0140441)-Refund issued 9/7/21	275.00
8/09/2021	Cameras and headsets for staff	990.07
8/12/2021	Microsoft technical support one time fee	499.00
8/13/2021	NEMAA Ventura Cohort: 454 in Oxnard, CA from August 9-13, 2021 - Accommodations for D. Harrison	1,034.60
8/13/2021	August 2021 Subscription for prework screening for COVID-19 prevention	175.56
8/14/2021	UPS shipping charge on 8/14/21 for correlator battery replacement by Water Loss Control Shared Services	139.34
8/17/2021	One ESRI Basic annual license renewal for WUE	700.00
8/17/2021	Printer toner cartridges for MWDOC office printers	173.67
8/18/2021	WaterSmart Innovations conference in Las Vegas, NV from Oct. 6-7, 2021 - Airfare for J. Berg	97.97
8/20/2021	Sympathy flowers for staff member	74.47
	Total:	10,046.34

Cal Card Charges
Statement Date: August 23, 2021
Payment Date: September 30, 2021

Date	Description	Amount
Public Affairs Card:		
7/22/2021	NeverBounce.com subscription for database contacts	225.00
7/29/2021	Asian American Architects and Engineers Association sponsorship for Women Leaders in Water event on July 29, 2021	250.00
7/30/2021	CAPIO Annual membership renewal for S. Wilson	275.00
8/02/2021	8/2/21-9/1/21 Zoom Video Communications monthly fee with audio licenses	124.95
8/03/2021	August 2021 Public Storage Unit for Public Affairs	294.00
8/04/2021	Goin Native sponsorship	1,000.00
8/13/2021	8/13/21 USPS to mail J. Kightlinger's speaker gift from Water Policy Forum & Dinner on 7/14/21	11.24
8/17/2021	Clutter deposit to move Ricky Books from Discovery Cube to Orange County Dept. of Education for Choice School Program	51.90
8/21/2021	Clutter balance due to move Ricky Books from Discovery Cube to Orange County Dept. of Education for Choice School Program	437.10
Total:		2,669.19
WEROC Card:		
7/19/2021	HVAC repair of control board and annual service at EOC	1,054.00
7/27/2021	Breakfast for WEROC EOC Section training at Yorba Linda Water District on 7/27/2021	37.58
7/28/2021	Breakfast for WEROC EOC Section training at Yorba Linda Water District on 7/28/2021	27.89
8/19/2021	WEROC office supplies	323.22
Total:		1,442.69

**Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the Month of September 2021**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
PeopleSpace				
9/30/2021	EFT	DEPSO1035162.1	40% Payment upon shipment on purchase of WEROC office furniture for MWDOC office remodel	5,539.53
9/30/2021	EFT	DEPSO1035214.1	40% Payment upon shipment on purchase of Phase 1 office furniture for MWDOC office remodel	2,947.78
9/21/2021	EFT	DPESO1030920.1	40% Payment upon shipment on purchase of office furniture for MWDOC office remodel	47,048.71
9/21/2021	EFT	INV49121	Final payment on purchase of office furniture for MWDOC office remodel	21,068.33
Total				76,604.35
Total Core Disbursements				76,604.35
Choice Disbursements:				
Total Choice Disbursements				-
Other Funds Disbursements:				
Total Other Funds Disbursements				-
Total Disbursements				76,604.35


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

August 31, 2021

Street Address:
18700 Ward Street
Fountain Valley, California 92708

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

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

Sat Tamaribuchi
President

Megan Yoo Schneider, P.E.
Vice President

Al Nederhood
Director

Larry D. Dick
Director

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

Karl W. Seckel, 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	\$3,738,505	17.86%
Grant & Project Cash Flow	1,500,000	7.17%
Election Expense	1,333,000	6.37%
Building Repair	436,542	2.09%
OPEB	297,147	1.42%
Total Designated Reserves	7,305,194	34.91%
General Fund	9,524,004	45.51%
Water Fund	3,470,958	16.58%
Conservation Fund	(721,331)	(3.45%)
WEROC Fund	1,331,134	6.36%
Trustee Activities	18,904	0.09%
Total	\$20,928,863	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.49%	\$102,130	\$102,130
Short-term investment			
• LAIF	32.14%	6,726,719	6,726,719
• OCIP	52.56%	10,999,779	10,999,779
Long-term investment			
• US Government Issues	1.19%	249,890	249,715
• Corporate Bond	6.69%	1,400,345	1,387,265
• Certificates of Deposit	6.93%	1,450,000	1,507,311
Total	100.00%	\$20,928,863	\$20,972,919

The average number of days to maturity/call as of August 31, 2021 equaled 87 and the average yield to maturity is 0.613%. During the month, the District's average daily balance was \$31,016,186.15. Funds were invested in US Bank Money Market, Negotiable Certificate of Deposits, Corporate Bonds, US Government Issues, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of August 2021.

The \$44,056 difference between the book value and the market value on August 31, 2021 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 August 31, 2021

8/31/2021	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,450,000.00	1,507,311.00	1,450,000.00	6.96	921	2.440
Corporate Bond	1,400,000.00	1,387,265.50	1,400,344.67	6.72	314	1.341
US Government Issues	250,000.00	249,715.00	249,890.25	1.20	87	0.860
Local Agency Investment Funds	6,726,718.58	6,726,718.58	6,726,718.58	32.30	1	0.216
Orange County Investment Pool	10,999,778.79	10,999,778.79	10,999,778.79	52.82	1	0.517
Total Investments	20,826,497.37	20,870,788.87	20,826,732.29	100.00	87	0.613

Cash						
Cash	102,130.41	102,130.41	102,130.41		1	0.00
Total Cash and Investments	20,928,627.78	20,972,919.28	20,928,862.70		87	0.613

Total Earnings	Month Ending August	Fiscal Year to Date
Current Year	12,068.46	23,259.26
Average Daily Balance	31,016,186.15	
Effective Rate of Return	0.613%	

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 months' 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

10-7-21

Hilary Chumipitazi, Treasurer

Date

10/07/2021

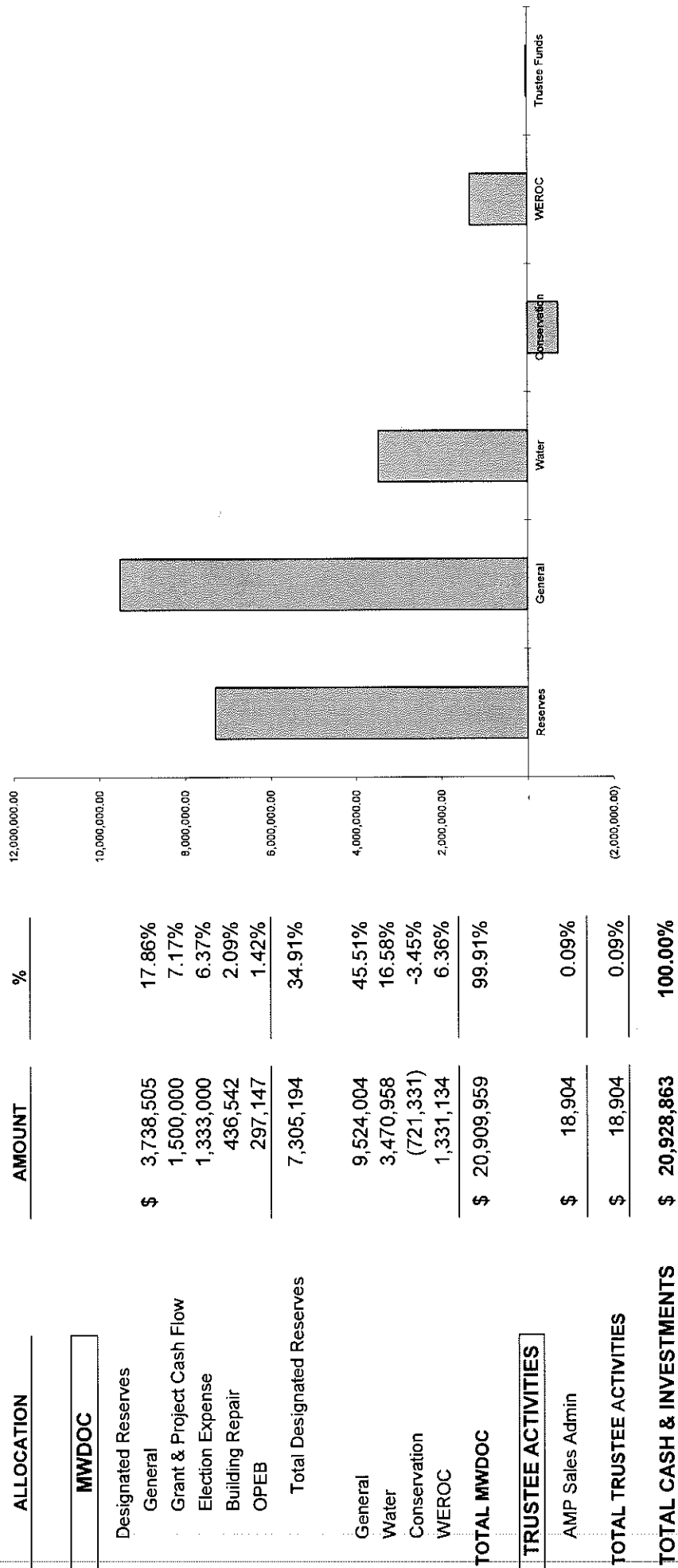
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
August 31, 2021

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	255,597.50	250,000.00	2.250	2.250	392	9/27/2022
Capital One Bank	14042TBQ9	8/7/2019	250,000.00	261,792.50	250,000.00	2.250	2.250	1,072	8/7/2024
Capital One NA	14042RMJ7	7/24/2019	250,000.00	261,365.00	250,000.00	2.200	2.200	1,058	7/24/2024
Discover Bank	254673RV0	7/25/2018	250,000.00	264,115.00	250,000.00	3.300	3.300	693	7/25/2023
Goldman Sachs Bank	38148PT98	8/8/2018	250,000.00	264,605.00	250,000.00	3.350	3.350	707	8/8/2023
Sallie Mae Bank	7954507A7	7/14/2021	200,000.00	199,636.00	200,000.00	1.000	1.000	1,778	7/14/2026
Sub Total			1,450,000.00	1,507,311.00	1,450,000.00	2.440	2.440	921	
US Government Issues									
FHLB	3130ALGR9	3/1/2021	250,000.00	249,715.00	249,890.25	0.850	0.860	87	2/26/2026
Sub Total			250,000.00	249,715.00	249,890.25	0.850	0.860	87	
Corporate Bond									
Bank of America Corp	06048WK41	12/7/2020	250,000.00	245,522.50	250,000.00	0.650	0.800	86	11/25/2025
Citigroup Global Markets	17328WFZ6	9/16/2020	250,000.00	245,942.50	250,000.00	1.000	1.000	16	9/16/2025
JP Morgan Chase	48128GV56	8/18/2020	250,000.00	244,215.00	250,000.00	0.800	0.800	1,083	8/18/2025
National Rural Utili Coop	63743FE51	7/27/2017	200,000.00	202,954.00	200,000.00	2.500	2.500	318	7/15/2022
Societe Generale	83369MD25	8/19/2020	250,000.00	244,747.50	250,000.00	1.000	1.088	80	8/19/2025
Westpac Banking Corp	961214DQ3	7/25/2017	200,000.00	203,884.00	200,344.67	2.500	2.278	301	6/28/2022
Sub Total			1,400,000.00	1,387,265.50	1,400,344.67	1.330	1.341	314	
Total Investments			3,100,000.00	3,144,291.50	3,100,234.92	1.810	1.816	580	
Total Earnings									
Current Year									
			Month Ending August	Fiscal Year To Date					
			4,700.27	9,556.76					

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
August 31, 2021

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	6,726,718.58	6,726,718.58	6,726,718.58	0.216	0.216	1	N/A
Sub Total			6,726,718.58	6,726,718.58	6,726,718.58	0.216	0.216	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	10,999,778.79	10,999,778.79	10,999,778.79	0.517	0.517	1	N/A
Sub Total			10,999,778.79	10,999,778.79	10,999,778.79	0.517	0.517	1	
Total Investments			17,726,497.37	17,726,497.37	17,726,497.37	0.403	0.403		
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	101,630.41	101,630.41	101,630.41	0.000	0.000	1	N/A
Total Cash			102,130.41	102,130.41	102,130.41	0.000	0.000	1	
Total Cash and Investments			17,828,627.78	17,828,627.78	17,828,627.78	0.403	0.403	1	
Total Earnings									
Current Year			7,368.19		13,702.50				

Municipal Water District of Orange County **Cash and Investments at August 31, 2021**



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS Post-Employment Benefits Trust**Account Report for the Period**
8/1/2021 to 8/31/2021Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Balance as of 8/1/2021	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 8/31/2021
OPEB	\$2,793,069.52	\$0.00	\$33,179.40	\$1,384.91	\$0.00	\$0.00	\$2,824,864.01
PENSION	\$777,052.09	\$207,000.00	\$10,420.97	\$385.29	\$0.00	\$0.00	\$994,087.77
Totals	\$3,570,121.61	\$207,000.00	\$43,600.37	\$1,770.20	\$0.00	\$0.00	\$3,818,951.78

Investment Selection**Source**

OPEB	Moderate HighMark PLUS
PENSION	Moderate HighMark PLUS

Investment Objective**Source**

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

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	1.19%	2.84%	17.04%	10.32%	9.55%	-	10/26/2011
PENSION	1.16%	2.81%	17.01%	10.29%	-	-	7/31/2018

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

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2021 THRU AUGUST 31, 2021**

**Municipal Water District of Orange County
Combined Balance Sheet
As of August 31, 2021**

	<u>Amount</u>
<u>ASSETS</u>	
Cash in Bank	102,130.41
Investments	20,826,732.29
Accounts Receivable	40,751,665.38
Accounts Receivable - Other	238,560.00
Accrued Interest Receivable	28,166.21
Prepays/Deposits	402,715.00
Leasehold Improvements	6,059,805.67
Furniture, Fixtures & Equipment	780,261.60
Less: Accumulated Depreciation	<u>(3,490,464.45)</u>
TOTAL ASSETS	<u>65,699,572.11</u>
<u>LIABILITIES AND FUND BALANCES</u>	
<u>LIABILITIES</u>	
Accounts Payable	40,835,254.36
Accounts Payable - Other	64.82
Accrued Salaries and Benefits Payable	626,045.36
Other Liabilities	2,466,006.23
Unearned Revenue	<u>443,410.26</u>
TOTAL LIABILITIES	<u>44,370,781.03</u>
<u>FUND BALANCES</u>	
<u>Restricted Fund Balances</u>	
Water Fund - T2C	<u>1,033,847.70</u>
Total Restricted Fund Balances	<u>1,033,847.70</u>
<u>Unrestricted Fund Balances</u>	
<u>Designated Reserves</u>	
General Operations	3,738,505.00
Grant & Project Cash Flow	1,500,000.00
Election Expense	1,333,000.00
Building Repair	436,542.00
OPEB	<u>297,147.00</u>
Total Designated Reserves	<u>7,305,194.00</u>
General Fund	3,566,614.99
General Fund Capital	964,158.72
WEROC Capital	159,687.58
WEROC	<u>246,196.60</u>
Total Unrestricted Fund Balances	<u>12,241,851.89</u>
<u>Excess Revenue over Expenditure</u>	
Operating Fund	7,968,963.73
Other Funds	<u>84,127.76</u>
TOTAL FUND BALANCES	<u>21,328,791.08</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>65,699,572.11</u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2021 thru August 31, 2021

	<u>Month to Date</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Encumbrance</u>	<u>Budget Remaining</u>
<u>REVENUES</u>						
Retail Connection Charge	0.00	8,357,232.00	8,357,232.00	100.00%	0.00	0.00
Ground Water Customer Charge	0.00	335,385.00	335,385.00	100.00%	0.00	0.00
Water Rate Revenues	0.00	8,692,617.00	8,692,617.00	100.00%	0.00	0.00
Interest Revenue	11,963.20	23,015.20	220,000.00	10.46%	0.00	196,984.80
Subtotal	11,963.20	8,715,632.20	8,912,617.00	97.79%	0.00	196,984.80
Choice Programs	1,224,457.91	1,226,722.91	1,619,194.00	75.76%	0.00	392,471.09
Miscellaneous Income	81.00	116.00	3,000.00	3.87%	0.00	2,884.00
Revenue - Other	1,360.00	1,360.00	0.00	0.00%	0.00	(1,360.00)
Transfer-In from Reserve	0.00	0.00	64,729.00	0.00%	0.00	64,729.00
Subtotal	1,225,898.91	1,228,198.91	1,686,923.00	72.81%	0.00	458,724.09
TOTAL REVENUES	1,237,862.11	9,943,831.11	10,599,540.00	93.81%	0.00	655,708.89

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2021 thru August 31, 2021

	<u>Month to Date</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Encumbrance</u>	<u>Budget Remaining</u>
<u>EXPENSES</u>						
Salaries & Wages	351,952.44	701,556.23	4,178,542.00	16.79%	0.00	3,476,985.77
Salaries & Wages - Grant Recovery	0.00	0.00	(18,665.00)	0.00%	0.00	(18,665.00)
Director's Compensation	20,955.52	42,565.90	288,800.00	14.74%	0.00	246,234.10
MWD Representation	10,805.19	20,628.09	165,029.00	12.50%	0.00	144,400.91
Employee Benefits	116,476.69	208,487.60	1,356,730.00	15.37%	0.00	1,148,242.40
CalPers Unfunded Liability Contribution	207,000.00	207,000.00	207,000.00	100.00%	0.00	0.00
Director's Benefits	9,223.27	18,413.15	128,022.00	14.38%	0.00	109,608.85
Health Insurance for Retirees	6,470.51	12,733.12	101,099.00	12.59%	0.00	88,365.88
Training Expense	279.00	2,724.00	52,000.00	5.24%	8,895.60	40,380.40
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	723,162.62	1,214,108.09	6,468,557.00	18.77%	8,895.60	5,245,553.31
Engineering Expense	23,340.00	24,459.50	380,000.00	6.44%	337,578.55	17,961.95
Legal Expense	30,509.64	43,304.24	225,000.00	19.25%	181,695.76	0.00
Audit Expense	5,000.00	5,000.00	30,220.00	16.55%	20,220.00	5,000.00
Professional Services	50,996.88	87,925.20	1,460,617.00	6.02%	1,008,866.04	363,825.76
Professional Fees	109,846.52	160,688.94	2,095,837.00	7.67%	1,548,360.35	386,787.71
Conference - Staff	(335.00)	685.00	44,560.00	1.54%	0.00	43,875.00
Conference - Directors	650.00	650.00	16,845.00	3.86%	0.00	16,195.00
Travel & Accom. - Staff	515.89	739.16	69,825.00	1.06%	0.00	69,085.84
Travel & Accom. - Directors	0.00	0.00	21,250.00	0.00%	0.00	21,250.00
Travel & Conference	830.89	2,074.16	152,480.00	1.36%	0.00	150,405.84
Membership/Sponsorship	525.00	46,056.20	143,041.00	32.20%	0.00	96,984.80
CDR Support	0.00	13,797.33	65,249.00	21.15%	41,391.98	10,059.69
Dues & Memberships	525.00	59,853.53	208,290.00	28.74%	41,391.98	107,044.49
Business Expense	42.83	42.83	2,500.00	1.71%	0.00	2,457.17
Office Maintenance	5,107.72	16,667.92	147,400.00	11.31%	116,772.08	13,960.00
Building Repair & Maintenance	2,562.35	2,740.75	15,000.00	18.27%	12,162.25	97.00
Storage Rental & Equipment Lease	52.25	104.50	1,800.00	5.81%	695.50	1,000.00
Office Supplies	295.61	925.45	35,000.00	2.64%	4,627.34	29,447.21
Supplies - Water Loss Control	62.43	98.50	4,000.00	2.46%	0.00	3,901.50
Postage/Mail Delivery	744.94	1,600.44	9,000.00	17.78%	2,122.25	5,277.31
Subscriptions & Books	0.00	0.00	1,000.00	0.00%	0.00	1,000.00
Reproduction Expense	725.81	725.81	82,700.00	0.88%	5,474.19	76,500.00
Maintenance - Computers	1,664.85	1,664.85	8,000.00	20.81%	0.00	6,335.15
Software Purchase	824.95	949.90	36,040.00	2.64%	499.80	34,590.30
Software Support	14,952.52	15,074.89	48,640.00	30.99%	0.00	33,565.11
Computers and Equipment	4,728.39	4,728.39	23,450.00	20.16%	0.00	18,721.61
Maintenance Expense	0.00	0.00	6,000.00	0.00%	2,580.49	3,419.51
Automotive Expense	4.03	39.65	16,000.00	0.25%	0.00	15,960.35
Vehicle Expense	240.24	708.27	5,800.00	12.21%	0.00	5,091.73
Toll Road Charges	0.00	0.00	1,250.00	0.00%	0.00	1,250.00
Insurance Expense	11,990.70	23,966.71	130,000.00	18.44%	0.00	106,033.29
Utilities - Telephone	2,898.06	5,818.62	42,840.00	13.58%	1,140.30	35,881.08
Bank Fees	0.00	653.35	3,200.00	20.42%	0.00	2,546.65
Miscellaneous Expense	4,711.30	10,520.97	85,181.00	12.35%	4,571.88	70,088.15
MWDOC's Contrb. to WEROC	21,695.50	43,391.00	260,346.00	16.67%	0.00	216,955.00
Depreciation Expense	5,860.63	11,721.26	0.00	0.00%	0.00	(11,721.26)
Other Expenses	79,165.11	142,144.06	965,147.00	14.73%	150,646.08	672,356.86
Capital Aquisition	26,429.83	98,989.51	267,256.00	37.04%	236,801.78	(68,535.29)
Building Expense	131,044.13	297,009.09	441,973.00	67.20%	562,987.00	(418,023.09)
TOTAL EXPENSES	1,071,004.10	1,974,867.38	10,599,540.00	18.63%	2,549,082.79	6,075,589.83
NET INCOME (LOSS)	166,858.01	7,968,963.73	0.00	0.00%	(2,549,082.79)	(5,419,880.94)

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
July 1, 2021 thru August 31, 2021

	<u>Month to Date</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Budget Remaining</u>
<u>WATER REVENUES</u>					
Water Sales	18,293,097.40	37,521,015.30	155,126,337.00	24.19%	117,605,321.70
Readiness to Serve Charge	926,009.00	1,852,018.03	11,142,354.00	16.62%	9,290,335.97
Capacity Charge CCF	394,384.17	788,768.34	4,732,610.00	16.67%	3,943,841.66
SCP/SAC Pipeline Surcharge	35,707.13	70,738.50	315,000.00	22.46%	244,261.50
Interest Revenue	290.53	620.87	10,500.00	5.91%	9,879.13
TOTAL WATER REVENUES	19,649,488.23	40,233,161.04	171,326,801.00	23.48%	131,093,639.96
<u>WATER PURCHASES</u>					
Water Sales	18,293,097.40	37,521,015.30	155,126,337.00	24.19%	117,605,321.70
Readiness to Serve Charge	926,009.00	1,852,018.03	11,142,354.00	16.62%	9,290,335.97
Capacity Charge CCF	394,384.17	788,768.34	4,732,610.00	16.67%	3,943,841.66
SCP/SAC Pipeline Surcharge	35,707.13	70,738.50	315,000.00	22.46%	244,261.50
TOTAL WATER PURCHASES	19,649,197.70	40,232,540.17	171,316,301.00	23.48%	131,083,760.83
EXCESS OF REVENUE OVER EXPENDITURE	290.53	620.87	10,500.00	5.91%	9,879.13

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Use Efficiency
July 1, 2021 thru August 31, 2021

	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
Spray To Drip Conversion			
Revenues	4,962.84	117,480.00	4.22%
Expenses	10,193.54	117,480.00	8.68%
Excess of Revenues over Expenditures	(5,230.70)		
Member Agency Administered Pass-Thru			
Revenues	2,225.00	573,201.00	0.39%
Expenses	47,022.00	573,201.00	8.20%
Excess of Revenues over Expenditures	(44,797.00)		
ULFT Rebate Program			
Revenues	110.00	2,000.00	5.50%
Expenses	110.00	2,000.00	5.50%
Excess of Revenues over Expenditures	0.00		
HECW Rebate Program			
Revenues	9,512.85	84,300.00	11.28%
Expenses	9,510.00	84,300.00	11.28%
Excess of Revenues over Expenditures	2.85		
CII Rebate Program			
Revenues	0.00	6,500.00	0.00%
Expenses	0.00	6,500.00	0.00%
Excess of Revenues over Expenditures	0.00		
Turf Removal Program			
Revenues	97,773.98	993,924.00	9.84%
Expenses	120,532.08	993,924.00	12.13%
Excess of Revenues over Expenditures	(22,758.10)		
Comprehensive Landscape (CLWUE)			
Revenues	23,639.60	303,100.00	7.80%
Expenses	56,673.69	303,100.00	18.70%
Excess of Revenues over Expenditures	(33,034.09)		
Recycled Water Program			
Revenues	0.00	40,000.00	0.00%
Expenses	0.00	40,000.00	0.00%
Excess of Revenues over Expenditures	0.00		
WSIP - Industrial Program			
Revenues	0.00	45,000.00	0.00%
Expenses	0.00	45,000.00	0.00%
Excess of Revenues over Expenditures	0.00		
Land Design Program			
Revenues	0.00	297,330.00	0.00%
Expenses	34,877.00	297,330.00	11.73%
Excess of Revenues over Expenditures	(34,877.00)		
Total WUE Projects			
Revenues	138,224.27	2,462,835.00	5.61%
Expenses	278,918.31	2,462,835.00	11.33%
Excess of Revenues over Expenditures	(140,694.04)		
WEROC			
Revenues	303,737.00	520,692.00	58.33%
Expenses	91,492.60	520,692.00	17.57%
Excess of Revenues over Expenditures	212,244.40		



ACTION ITEM
October 20, 2021

TO: Board of Directors

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

Robert J. Hunter, General Manager

SUBJECT: **Authorize FY2021-22 Budget Revisions**

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Approve budget revisions.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

It was stated at the April 2021 board meeting that the final revised budget will be presented in October 2021. This is when all the agencies Choice Program participation numbers are final which usually results in some budget changes. There are three Choice Programs: Water Use Efficiency, Public Affairs School Programs and Water Loss Control. The Choice Water Use Efficiency program increased their postage budget for 1099 processing of Turf and Spray to Drip mailings by \$243. The Public Affairs department received their final participation numbers from our member agencies. The Choice High School program budget decreased from \$66,142 to \$63,930, Middle School budget increased from \$45,709 to \$65,441 and the Elementary School program budget decreased from \$290,807 to \$288,310. The salaries and benefits changed slightly as well to align with the 3% administration fee promised to the agencies. The end result is an increase in the School Programs budget of \$17,233. The Water Loss Control Choice program budget was unchanged. The Core Budget was revised for Director's benefits. The costs were re-analyzed due to a consistent budget overage which resulted in a budget increase of \$33,000.

Attachments:

Attached hereto is the MWDOC FY21-22 Revised Budget Summary

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



Annual Budget for Fiscal Year 2021-22

Revised Budget Summary

MWDOC's mission is:

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

Exhibit A7
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
FOR BUDGET REVISIONS

	FY 2021-2022 CHOICE APRIL BUDGET	FY 2021-2022 CHOICE REVISED BUDGET	FY 2021-2022 CORE APRIL BUDGET	FY 2021-2022 CORE REVISED BUDGET	FY 2021-2022 CNSLD APRIL BUDGET	FY 2021-2022 CNSLD REVISED BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 547,729	\$ 548,882	\$ 3,630,813	\$ 3,629,660	\$ 4,178,542	\$ 4,178,542
less for Recovery from Grants/Agencies	(18,665)	(18,665)	-	-	(18,665)	(18,665)
Employee Benefits	162,670	163,063	1,194,060	1,193,667	1,356,730	1,356,730
Director Compensation			288,800	288,800	288,800	288,800
Director Benefits			128,022	161,248	128,022	161,248
MWD Representation			165,029	165,029	165,029	165,029
CALPERS Unfunded Liability Contribution			207,000	207,000	207,000	207,000
Overhead Reimbursement	304,761	305,425	(304,761)	(305,425)	-	-
Health Insurance Coverage for Retirees	-		101,099	101,099	101,099	101,099
Audit Expense	-		30,220	30,220	30,220	30,220
Automotive & Toll Road Expenses	200	200	17,050	17,050	17,250	17,250
Vehicle Expense - Water Loss Control	5,800	5,800	-		5,800	5,800
Conference Expense - Staff			44,560	44,560	44,560	44,560
Conference Expense - Directors			16,845	16,845	16,845	16,845
Engineering Expense			380,000	380,000	380,000	380,000
Insurance Expense			130,000	130,000	130,000	130,000
Legal Expense - General			225,000	225,000	225,000	225,000
Maintenance Expense			153,400	153,400	153,400	153,400
Membership / Sponsorship			143,041	143,041	143,041	143,041
CDR Participation			65,249	65,249	65,249	65,249
Miscellaneous Expense	12,000	12,000	76,381	76,381	88,381	88,381
Postage / Mail Delivery	400	643	8,600	8,600	9,000	9,243
Professional Fees	594,758	609,781	865,859	865,859	1,460,617	1,475,640
Rents & Leases			1,800	1,800	1,800	1,800
Outside Printing, Subscription & Books			83,700	83,700	83,700	83,700
Office Supplies			35,000	35,000	35,000	35,000
Supplies - Water Loss Control	4,000	4,000	-	-	4,000	4,000
Building Repair & Maintenance			15,000	15,000	15,000	15,000
Computer Maintenance			8,000	8,000	8,000	8,000
Business Expense			2,500	2,500	2,500	2,500
Software Support & Expense	2,100	2,100	82,580	82,580	84,680	84,680
Computers and Equipment	-	-	23,450	23,450	23,450	23,450
Telecommunications Expense	1,440	1,440	41,400	41,400	42,840	42,840
Temporary Help Expense	-	-	5,000	5,000	5,000	5,000

(1)

(2)

Exhibit A7
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
FOR BUDGET REVISIONS

	FY 2021-2022 CHOICE APRIL BUDGET	FY 2021-2022 CHOICE REVISED BUDGET	FY 2021-2022 CORE APRIL BUDGET	FY 2021-2022 CORE REVISED BUDGET	FY 2021-2022 CNSLD APRIL BUDGET	FY 2021-2022 CNSLD REVISED BUDGET
Training Expense	2,000	2,000	50,000	50,000	52,000	52,000
Tuition Reimbursement			5,000	5,000	5,000	5,000
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff			69,825	69,825	69,825	69,825
Travel & Accommodations - Directors			21,250	21,250	21,250	21,250
MWDOC's Contribution to WEROC: Operations			260,346	260,346	260,346	260,346
Capital Acquisition (excluding building)			273,059	273,059	273,059	273,059
Capital Acquisition Carryover			-	-	-	-
Capital Acq Prior year carryover credit			(5,803)	(5,803)	(5,803)	(5,803)
NORMAL OPERATING EXPENSES	\$ 1,619,194	\$ 1,636,669	\$ 8,538,373	\$ 8,569,390	\$ 10,157,567	\$ 10,206,060
MWDOC's Building Expense			\$ 903,089	\$ 903,089	\$ 903,089	\$ 903,089
Building Expense to Carryover			\$ -	\$ -	\$ -	\$ -
Building Expense Prior Year Carryover Credit			\$ (461,116)	\$ (461,116)	\$ (461,116)	\$ (461,116)
TOTAL EXPENSES	\$ 1,619,194	\$ 1,636,669	\$ 8,980,346	\$ 9,011,363	\$ 10,599,540	\$ 10,648,033
REVENUES:						
Retail Meter Charge			\$ 8,357,232	\$ 8,357,232	\$ 8,357,232	\$ 8,357,232
Ground Water Customer Charge			335,385	335,385	335,385	335,385
Interest Revenue			220,000	220,000	220,000	220,000
Miscellaneous Income			3,000	3,000	3,000	3,000
Choice Revenue	1,619,194	1,636,669			1,619,194	1,636,669
TOTAL REVENUES	\$ 1,619,194	\$ 1,636,669	\$ 8,915,617	\$ 8,915,617	\$ 10,534,811	\$ 10,552,286
EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ -	\$ -	\$ (64,730)	\$ (95,747)	\$ (64,730)	\$ (95,747)

- (1) Total FY2021-2022 Salaries & Wages includes \$51,378 for intern support
- (2) Total FY2021-2022 Benefits includes \$5,052 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 10.88% for Classic employees and 7.59% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 6% for calendar year 2022.
- (3) Carryover is for work and capital purchases on the building that were budgeted for but not completed and will be carried over to the next year as a carryover credit
- (4) Carryover credit is the cumulative dollars from prior years that was unspent and that will be applied toward work projected to be completed in future years
- (5) Based on FY20-21 projections and FY21-22 MWDOC designated reserve target, designated reserves will be essentially fully funded.



Annual Budget for Fiscal Year 2021-22

Final Budget with Revised Choice Programs

MWDOC's mission is:

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

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

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 3,609,691	\$ 3,571,031	\$ (38,660)	\$ 3,629,660	\$ 58,629	\$ 19,969
Employee Benefits	1,182,786	1,180,004	(2,782)	1,193,667	13,663	10,881
Director Compensation	258,909	237,059	(21,850)	288,800	51,741	29,891
Director Benefits	101,971	122,925	20,955	161,248	38,323	59,278
MWD Representation	157,070	127,043	(30,027)	165,029	37,986	7,959
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-
Overhead Reimbursement	(300,926)	(296,267)	4,659	(305,425)	(9,157)	(4,498)
Health Insurance Coverage for Retirees	87,449	80,288	(7,161)	101,099	20,811	13,650
Audit Expense	29,725	20,162	(9,563)	30,220	10,058	495
Automotive & Toll Road Expenses	21,300	2,100	(19,200)	17,050	14,950	(4,250)
Conference Expense - Staff	26,515	10,000	(16,515)	44,560	34,560	18,045
Conference Expense - Directors	18,695	3,735	(14,960)	16,845	13,110	(1,850)
Engineering Expense	340,000	574,896	234,896	380,000	(194,896)	40,000
Insurance Expense	110,000	120,000	10,000	130,000	10,000	20,000
Legal Expense - General	210,500	188,097	(22,403)	225,000	36,903	14,500
Maintenance Expense	131,420	99,000	(32,420)	153,400	54,400	21,980
Membership / Sponsorship	127,161	146,944	19,783	143,041	(3,903)	15,880
CDR Participation	53,158	53,158	-	65,249	12,091	12,091
Miscellaneous Expense	103,000	40,446	(62,554)	76,381	35,935	(26,619)
Postage / Mail Delivery	8,900	8,306	(594)	8,600	294	(300)
Professional Fees	996,202	865,065	(131,137)	865,859	794	(130,343)
Rents & Leases	1,750	1,200	(550)	1,800	600	50
Outside Printing, Subscription & Books	84,700	42,005	(42,695)	83,700	41,695	(1,000)
Office Supplies	39,000	18,000	(21,000)	35,000	17,000	(4,000)
Building Repair & Maintenance	15,000	12,500	(2,500)	15,000	2,500	-
Computer Maintenance	8,000	7,200	(800)	8,000	800	-
Business Expense	4,500	1,500	(3,000)	2,500	1,000	(2,000)
Software Support & Expense	89,640	81,000	(8,640)	82,580	1,580	(7,060)
Computers and Equipment	31,550	31,550	-	23,450	(8,100)	(8,100)
Telecommunications Expense	29,650	35,547	5,897	41,400	5,853	11,750
Temporary Help Expense	5,000	-	(5,000)	5,000	5,000	-
Training Expense	62,500	60,000	(2,500)	50,000	(10,000)	(12,500)
Tuition Reimbursement	5,000	1,000	(4,000)	5,000	4,000	-

(1)
(2)

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

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	62,495	7,000	(55,495)	69,825	62,825	7,330
Travel & Accommodations - Directors	24,900	3,000	(21,900)	21,250	18,250	(3,650)
MWDOC's Contribution to WEROC: Operations	241,236	241,236	-	260,346	19,110	19,110
Capital Acquisition (excluding building)	154,200	345,297	191,097	273,059	(72,238)	118,859
Capital Acquisition to Carryover	271,900	5,803	(266,097)	-	(5,803)	(271,900)
Capital Acq Prior Year Carryover Credit	(346,900)	(271,900)	75,000	(5,803)	266,097	341,097
NORMAL OPERATING EXPENSES	\$ 8,264,646	\$ 7,982,929	\$ (281,717)	\$ 8,569,390	\$ 586,461	\$ 304,744
MWDOC's Building Expense	\$ 1,870,000	\$ 1,408,884	\$ (461,116)	\$ 903,089	\$ (505,795)	\$ (966,911)
Building Expense to Carryover	\$ -	\$ 461,116	\$ 461,116	\$ -	\$ (461,116)	\$ -
Building Expense Prior Year Carryover Credit	\$ (1,143,117)	\$ (1,143,117)	\$ -	\$ (461,116)	\$ 682,001	\$ 682,001
TOTAL EXPENSES	\$ 8,991,529	\$ 8,709,812	\$ (281,717)	\$ 9,011,363	\$ 301,551	\$ 19,834
REVENUES:						
Retail Meter Charge	\$ 7,837,792	\$ 7,837,792	\$ (0)	\$ 8,357,232	\$ 519,440	\$ 519,440
Ground Water Customer Charge	595,323	595,323	-	335,385	(259,939)	(259,939)
Interest Revenue	458,000	213,000	(245,000)	220,000	7,000	(238,000)
Miscellaneous Income	3,000	3,000	-	3,000	-	-
TOTAL REVENUES	\$ 8,894,116	\$ 8,649,115	\$ (245,000)	\$ 8,915,617	\$ 266,501	\$ 21,501
EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (97,413)	\$ (60,697)	\$ 36,716	\$ (95,747)	\$ (35,050)	\$ 1,666

- (1) Total FY2021-2022 Salaries & Wages includes \$0 for intern support
- (2) Total FY2021-2022 Benefits includes \$0 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 10.88% for Classic employees and 7.59% for PEPRA employees. A further assumption is that medical, dental and vision insurance rates will increase by 6% for calendar year 2022.
- (3) Carryover is for work and capital purchases on the building that were budgeted for but not completed and will be carried over to the next year as a carryover credit
- (4) Carryover credit is the cumulative dollars from prior years that was unspent and that will be applied toward work projected to be completed in future years.
- (5) Based on FY20-21 projections and FY21-22 MWDOC designated reserve target, designated reserves will be essentially fully funded.

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

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 542,384	\$ 534,587	\$ (7,797)	\$ 548,882	\$ 14,295	\$ 6,499
less for Recovery from Grants	-	(39,927)	(39,927)	(18,665)	21,262	(18,665)
Employee Benefits	152,599	149,636	(2,963)	163,063	13,427	10,464
Director Compensation	-	-	-	-	-	-
Director Benefits	-	-	-	-	-	-
MWD Representation	-	-	-	-	-	-
Overhead Reimbursement	300,926	296,267	(4,659)	305,425	9,157	4,498
Health Insurance Coverage for Retirees	-	-	-	-	-	-
Audit Expense	-	-	-	-	-	-
Automotive & Toll Road Expenses	1,000	100	(900)	200	100	(800)
Vehicle Expense	6,350	4,600	(1,750)	5,800	1,200	(550)
Conference Expense - Staff	-	-	-	-	-	-
Conference Expense - Directors	-	-	-	-	-	-
Engineering Expense	-	-	-	-	-	-
Insurance Expense	-	-	-	-	-	-
Legal Expense - General	-	-	-	-	-	-
Maintenance Expense	-	-	-	-	-	-
Membership / Sponsorship	-	-	-	-	-	-
Miscellaneous Expense	12,000	9,000	(3,000)	12,000	3,000	-
Postage / Mail Delivery	400	400	-	643	243	243
Professional Fees	585,136	378,734	(206,402)	609,781	231,047	24,645
Rents & Leases	-	-	-	-	-	-
Outside Printing, Subscription & Books	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Supplies - Water Loss Control	10,000	10,000	-	4,000	(6,000)	(6,000)
Computer Maintenance	-	-	-	-	-	-
Software Support & Expense	15,000	-	(15,000)	2,100	2,100	(12,900)
Telecommunications Expense	1,200	1,440	240	1,440	-	240
Computers and Equipment	2,000	1,908	(92)	-	(1,908)	(2,000)
Temporary Help Expense	-	-	-	-	-	-
Training Expense	2,000	2,000	-	2,000	-	-
Tuition Reimbursement	-	-	-	-	-	-

(1)

(2)

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

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	-	-	-	-	-	-
Travel & Accommodations - Directors	-	-	-	-	-	-
Capital Acquisition	-	-		-	-	-
Subtotal Expenses	\$ 1,630,995	\$ 1,348,745	\$ (282,250)	\$ 1,636,669	\$ 287,924	21.35%
TOTAL EXPENSES	\$ 1,630,995	\$ 1,348,745	\$ (282,250)	\$ 1,636,669	\$ 287,924	\$ 5,674

REVENUES:						
Choice Revenue	\$ 1,630,995	\$ 1,348,745	\$ (282,250)	\$ 1,636,669	\$ 287,924	\$ 5,674
TOTAL REVENUES	\$ 1,630,995	\$ 1,348,745	\$ (282,250)	\$ 1,636,669	\$ 287,924	\$ 5,674

- (1) Total FY2021-2022 Salaries & Wages includes \$51,378 for intern support
- (2) Total FY2021-2022 Benefits includes \$5,052 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 10.88% for Classic employees and 7.59% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 6% for calendar year 2022.

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET	
OPERATING EXPENSES:							
Salaries & Wages	\$ 4,152,075	\$ 4,105,617	\$ (46,457)	\$ 4,178,542	\$ 72,925	\$ 26,468	(1)
less for Recovery from Grants	-	(39,927)	(39,927)	(18,665)	21,262	(18,665)	
Employee Benefits	1,335,385	1,329,640	(5,745)	1,356,730	27,090	21,345	(2)
Director Compensation	258,909	237,059	(21,850)	288,800	51,741	29,891	
Director Benefits	101,971	122,925	20,955	161,248	38,323	59,278	
MWD Representation	157,070	127,043	(30,027)	165,029	37,986	7,959	
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-	
Overhead Reimbursement	-	-	-	-	-	-	
Health Insurance Coverage for Retirees	87,449	80,288	(7,161)	101,099	20,811	13,650	
Audit Expense	29,725	20,162	(9,563)	30,220	10,058	495	
Automotive & Toll Road Expenses	22,300	2,200	(20,100)	17,250	15,050	(5,050)	
Vehicle Expense - Water Loss Control	6,350	4,600	(1,750)	5,800	1,200	(550)	
Conference Expense - Staff	26,515	10,000	(16,515)	44,560	34,560	18,045	
Conference Expense - Directors	18,695	3,735	(14,960)	16,845	13,110	(1,850)	
Engineering Expense	340,000	574,896	234,896	380,000	(194,896)	40,000	
Insurance Expense	110,000	120,000	10,000	130,000	10,000	20,000	
Legal Expense - General	210,500	188,097	(22,403)	225,000	36,903	14,500	
Maintenance Expense	131,420	99,000	(32,420)	153,400	54,400	21,980	
Membership / Sponsorship	127,161	146,944	19,783	143,041	(3,903)	15,880	
CDR Participation	53,158	53,158	-	65,249	12,091	12,091	
Miscellaneous Expense	115,000	49,446	(65,554)	88,381	38,935	(26,619)	
Postage / Mail Delivery	9,300	8,706	(594)	9,243	537	(57)	
Professional Fees	1,581,338	1,243,799	(337,539)	1,475,640	231,841	(105,698)	
Rents & Leases	1,750	1,200	(550)	1,800	600	50	
Outside Printing, Subscription & Books	84,700	42,005	(42,695)	83,700	41,695	(1,000)	
Office Supplies	39,000	18,000	(21,000)	35,000	17,000	(4,000)	
Supplies - Water Loss Control	10,000	10,000	-	4,000	(6,000)	(6,000)	
Building Repair & Maintenance	15,000	12,500	(2,500)	15,000	2,500	-	
Computer Maintenance	8,000	7,200	(800)	8,000	800	-	
Business Expense	4,500	1,500	(3,000)	2,500	1,000	(2,000)	
Software Support & Expense	104,640	81,000	(23,640)	84,680	3,680	(19,960)	
Computers and Equipment	33,550	33,458	(92)	23,450	(10,008)	(10,100)	
Telecommunications Expense	30,850	36,987	6,137	42,840	5,853	11,990	
Temporary Help Expense	5,000	-	(5,000)	5,000	5,000	-	
Training Expense	64,500	62,000	(2,500)	52,000	(10,000)	(12,500)	
Tuition Reimbursement	5,000	1,000	(4,000)	5,000	4,000	-	

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	62,495	7,000	(55,495)	69,825	62,825	7,330
Travel & Accommodations - Directors	24,900	3,000	(21,900)	21,250	18,250	(3,650)
MWDOC's Contribution to WEROC: Operations	241,236	241,236	-	260,346	19,110	19,110
and to WEROC Capital Improvements	-	-	-	-	-	-
Capital Acquisition (excluding building)	154,200	345,297	191,097	273,059	(72,238)	118,859
Capital Acquisition to Carryover	271,900	5,803	(266,097)	-	(5,803)	(271,900)
Capital Acq Prior Year Carryover Credit	(346,900)	(271,900)	75,000	(5,803)	266,097	341,097
NORMAL OPERATING EXPENSES	\$ 9,895,641	\$ 9,331,674	\$ (563,967)	\$ 10,206,060	\$ 874,385	\$ 310,419
MWDOC's Building Expense	\$ 1,870,000	\$ 1,408,884	\$ (461,116)	\$ 903,089	\$ (505,795)	\$ (966,911)
Building Expense to Carryover	\$ -	\$ 461,116	\$ 461,116	\$ -	\$ (461,116)	\$ -
Building Expense Prior Year Carryover Credit	\$ (1,143,117)	\$ (1,143,117)	\$ -	\$ (461,116)	\$ 682,001	\$ 682,001
TOTAL EXPENSES	\$ 10,622,524	\$ 10,058,557	\$ (563,967)	\$ 10,648,033	\$ 589,475	\$ 25,509

(3)

(4)

(3)

(4)

REVENUES:						
Retail Meter Charge	\$ 7,837,792	\$ 7,837,792	\$ (0)	\$ 8,357,232	\$ 519,440	\$ 519,440
Ground Water Customer Charge	595,323	595,323	-	335,385	(259,939)	(259,939)
Interest Revenue	458,000	213,000	(245,000)	220,000	7,000	(238,000)
Miscellaneous Income	3,000	3,000	-	3,000	-	-
Choice Revenue	1,630,995	1,348,745	(282,250)	1,636,669	287,924	5,674
TOTAL REVENUES	\$ 10,525,111	\$ 9,997,861	\$ (527,250)	\$ 10,552,286	\$ 554,425	\$ 27,175

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (97,413)	\$ (60,697)	\$ 36,716	\$ (95,747)	\$ (35,050)	\$ 1,666

(5)

- (1) Total FY2021-2022 Salaries & Wages includes \$51,378 for intern support
- (2) Total FY2021-2022 Benefits includes \$5,052 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 10.88% for Classic employees and 7.59% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 6% for calendar year 2022.
- (3) Carryover is for work and capital purchases on the building that were budgeted for but not completed and will be carried over to the next year as a carryover credit
- (4) Carryover credit is the cumulative dollars from prior years that was unspent and that will be applied toward work projected to be completed in future years.
- (5) Based on FY20-21 projections and FY21-22 MWDOC designated reserve target, designated reserves will be essentially fully funded.

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

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2020-2021 BUDGET
Water Revenues			(1)			(2)
Water Sales	\$ 213,288,586	\$ 132,313,277	\$ (80,975,309)	\$ 159,262,425	\$ 26,949,149	\$ (54,026,161)
Local Resource Program Incentives	(4,881,259)	(4,106,624)	774,635	(4,136,088)	(29,464)	745,171
Readiness-To-Serve Charge	11,583,326	11,110,718	(472,608)	11,142,354	31,636	(440,972)
Capacity Charge	3,892,240	4,312,425	420,185	4,732,610	420,185	840,370
Interest Revenue - Tier 2 Cont.	22,000	10,000	(12,000)	10,500	500	(11,500)
SCP/SAC Pipeline Surcharge	315,000	312,432	(2,568)	315,000	2,568	-
TOTAL WATER REVENUES	\$ 224,219,893	\$ 143,952,228	\$ (80,267,665)	\$ 171,326,801	\$ 27,374,573	\$ (52,893,092)
Water Expenses						
Water Purchases	\$ 213,288,586	\$ 132,313,277	\$ (80,975,309)	\$ 159,262,425	\$ 26,949,149	\$ (54,026,161)
Local Resource Program Incentives	(4,881,259)	(4,106,624)	774,635	(4,136,088)	(29,464)	745,171
Readiness-To-Serve Charge	11,583,326	11,110,718	(472,608)	11,142,354	31,636	(440,972)
Capacity Charge	3,892,240	4,312,425	420,185	4,732,610	420,185	840,370
SCP/SAC Pipeline Surcharge	315,000	312,432	(2,568)	315,000	2,568	-
TOTAL WATER EXPENSES	\$ 224,197,893	\$ 143,942,228	\$ (80,255,665)	\$ 171,316,301	\$ 27,374,073	\$ (52,881,592)
Changes to Fund Balance:						
Tier 2 Contingency	\$ 22,000	\$ 10,000	\$ (12,000)	\$ 10,500	\$ 500	\$ (11,500)

(1) The large variance between FY2020-21 Adopted Budget and Project Actuals is due to the below average treated water demands of MWDOC's retail agencies. Low treated water demands can be attributed to more retail agency local water production and low consumptive water demand, mainly attributed to the COVID-19 economic downturn.

(2) Proposed Budget sales for FY2021-22 are estimated to be below last year's Adopted Budget as a result of low treated water demands due to increased retail agency local water production and low consumptive water demand, mainly attributed to the COVID-19 economic downturn.

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

	FY 2020-2021 ADOPTED BUDGET	FY 2020-2021 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2021-2022 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2019-2020 BUDGET
Funding						
Metropolitan Water District	\$ 788,114	\$ 1,177,270	\$ 389,156	\$ 1,459,112	\$ 281,843	\$ 670,999
USBR	175,604	211,100	35,496	162,020	(49,081)	(13,584)
DWR	457,586	571,980	114,394	708,233	136,253	250,647
Member Agencies	123,630	262,205	138,575	239,387	(22,818)	115,757
MWDOC	35,000	35,000	(0)	50,000	15,000	15,000
TOTAL OUTSIDE FUNDING	\$ 1,579,934	\$ 2,257,555	\$ 677,621	\$ 2,618,752	\$ 361,197	\$ 1,038,818
Program Expenses Funded from Outside Sources						
Installation Verification	59,000	62,692	3,692	68,600	5,908	9,600
Rebate Incentives	1,196,934	1,926,268	729,334	2,252,822	326,554	1,055,888
TOTAL PROGRAMS EXPENSES	\$ 1,579,934	\$ 2,257,555	\$ 677,621	\$ 2,618,752	\$ 361,197	\$ 1,038,818

Exhibit B
Expenditures by Program

Cost Center	PROGRAM	FY 2020-2021 BUDGET FTE	FY 2021-2022 BUDGET FTE	FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
11	Administrative - Board	1.67	1.58	\$ 1,173,230	\$ 1,037,923	\$ 1,269,023
12	Administrative - General	3.75	3.97	695,341	656,142	789,058
13	Personnel / Staff Development	1.56	1.69	427,047	396,491	393,261
19	Overhead	4.43	4.15	1,068,235	1,011,955	1,355,294
21	Reliability Planning and Engineering	3.62	2.57	941,736	1,081,194	679,793
23	Metropolitan Issues and Water Policy	3.76	3.98	777,165	789,692	959,009
31	Governmental Affairs	0.97	0.85	514,960	457,556	495,760
35	Water Use Efficiency (Core)	1.04	0.95	461,443	464,143	465,589
32	Public Affairs	4.45	4.76	910,703	822,677	1,006,360
41	Finance	3.55	3.37	673,518	656,629	583,812
45	Information Technology	1.01	0.99	380,031	367,291	312,086
25	MWDOC's Contribution to WEROC	3.20	3.11	241,236	241,236	260,346
CORE TOTAL		33.01	31.97	\$ 8,264,646	\$ 7,982,929	\$ 8,569,390
62	Water Use Efficiency Program	4.85	4.90	900,920	850,428	915,132
63	School Programs	0.06	0.06	406,606	210,974	430,221
70	Water Loss Control	1.83	1.39	323,469	287,343	291,317
CHOICE TOTAL		6.74	6.35	\$ 1,630,995	\$ 1,348,745	\$ 1,636,669
CORE & CHOICE TOTAL		39.75	38.32	\$ 9,895,641	\$ 9,331,674	\$ 10,206,060
Includes:				(2)		
	Full-time employees	33.00	32.25			
	Part-time employees	1.15	1.52			
	Interns	2.39	1.44			
	WEROC Full-time employees	2.72	3.11			
	WEROC Part-time employees	0.49				

(1)

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

(2) FTE's for 2020-2021 are calculated based on 2088 hours of work for the year. FTE's for 2021-2022 are calculated based on 2088 hours worked for the year. This corresponds to the actual working days for the fiscal year which varies year to year. MWDOC and WEROC combined are budgeted to have a total of 35 full-time employees, 3 part-time employee and 3 interns. Several full-time employees are budgeted to work less than 40 hours a week which explains the fractions of an FTE for full time employees. The decrease of one FTE overall is due to an employee retiring from the Finance Department.

Municipal Water District of Orange County
2021-2022 FISCAL MASTER PLAN PROJECTIONS
(in thousands)

	Projected ACTUALS FY20-21	BUDGET FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
Beginning Designated Reserve Balance - MWDOC	\$7,305	\$ 7,971	\$ 7,975	\$ 8,197	\$ 8,197	\$ 8,463	\$ 8,647
OPEB Reserve	297	297	297	297	297	297	297
Adjusted Reserve Balance	7,008	7,674	7,678	7,900	7,900	8,166	8,350
Revenues							
Water Rate Revenues:							
Retail Meter Agency Charge	7,838	8,357	8,465	8,554	8,581	8,688	8,746
Ground Water Customer Charge	595	335	339	343	348	352	356
Subtotal	8,433	8,693	8,805	8,897	8,929	9,039	9,102
Other Revenues:							
Choice Revenues	1,349	1,637	1,656	1,676	1,696	1,717	1,737
Interest Earnings	213	220	232	282	340	415	504
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	1,565	1,860	1,891	1,962	2,039	2,134	2,244
Total Revenues	9,998	10,552	10,696	10,859	10,968	11,174	11,345
Expenses							
Core Expenses	7,904	8,302	8,402	8,503	8,605	8,708	8,812
Choice Expenses	1,349	1,637	1,656	1,676	1,696	1,717	1,737
Capital Acquisitions (not including building)	79	267	20	20	20	20	20
Total Expenses w/o Building & Election	9,332	10,206	10,078	10,199	10,321	10,445	10,570
Revenue Over Expenses w/o Building & Election	666	346	618	660	647	729	776
ELECTION Reserve Beginning Balance	1,333	462	431	159	540	50	431
Annual Election Reserve Contribution	-	(31)	381	381	381	381	381
Annual Election Expense	871	-	653	-	871	-	653
Election Reserve Ending Balance	462	431	159	540	50	431	159
BUILDING Reserve Beginning Balance	437	-	-	-	269	259	413
Annual Building Reserve Contribution	-	373	15	279	-	164	-
Annual Building Expense	727	442	200	10	10	10	10
BUILDING Reserve Ending Balance	-	-	-	269	259	413	403
CASH FLOW Reserve Beginning Balance	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Annual Cash Flow Reserve Contribution	-	-	-	-	-	-	-
Cash Flow Reserve Ending Balance	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Ending General Fund & Cash Flow Reserves	\$ 7,212	\$ 7,247	\$ 7,741	\$ 7,091	\$ 7,857	\$ 7,506	\$ 8,183
Document does not reflect MWDOC's irrevocable trust towards OPEB liability							
MWDOC Water Rates							
Total Retail Customer Meters	642,442	642,864	646,211	648,010	650,101	653,200	655,100
Increment Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Charge	\$ 12.20	\$ 13.00	\$ 13.10	\$ 13.20	\$ 13.20	\$ 13.30	\$ 13.35
Fixed Charge %		100%	100%	100%	100%	100%	100%
Rate Increase Proposal:							
Increment Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Charge	\$ 0.80	\$ 0.10	\$ 0.10	\$ -	\$ -	\$ 0.10	\$ 0.05

1 Assumptions for FMP:

Inflation factor:

1.20% per year

Rate of return on Investment of portfolio:

0.91% per year

Working Capital and Interest Revenue Projections

	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
Working Capital:					
Designated Reserve Fund	7,975	8,197	8,197	8,463	8,647
Average Revenue from Agencies	4,402	4,449	4,464	4,520	4,551
WUE use of fund	(200)	(200)	(200)	(200)	(200)
Water Payment Float	7,138	7,163	7,188	7,213	7,238
Average Working Capital	19,316	19,609	19,650	19,996	20,236
Interest rate	1.20%	1.44%	1.73%	2.07%	2.49%
Interest Revenue Projections:					
Interest income - General	232	282	340	415	504
Total Interest Revenue Projections	232	282	340	415	504

Total Core Expenses

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,609,691	3,571,031	3,629,660
6090	Directors Compensation - MWDOC	258,909	237,059	288,800
6095	Directors Compensation - MWD	157,070	127,043	165,029
6105	Benefits - Admin	1,182,786	1,180,004	1,193,667
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
6111	Overhead Reimbursement	(300,926)	(296,267)	(305,425)
6115	Benefits - Directors	101,971	122,925	161,248
6120	Health Insurance Coverage for Retirees	87,449	80,288	101,099
6205	Training	62,500	60,000	50,000
6210	Tuition Reimbursement	5,000	1,000	5,000
6220	Temporary Help	5,000	-	5,000
7010	Engineering - Outside Services	340,000	574,896	380,000
7020	Legal - General	210,500	188,097	225,000
7030	Audit	29,725	20,162	30,220
7040	Other Professional Fees	996,202	865,065	865,859
7110	Conference - Employee	26,515	10,000	44,560
7115	Conference - Directors	18,695	3,735	16,845
7150	Travel & Accommodations - Employee	62,495	7,000	69,825
7155	Travel & Accommodations - Director	24,900	3,000	21,250
7210	Membership / Sponsorship	127,161	146,944	143,041
7250	CDR Participation	53,158	53,158	65,249
7305	Business Expense	4,500	1,500	2,500
7310	Office Maintenance	125,420	95,000	147,400
7315	Building Repair & Maintenance	15,000	12,500	15,000
7320	Rents & Leases	1,750	1,200	1,800
7330	Office Supplies	39,000	18,000	35,000
7340	Postal / Mail Delivery	8,900	8,306	8,600
7350	Subscriptions / Books	1,000	800	1,000
7360	Reproduction Expense	83,700	41,205	82,700
7410	Computer & Peripherals Maint	8,000	7,200	8,000
7430	Software Purchase	42,000	38,000	33,940
7440	Software Support	47,640	43,000	48,640
7450	Computers and Equipment	31,550	31,550	23,450
7580	Maintenance Expense	6,000	4,000	6,000
7610	Automotive / Mileage	20,000	1,900	16,000
7615	Toll Road Charges	1,300	200	1,050
7620	Insurance Expense	110,000	120,000	130,000
7640	Utilities - Telephone	29,650	35,547	41,400
7650	Bank Fees	1,200	2,700	3,200
7670	Miscellaneous Expenses	101,800	37,746	73,181
8810	Capital Acquisition	154,200	345,297	273,059
	Total Expenditure	8,098,410	8,007,790	8,314,847
	MWDOC's Contribution to WEROC Oper	241,236	241,236	260,346
	Capital Acquisition to Carryover (8810)	271,900	5,803	-
	Capitol Acq Prior Year Carryover Credit	(346,900)	(271,900)	(5,803)
	MWDOC's Building Expense (8811)	1,870,000	1,408,884	903,089
	Building Expense to Carryover	-	461,116	-
	Building Prior Year Carryover Credit	(1,143,117)	(1,143,117)	(461,116)
		8,991,529	8,709,812	9,011,363

Total Choice Revenue and Expense

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
	Choice Revenue	1,234,354	1,234,354	1,231,890
4205	School Contracts	120,376	120,376	120,895
4705	Prior Year Carry Over	276,265	276,265	283,884
		-	-	-
	Choice billing over/under	-	(282,250)	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	Total Revenue	1,630,995	1,348,745	1,636,669

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	542,384	534,587	548,882
	S & B Reimb. DSC or Recov from Grants	-	(39,927)	(18,665)
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	152,599	149,636	163,063
	Overhead Reimbursement	300,926	296,267	305,425
6115	Benefits - Directors	-	-	-
6120	Health Insurance Coverage for Retirees	-	-	-
6205	Training	2,000	2,000	2,000
6210	Tuition Reimbursement	-	-	-
6220	Temporary Help	-	-	-
7010	Engineering - Outside Services	-	-	-
7020	Legal - General	-	-	-
7030	Audit	-	-	-
7040	Other Professional Fees	190,373	178,734	192,100
	Other Professional Fees - School Programs	394,763	200,000	417,681
7110	Conference - Employee	-	-	-
7115	Conference - Directors	-	-	-
7150	Travel & Accommodations - Employee	-	-	-
7155	Travel & Accommodations - Director	-	-	-
7210	Membership / Sponsorship	-	-	-
7250	CDR Participation	-	-	-
7310	Office Maintenance	-	-	-
7320	Rents & Leases	-	-	-
7330	Office Supplies	-	-	-
7332	Supplies - Water Loss Control	10,000	10,000	4,000
7340	Postal / Mail Delivery	400	400	643
7350	Subscriptions/Books	-	-	-
7360	Reproduction Expense	-	-	-
7410	Computer & Peripherals Maint	-	-	-
7430	Software Purchase	15,000	-	2,100
7440	Software Support	-	-	-
7450	Computers and Equipment	2,000	1,908	-
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	-	-	-
7612	Vehicle Expense	6,350	4,600	5,800
7615	Toll Road Charges	1,000	100	200
7620	Insurance Expense	-	-	-
7640	Utilities - Telephone	1,200	1,440	1,440
7650	Bank Fees	-	-	-
7670	Miscellaneous Expenses	12,000	9,000	12,000
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	-	-	-
	Total Expenditure	1,630,995	1,348,745	1,636,669

Total Core and Choice Expenses

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	4,152,075	4,105,617	4,178,542
	S & B Reimb. DSC or Recov from Grants	-	(39,927)	(18,665)
6090	Directors Compensation - MWDOC	258,909	237,059	288,800
6095	Directors Compensation - MWD	157,070	127,043	165,029
6105	Benefits - Admin	1,335,385	1,329,640	1,356,730
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
6111	Overhead Reimbursement	-	-	-
6115	Benefits - Directors	101,971	122,925	161,248
6120	Health Insurance Coverage for Retirees	87,449	80,288	101,099
6205	Training	64,500	62,000	52,000
6210	Tuition Reimbursement	5,000	1,000	5,000
6220	Temporary Help	5,000	-	5,000
7010	Engineering - Outside Services	340,000	574,896	380,000
7020	Legal - General	210,500	188,097	225,000
7030	Audit	29,725	20,162	30,220
7040	Other Professional Fees	1,186,575	1,043,799	1,057,959
	Other Professional Fees - School Programs	394,763	200,000	417,681
7110	Conference - Employee	26,515	10,000	44,560
7115	Conference - Directors	18,695	3,735	16,845
7150	Travel & Accommodations - Employee	62,495	7,000	69,825
7155	Travel & Accommodations - Director	24,900	3,000	21,250
7210	Membership / Sponsorship	127,161	146,944	143,041
7250	CDR Participation	53,158	53,158	65,249
7305	Business Expense	4,500	1,500	2,500
7310	Office Maintenance	125,420	95,000	147,400
7315	Building Repair & Maintenance	15,000	12,500	15,000
7320	Rents & Leases	1,750	1,200	1,800
7330	Office Supplies	39,000	18,000	35,000
7332	Supplies - Water Loss Control	10,000	10,000	4,000
7340	Postal / Mail Delivery	9,300	8,706	9,243
7350	Subscriptions / Books	1,000	800	1,000
7360	Reproduction Expense	83,700	41,205	82,700
7410	Computer & Peripherals Maint	8,000	7,200	8,000
7430	Software Purchase	57,000	38,000	36,040
7440	Software Support	47,640	43,000	48,640
7450	Computers and Equipment	33,550	33,458	23,450
7580	Maintenance Expense	6,000	4,000	6,000
7610	Automotive / Mileage	20,000	1,900	16,000
7612	Vehicle Expense	6,350	4,600	5,800
7615	Toll Road Charges	2,300	300	1,250
7620	Insurance Expense	110,000	120,000	130,000
7640	Utilities - Telephone	30,850	36,987	42,840
7650	Bank Fees	1,200	2,700	3,200
7670	Miscellaneous Expenses	113,800	46,746	85,181
8810	Capital Acquisition	154,200	345,297	273,059
	Total Expenditure	9,729,405	9,356,535	9,951,517
	MWDOC's Contribution to WEROC Oper	241,236	241,236	260,346
	Capital Acquisition to Carryover (8810)	271,900	5,803	-
	Capitol Acq Prior Year Carryover Credit	(346,900)	(271,900)	(5,803)
	MWDOC's Building Expense (8811)	1,870,000	1,408,884	903,089
	Building Expense to Carryover	-	461,116	-
	Building Prior Year Carryover Credit	(1,143,117)	(1,143,117)	(461,116)
		<u>10,622,524</u>	<u>10,058,557</u>	<u>10,648,033</u>

Administrative - Board
11

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	259,074	237,091	254,524
6090	Directors Compensation - MWDOC	258,909	237,059	288,800
6095	Directors Compensation - MWD	157,070	127,043	165,029
6105	Benefits - Admin	82,141	77,021	81,036
6115	Benefits - Directors	101,971	122,925	161,248
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General	200,500	185,597	215,000
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors	18,695	3,735	16,845
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director	24,900	3,000	21,250
7210	Membership / Sponsorship	38,771	35,747	37,840
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery	4,500	7,106	5,000
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computers & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage	12,500	400	11,000
7615	Toll Road Charges	800	100	650
7620	Insurance Expense			
7640	Utilities - Telephone	700	240	300
7650	Bank Fees			
7670	Miscellaneous Expenses	12,700	858	10,500
8410	Overhead Reimbursement			
8810	Capital Acquisition			
	Total Expenditure	1,173,230	1,037,923	1,269,023

1	• Best, Best & Krieger	\$ 200,000
	• Aleshire & Wynder	\$ 15,000
		<u>\$ 215,000</u>
2	• Best, Best & Krieger	\$ 170,777
	• Aleshire & Wynder	\$ 14,820
		<u>\$ 185,597</u>
3	• See Exhibit F.	
4	• See Exhibit D.	
5	• Misc board expenses (supplies)	

Administrative - General
12

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	317,748	332,593	346,964
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	124,835	137,394	140,159
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help	5,000	-	5,000
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	1,200	-	1,200
7110	Conference - Employee	26,515	10,000	44,560
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	62,495	7,000	69,825
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	88,390	111,197	105,201
7250	CDR Participation	53,158	53,158	65,249
7305	Business Expense	4,500	1,500	2,500
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books	1,000	800	1,000
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage	7,500	1,500	5,000
7615	Toll Road Charges	500	100	400
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	2,500	900	2,000
8810	Capital Acquisition			
	Total Expenditure	695,341	656,142	789,058

1 • See Exhibit J.

2 • See Exhibit E.

3 • See Exhibit D.

4 • Center for Demographic Research at
Cal State University Fullerton
including GIS related work.

Personnel / Staff Development
13

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	217,684	225,687	240,032	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	65,863	69,405	73,818	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training	62,500	60,000	50,000	1
6210	Tuition Reimbursement	5,000	1,000	5,000	
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	10,000	2,500	10,000	2
7030	Audit				
7040	Other Professional Fees	36,000	29,800		3
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	30,000	8,100	14,411	4
8810	Capital Acquisition				
	Total Expenditure	427,047	396,491	393,261	

1 • Staff Technical Training & Leadership
Development Training

2 • Best, Best & Krieger

3 • Benchmark Study

4 • Employee Recognition \$ 2,500
• Applicant Background Checks & Physical \$ 1,500
• Team Building, Lunch meetings \$ 600
• Holiday Lunch \$ 3,000
• OCWD Health Fair \$ 200
• Employee Flu Shots \$ 100
• Job Ads Recruiting \$ 2,500
• Staff & Executive Assessments \$ 2,000
• COVID-19 Online Pre-Screen 2,011
\$ 14,411

Overhead
19

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	552,260	546,835	540,477	
6090	Directors Compensation - MWDOC				1 Retirees;
6095	Directors Compensation - MWD				• 16 Retirees
6105	Benefits - Admin	173,883	175,693	171,726	
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000	2 • Pension Plan administration by
6111	Overhead Reimbursement from Choice	(300,926)	(296,267)	(305,425)	Dissinger Associates \$ 4,000
6115	Benefits - Directors				• Cafeteria Plan IGOE \$ 660
6120	Health Insurance Coverage for Retirees	87,449	80,288	101,099	• Health Equity 100
6205	Training				4,760
6210	Tuition Reimbursement				
6220	Temporary Help				3 • Window Cleaning \$ 1,200
7010	Engineering - Outside Services				• Sewer Flush \$ 800
7020	Legal - General				• OCWD \$ 119,800
7030	Audit				• Plant Maintenance \$ 5,000
7040	Other Professional Fees	6,400	5,600	4,760	• Landscape/Maintenance Atrium \$ 12,000
7110	Conference - Employee				• Binding Machine Renewal \$ 800
7115	Conference - Directors				• Carpet & Extra Office Cleaning \$ 7,800
7150	Travel & Accommodations - Employee				\$ 147,400
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				4 • Corodata \$ 800
7310	Office Maintenance	125,420	95,000	147,400	• El Toro Water District
7315	Building Repair & Maintenance	15,000	12,500	15,000	(South EOC site) 1,000
7320	Rents & Leases	1,750	1,200	1,800	\$ 1,800
7330	Office Supplies	39,000	18,000	35,000	
7340	Postal / Mail Delivery	4,400	1,200	3,600	
7350	Subscriptions / Books				
7360	Reproduction Expense	7,200	1,205	6,200	
7410	Computer & Peripherals Maint				5 Generator Maintenance
7430	Software Purchase				
7440	Software Support				
7450	Computers and Equipment				
7580	Maintenance Expense	6,000	4,000	6,000	6 • Misc equipment repairs, fees etc.
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense	110,000	120,000	130,000	7 • Office Furniture/Copier
7640	Utilities - Telephone	28,000	34,502	40,200	See Exhibit H
7650	Bank Fees	1,200	2,700	3,200	
7670	Miscellaneous Expenses	4,200	2,500	4,000	8 • Bldg Improvements - Eval / Design /
8810	Capital Acquisition	75,000	266,097	249,059	Seismic / Construction/HVAC Improvement
	Total Expenditure	1,143,235	1,278,052	1,361,097	9 • FY20-21 & FY21-22 carryover is for work and capital
	Capital Acquisition to Carryover (8810)	271,900	5,803		purchases on the building that were budgeted for but
	Capitol Acq Prior Year Carryover Credit	(346,900)	(271,900)	(5,803)	will not be completed and will be carried over to the next
	MWDOC's Building Expense (8811)	1,870,000	1,408,884	903,089	year as a carryover credit.
	Building Expense to Carryover		461,116		• FY20-21 & FY21-22 carryover credit are the cumulative
	Building Prior Year Carryover Credit	(1,143,117)	(1,143,117)	(461,116)	dollars from prior years that were unspent and will be
		<u>1,795,118</u>	<u>1,738,838</u>	<u>1,797,267</u>	applied toward work projected to be completed in future
					years.

Reliability Planning and Engineering
21

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	507,799	441,374	359,247
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	160,438	133,425	114,046
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	265,000	499,896	200,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone	500	500	500
7650	Bank Fees			
7670	Miscellaneous Expenses	8,000	6,000	6,000
8810	Capital Acquisition			
	Total Expenditure	941,736	1,081,194	679,793

Metropolitan Issues and Water Policy

23

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	530,160	538,769	583,428
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	172,005	175,923	195,580
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	75,000	75,000	180,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7045	Other Professional Fees - MET			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8810	Capital Acquisition			
	Total Expenditure	777,165	789,692	959,009

• See Exhibit J

Government Affairs
31

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	137,153	128,534	134,709
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	49,606	46,572	47,551
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	314,000	281,950	309,000
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	14,200	500	4,500
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	514,960	457,556	495,760

1 • BB&K	\$ 96,000
• NRR	\$ 96,000
• Lewis Consulting	\$ 42,000
• Ackerman	\$ 36,000
• Grant Research & Acquisition	\$ 39,000
	<u>\$ 309,000</u>

2 • WACO	\$ 2,500
• Outreach	\$ 2,000
	<u>\$ 4,500</u>

Public Affairs
32

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	413,003	442,113	486,932	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	129,198	139,471	146,879	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	270,352	190,200	272,949	1
7047	Prof Service-Grant Recovery				
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense	76,500	40,000	76,500	2
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7450	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone	450	305	400	
7650	Bank Fees				
7670	Miscellaneous Expenses	21,200	10,588	22,700	3
8810	Capital Acquisition				
	Total Expenditure	910,703	822,677	1,006,360	

1 Public Affairs Activities:	
• Resolutions/Proclamations	\$ 4,500
• Consumer Confidence Reports	\$ 43,449
• Event Registration Fees	\$ 12,500
• Delta Conveyance Program Support	\$ 30,000
• Wyland Mayors Challenge	\$ 10,000
• Scouts Program	\$ 7,500
• Education Initiatives	\$ 30,000
Subtotal	\$ 137,949

Communications Plan Activities:	
• Strategic Digital Outreach	\$ 95,000
• Advertising	\$ 20,000
• Special Events AV Support	\$ 20,000
Subtotal	\$ 135,000
	<u>\$ 272,949</u>

2 • Promotional Items, Branded Materials	
• Info Items Handouts, Books, Folders	\$ 40,000
• Poster Slogan Award & Ceremony	\$ 30,000
	\$ 6,500
	<u>\$ 76,500</u>

3 • Ricki Maint and Repair	
• Event Display Materials	\$ 4,100
• Sponsorship Contingency Fund	\$ 4,000
• Storage Facility	\$ 5,000
• Science Fair Sponsorship	\$ 3,500
• Member Agency Workshops PAW	\$ 100
	\$ 6,000
	<u>\$ 22,700</u>

**Water Use Efficiency
(Core)
35**

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	153,920	150,620	157,145
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	46,023	52,023	47,444
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	255,500	255,500	255,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	6,000	6,000
8810	Capital Acquisition			
	Total Expenditure	461,443	464,143	465,589

1 • General Research	\$ 75,000
• Water Loss Control Work Grp	\$ 55,000
• WLC Business Plan Implement	\$ 25,000
• Water Conservation Potential Study	\$ 100,000
	<u>\$255,000</u>

General Finance
41

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	396,085	405,763	399,902
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	133,959	128,390	129,740
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit	29,725	20,162	30,220
7040	Other Professional Fees	112,750	102,015	22,950
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	300	1,000
8810	Capital Acquisition			
	Total Expenditure	673,518	656,629	583,812

1 • Annual Audit	\$ 20,566
• Single Audit	\$ 4,654
• WUE Grant Review	\$ 5,000
	<u>\$ 30,220</u>

2 • Custodial Bank fees	\$ 6,500
• Financial Consulting	\$ 15,000
• OPEB Actuarial	\$ 750
• CalPERS GASB 68 Report	\$ 700
	<u>\$ 22,950</u>

Information Technology
45

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	124,804	121,653	126,298	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	44,837	44,688	45,687	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees				1 • Misc repairs, maint & components \$ 8,000
7110	Conference - Employee				
7115	Conference - Directors				2 • Misc software upgrades and license \$ 33,940
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				3 • Laserfiche WORM Storage Cloud Backup \$ 1,100
7250	CDR Participation				• Exchange and AD Monitoring Software \$ 2,000
7310	Office Maintenance				• MWDOC Website Support & Enhancements \$ 15,000
7320	Rents & Leases				• Investment software usage cost \$ 2,340
7330	Office Supplies				• Accufund Annual Support \$ 8,500
7340	Postal / Mail Delivery				• Wireless Aps and Router \$ 5,200
7350	Subscriptions / Books				• ACT Annual Support \$ 2,000
7360	Reproduction Expense				• ECS Laserfiche Annual Support \$ 5,500
7410	Computers & Peripherals Maint	8,000	7,200	8,000	• Arcserv UDP License Renewal (2) \$ 2,000
7430	Software Purchase	42,000	38,000	33,940	• HR Insight Software Annual Maintenance \$ 5,000
7440	Software Support	47,640	43,000	48,640	\$ 48,640
7450	Computers and Equipment	31,550	31,550	23,450	
7580	Maintenance Expense				4 • Batteries Replacement for UPS \$ 4,000
7610	Automotive / Mileage				• RICOH Color Printer Support \$ 350
7615	Toll Road Charges				• Maintenance for Plotter \$ 600
7620	Insurance Expense				• 2 Laptop Computers \$ 3,500
7640	Utilities - Telephone				• 10 Replacement Computers \$ 15,000
7650	Bank Fees				\$ 23,450
7670	Miscellaneous Expenses	2,000	2,000	2,070	
8810	Capital Acquisition	79,200	79,200	24,000	
	Total Expenditure	380,031	367,291	312,086	

**Water Use Efficiency
(choice)
62**

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
4215	Choice Revenue	803,364	803,364	844,401
4705	Prior Year Carry over	97,556	97,556	70,731
	Choice billing over/under		(50,492)	
	Total Revenue	900,920	850,428	915,132

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2021 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2020-2021 PROPOSED BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	415,748	422,299	431,097
6012	Salaries & Benefits - Recovery from Grants		(39,927)	(18,665)
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	119,456	118,423	128,773
	Overhead Reimbursement	231,743	234,133	240,184
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	127,572	112,100	127,100
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery	400	400	643
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	3,000	6,000
8810	Capital Acquisition			
	Total Expenditure	900,920	850,428	915,132

1 • Recovery from WUE Grants for some Salaries and Benefits:

2 • Marketing of WUE programs \$ 40,000
 • Residential Installation Verification Inspec \$ 50,000
 • Droplet Rebate Processing & E-Signature \$ 37,100
\$ 127,100

**School Program
(choice)
63**

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
4215	Choice Revenue	107,521	107,521	96,173
4205	School Contracts	120,376	120,376	120,895
4705	Prior Year Carry over	178,709	178,709	213,153
	Choice billing over/under		(195,632)	
	Total Revenue	406,606	210,974	430,221

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2021 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2020-2021 PROPOSED BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	6,115	5,809	6,559
6105	Benefits - Admin	2,151	1,850	2,216
	Overhead Reimbursement	3,578	3,315	3,765
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7040	Other Professional Fees - School Programs	394,763	200,000	417,681
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8810	Capital Acquisition			
	Total Expenditure	406,606	210,974	430,221

1 • High Schools \$ 63,930
• Elementary Schools \$ 288,310
• Middle Schools 65,441
\$ 417,681

**Water Loss Control
(choice)
70**

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
4215	Choice Revenue	323,469	323,469	291,317
4705	Prior Year Carry over			
	Choice billing over/under		(36,126)	
	Total Revenue	323,469	287,343	291,317

		FY 2020-2021 PROPOSED BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	120,521	106,479	111,226
	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	30,992	29,363	32,075
	Overhead Reimbursement	65,605	58,819	61,476
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	2,000	2,000	2,000
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	62,801	66,634	65,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7332	Supplies - Water Loss Control	10,000	10,000	4,000
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase	15,000	-	2,100
7440	Software Support			
7450	Computers and Equipment	2,000	1,908	-
7510	Site Maintenance			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7612	Vehicle Expense	6,350	4,600	5,800
7615	Toll Road Charges	1,000	100	200
7620	Insurance Expense			
7640	Utilities - Telephone	1,200	1,440	1,440
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	6,000	6,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	323,469	287,343	291,317

1 • Water Balance Validation Cert.

2 • Meter Accuracy Testing

3 • Gloves, Hats, Uniforms,
Uniform Cleaning, etc.

4 • CMMS System

5 • Vehicle Fuel & Oil \$ 5,500
• Auto Insurance \$ 300
\$ 5,800

6 • 2 Cell Phones

WEROC
25

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
4320	MWDOC Contribution to Operations	241,236	241,236	260,346
4210	WEROC Contracts	241,236	241,236	260,346
4205				
4230	Reimbursements			
4240				
4410				
4805				
	TOTAL WEROC Revenue	482,472	482,472	520,692

1 • OCSD	\$ 51,029
• SOCWA	\$ 19,786
• OCWD	\$ 130,173
• 3 Cities -- \$19,786 ea	\$ 59,358
	<u>\$ 260,346</u>

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin	318,348	334,276	350,504
	Salaries & Benefits - Reimbursed		(16,010)	(11,750)
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	105,792	118,824	125,727
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	8,226	8,110	8,200
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7110	Conference - Employee	3,800	1,600	3,800
7115	Conference - Directors			
7150	Travel & Accomodations - Employee	4,750		4,750
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship	1,105	810	850
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office & Radio Supplies	1,800	1,500	1,500
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	1,000	450	1,000
7410	Computer & Peripherals Maint	5,060	5,060	5,060
7430	Software Purchase			
7440	Software Support	9,491	9,063	9,300
7450	Computers and Equipment			
7510	Site Maintenance	900	600	700
7580	Maintenance - Generators	1,000	980	1,000
7581	Maintenance - Radios	2,000	1,580	2,000
7582	Maintenance - EOC's	2,000	1,850	2,000
7610	Automotive / Mileage	3,000	600	2,000
7615	Toll Road Charges	200	40	50
7620	Insurance Expense			
7640	Utilities - Telephone	10,000	9,614	10,000
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	825	1,001
7671	Miscellaneous Training	3,000		3,000
8810	Capital Acquisition			
	TOTAL Expenditures	482,472	479,772	520,692

2 • See Exhibit E

3 • See Exhibit D

AMP Proceeds Agreement Administration
61

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
4020	Interest Revenue			
4050	O & M Maintenance Deposit			
4230	Reimbursement		12,464	11,622
4680	Miscellaneous Income			
	Prior Year Carryover	21,969	21,969	
	Total Revenue	21,969	34,433	11,622

		FY 2020-2021 BUDGET	FY 2020-2021 PROJECTED ACTUALS	FY 2021-2022 PROPOSED BUDGET
6010	Salaries & Wages - Admin		11,290	3,238
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		3,538	883
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General		19,605	6,000
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8810	Capital Acquisition			
	Total Expenditure	-	34,433	10,121

Exhibit D

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed District Participation Costs Fiscal Year 2021-2022

	Budget FY 2020-2021	Projected FY 2020-2021 Actuals	Budget FY 2021-2022	Approval included in Budget Approval
Required Participation or Service				
LAFCO	\$ 38,431	\$ 35,617	\$ 37,500	√
Subtotal Cost Center 11	\$ 38,431	\$ 35,617	\$ 37,500	
Association of Calif. Water Agencies (ACWA)	\$ 22,691	\$ 22,691	\$ 23,000	√
South OC Watershed Management Area Dues	\$ 10,800	\$ 10,800	\$ 10,800	√
Subtotal Cost Center 12	\$ 33,491	\$ 33,491	\$ 33,800	
Subtotal - Required Participation or Service	\$ 71,922	\$ 69,108	\$ 71,300	
Elective Participation				
Colorado River Water Users Assn. (CRWUA 2-Directors)	\$ 60	\$ 60	\$ 60	√
Orange County Water Association (OCWA 4 Directors)	\$ 280	\$ 70	\$ 280	√
Subtotal Cost Center 11	\$ 340	\$ 130	\$ 340	
Association of California Cities- Orange County (ACCOC)	\$ 5,500	\$ 5,000	\$ 5,100	√
American Water Works Association (AWWA)	\$ 1,800	\$ 1,800	\$ 1,800	√
Association of Metropolitan Water Agencies (AMWA)	\$ -	\$ 21,447	\$ 21,876	√
CA Chamber of Commerce (HR California)	\$ 568	\$ 568	\$ 580	√
CALDESAL	\$ 5,150	\$ 5,000	\$ 5,100	√
California Association of Public Information Officers (CAPIO)	\$ 825	\$ 825	\$ 840	√
California Environmental Literacy Initiative	\$ 2,500	\$ 2,500		√
California Municipal Treasurers Association (CMTA)	\$ 170	\$ 170	\$ 175	√
California Municipal Utilities Association (CMUA)	\$ 4,450	\$ 6,360	\$ 6,480	√
California Society of Municipal Finance Officers (CSMFO)	\$ 120	\$ 120	\$ 120	√
California Special Districts Assn. (CSDA)	\$ 7,996	\$ 7,996	\$ 8,100	√
CA Water Efficiency Partnership (formerly CA Urban Water Cnsrv Cncl)	\$ 6,100	\$ 6,100	\$ 6,100	√
California Water, Energy and Education Alliance (CWEEA)	\$ 2,500	\$ 2,500		√
Colorado River Water Users Assn.	\$ 90	\$ 90	\$ 92	√
Department of Water Resources Education Committee	\$ 2,500	\$ 2,500		√
Government Finance Officers Association (GFOA)	\$ 170	\$ 170	\$ 170	√
Indep. Special Districts of Or. Co. (ISDOC)	\$ 55	\$ 55	\$ 50	√
International Association of Business Communicators (IABC)	\$ 370	\$ 370	\$ 375	√
International Personnel Management Association (IPMA)	\$ 55	\$ 55	\$ 60	√
National Water Resources Assn., Mun. Caucus	\$ 535	\$ 535	\$ 545	√
OC Chapter-Calif. Landscape Contractors Assoc.	\$ 1,835	\$ 1,835	\$ 1,900	√
Orange County Business Council (OC Chamber)	\$ 5,150	\$ 5,150	\$ 5,250	√
Orange County Public Affairs Association (OCPAA)	\$ 615	\$ 615	\$ 625	√
Orange County Water Association (OCWA)	\$ 110	\$ 110	\$ 115	√
Public Relations Society of America/O.C. (PRSA)	\$ 1,600	\$ 1,600	\$ 1,632	√
Society of Human Resources Management (SHRM)	\$ 220	\$ 220	\$ 225	√
Southern California Personnel Management Assoc. (SCPMA)	\$ 60	\$ 60	\$ 60	√
South Orange County Economic Coalition (SOCEC)	\$ 1,600	\$ 1,600	\$ 1,630	√
Southern California Water Committee (SCWC)	\$ 900	\$ 1,000	\$ 1,020	√
Urban Water Institute	\$ 1,300	\$ 1,300	\$ 1,326	√
Water Environment Federation	\$ 55	\$ 55	\$ 55	√
Subtotal Cost Center 12	\$ 54,899	\$ 77,706	\$ 71,401	
Subtotal - Elective Participation	\$ 55,239	\$ 77,836	\$ 71,741	
International Association of Emergency Managers	\$ 380	\$ 420	\$ 460	√
California Emergency Services Association	\$ 225	\$ 390	\$ 390	√
California Utilities Emergency Association	\$ 500			√
WEROC Program Total	1,105	810	850	
GRAND TOTAL - General Fund	\$ 127,161	\$ 146,944	\$ 143,041	

Exhibit E

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Staff Registration & Travel Budget ⁽¹⁾ Fiscal Year 2021-2022

Conference / Meeting	Location/Date/Staff	Registration	Travel ⁽¹⁾	Approval included in
				Budget Approval
Association of California Water Agencies (ACWA)	DC Conference, February 2022	\$ 2,200	\$ 5,400	✓
	Fall Conference, Nov. 30 - Dec. 3, 2021, Pasadena, Ca	3,000	1,400	✓
	Spring Conference, May 3 -6, 2022, Sacramento, Ca	3,775	5,000	✓
	Region 10, TBD	80		✓
	Legislative Symposium, Sacramento,, March 2022	285	600	✓
Association of California Cities - Orange County (ACCOC)	Sacramento, January 2022	1,600	1,000	✓
	Washington DC, April/May 2022	5,100	3,000	✓
Association of Metropolitan Water Agencies(AMWA)	Misc. Conference TBD	950	1,800	✓
	Water Policy Conference TBD	950	1,800	✓
	Executive Mgmt Conference, Oct. 3-6, 2021, Denver, CO	950	1,800	✓
American Water Works Association (AWWA)				
	Cal Nevada Fall Conference, Oc. 18-21, 2021, Virtual	1,750		✓
	Cal Nevada Section Annual Conference June 2022, TBD	875	1,200	✓
	Sustainable Water Management Feb. 2022, TBD	575	1,600	✓
	North American Water Loss Conf, Dec. 7-9, 2021, Austin Tx	1,200	2,100	✓
California Association of Public Information Officials (CAPIO)	Annual Conference, November 2-5, 2021, Olympic Valley, CA	1,250	2,250	✓
CalDesal	Annual Conference, February, 2022	250	350	✓
California Environmental Literacy Initiative	Sacramento Ca		1,500	✓
California Employees Public Retirement System(CalPERS)	Annual Employer Education Forum, 2022	800	400	✓
California Municipal Utilities Association (CMUA) Capitol Days	Capital Days, Sacramento, January 2022	195	800	✓
California Municipal Utilities Association (CMUA) Annual Conference	Annual Conference, April 3-5, 2022, San Francisco, CA	900	600	✓
Colorado River Water Users Association (CRWUA)	Annual Conference, December 12-15, 2021 - Las Vegas, NV)	1,200	2,400	✓
California Special Districts Association (CSDA)	Legislative Days, Sacramento, May 2022	275	800	✓
	Annual Spring Conference, August 30 - Sept. 2, 2021, Monterey, Ca	500	1,000	✓
California Water Efficiency Partnership (CalWEP) Membership (formerly CUWCC)	Membership Meetings, 1=No. Cal & 2=So. Cal		600	✓
	Board Meetings, 2=No. Cal & 2=So. Cal		450	✓
	Peer to Peer, June 2022, TBD	2,250	2,925	✓
Department of Water Resources Education Committee	Sacramento		3,000	✓
Department of Water Resources (DWR)/State Water Resources Control Board (SWRCB)	Urban Advisory Group Meetings, Sacramento		2,250	✓
Legislative Advocacy	Sacramento		7,500	✓
	Washington DC		3,600	✓
Liebert, Cassidy Whimore	Annual Public Sector Conference, TBD	1,200	600	✓
Multi-State Salinity Coalition	Annual Salinity Summit, May 2022, Las Vegas, NV	300	350	✓
Orange County Business Council (OCBC)	Advocacy, Sacramento, March 2022	1,900	1,000	✓
	Advocacy, DC, May 2022	3,600	1,600	✓
Public Relations Society of America	Annual Conference, Orlando, Florida,	900	3,200	✓
Urban Water Institute	Spring Conference, TBD	2,250	1,950	✓
Miscellaneous*		3,500	4,000	✓
General Fund Total **		\$ 44,560	\$ 69,825	
Conferences/Meetings/Trainings				
International Assoc. of Emergency Managers	Oct. 15-22, 2021, Grand Rapids, MI	\$ 2,400	\$ 350	✓
California Emergency Services Association (Fall)	May 2022, Northern California	1,400	3,200	✓
TEEX Mgt346/Mgt 314 (College Station)	Spring 2022, College Station TX	-	1,200	✓
WEROC Program Total		\$ 3,800	\$ 4,750	
PROPOSED GENERAL FUND BUDGET		\$ 44,560	\$ 69,825	

* Includes OCWA lunch meetings, ISDOC, OCBC, SCWC, League of Cities, Misc. Assoc/Committee meetings and related business meeting expenses.

** Excludes automotive mileage.

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

Exhibit F

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Summary of Proposed Board Registration & Travel Budget ⁽¹⁾
Fiscal Year 2021-2022**

Conference	Location/Date/Directors	Registration	Travel ⁽¹⁾	Approval included in Budget Approval
Association of California Water Agencies (ACWA)	DC Conference, February 2022	\$ 1,100	\$ 2,700	✓
	Fall Conference, Pasadena, Nov. 30 - December 3, 2021	\$ 1,500	\$ 1,500	✓
	Spring Conference, May 3-6, 2022, Sacramento, Ca Region 10, TBD	\$ 2,265	\$ 3,000	✓
(ACCOC)	Sacramento, January 2022	\$ 80		✓
	Washington DC, April/May 2022	\$ 800	\$ 500	✓
		\$ 2,550	\$ 1,500	✓
American Water Works Association/Water Environment Federation (AWWA/WEF)	Utility Management Conference, August 3-6, 2021, Atlanta, GA	\$ 875	\$ 1,200	✓
Bond Buyers	Conference, TBD	\$ 300	\$ 200	✓
California Special Districts Association (CSDA)	Legislative Days, Sacramento, May 2022	\$ 275	\$ 800	✓
Colorado River Water Users Association(CRWUA)	Annual Conference, Dec. 12-15, 2021, Las Vegas, NV	\$ 900	\$ 1,800	✓
Orange County Business Council (OCBC)	Advocacy Trip, Sacramento, March 2022	\$ 950	\$ 500	✓
	Advocacy Trip-DC, May 2022	\$ 1,800	\$ 800	✓
Legislative Advocacy	Sacramento		\$ 1,500	✓
Legislative Advocacy	Washington DC		\$ 1,800	✓
Urban Water Institute	Spring Conference	\$ 2,250	\$ 1,950	✓
Miscellaneous*		\$ 1,200	\$ 1,500	✓
TOTAL**		\$ 16,845	\$ 21,250	

PROPOSED GENERAL FUND BUDGET

\$ 16,845	\$ 21,250
------------------	------------------

* Includes OCWA lunch meetings, ISDOC, OCBC, SCWC, League of Cities, Misc. Assoc/Committee meetings and related business meeting expenses.

** Excludes automotive mileage.

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

Exhibit G

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Proposed Total Membership that Includes Registration & Travel Costs ⁽¹⁾ Fiscal Year 2021-2022

Conference / Meeting	Membership	Registration	Travel	Total
American Water Works Association (AWWA)	\$ 1,800	\$ 5,275	\$ 6,100	\$ 13,175
Association of California Cities- Orange County (ACCOC)	5,100	10,050	6,000	21,150
Association of Calif. Water Agencies (ACWA)	23,000	14,285	19,600	56,885
Association of Metropolitan Water Agencies (AMWA)	21,876	2,850	5,400	30,126
California Association of Public Information Officers (CAPIO)	840	1,250	2,250	4,340
CalDesal	5,100	250	350	5,700
California Municipal Utilities Association (CMUA)	6,480	1,095	1,400	8,975
California Special Districts Assn. (CSDA)	8,100	1,050	2,600	11,750
California Water Efficiency Partnership	6,100	2,250	3,975	12,325
Colorado River Water Users Assn. (CRWUA)	152	2,100	4,200	6,452
Orange County Business Counsel (OC Chamber)	5,250	8,250	3,900	17,400
Urban Water Institute	1,326	4,500	3,900	9,726
Grand Total for Memberships with Conferences/Travel:	\$ 85,124	\$ 53,205	\$ 59,675	\$ 198,004

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

Exhibit H

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Schedule of Capital Expenditures Fiscal Year 2021-2022

	Proposed Budget	Approval included in <u>Budget Approval</u>
Finance - 45-8810:		
Replace End-Of-Life Cisco Voice Gateway router (hardware and software)	\$ 7,500	√
Upgrade backbone Gigabit network switch (hardware)	6,500	√
Upgrade Hyper-V Virtual Host Server (Hardware)	10,000	√
Subtotal Cost Center 45	\$ 24,000	
 Furniture and Fixtures- 19-8810:		
MWDOC Office Improvements (Office Furniture and Copier)	\$ 249,059	√
* Prior Year Projects Carryover from FY2017 through FY2021	\$ (5,803)	√
Subtotal 8810 Improvements	\$ 243,256	
 Building Improvements- 19-8811:		
Eval / Design / Seismic / Construction / HVAC Improvement	\$ 903,089	√
* Prior Year Projects Carryover from FY2017 through FY2021	(461,116)	√
Subtotal 8811 Improvements	441,973	
 New Realized Costs - Cost Center 19	\$ 685,229	

* Prior year projects carryover is the cumulative dollars from prior years that will be applied toward work projected to be completed in FY21-22.

Exhibit J
Professional / Special Services Authorized
Core Fund

Department	Consultant	Service	Budget FY 20-21	Budget FY 21-22	* Approval included in Budget Approval
Engineering Expenses					
Planning & Operation (21)	(To be determined)	Hydraulic Model	130,000		
	(To be determined)	Economic Studies/Reliability Study	135,000	50,000	
	(To be determined)	On Call Work		75,000	
	(To be determined)	EOCF#2 Emergency Pilot		75,000	
Total Planning & Operations Expenses			265,000	200,000	
Met Issues & Special Projects (23)	Ed Means Consulting	Consulting on MET issues	25,000	30,000	√
	(To be determined)	Financial & Rate Consulting		75,000	
	(To be determined)	MET and Reliability Planning (IRP & Delta)	50,000	75,000	
Total MET Issues & Special Projects Expenses			75,000	180,000	
Total Engineering Expenses			340,000	380,000	
Legal Expenses					
Administration (11 & 13)	Best, Best & Krieger	General Legal Counsel Services	185,500	200,000	√
	Aleshire & Wynder	Legal Counsel Services Regarding San Diego CWA	15,000	15,000	√
	Best, Best & Krieger	Labor Counsel Services	10,000	10,000	√
Total Legal Expenses			210,500	225,000	
Audit Expenses					
Finance (41)	Vasquez & Company LLP	Annual Financial Audit and Federal Single Audit	29,725	30,220	√
Training					
Administration (13)	Cal State University Fullerton/Municipal Resources Group/Center for Organization Effectiveness	Staff Development/Technical Training/Leadership Training	62,500	50,000	√
Professional Fees					
Administration (12 & 13 & 19)	Dissinger Associates	Pension Plan Administration	4,000	4,000	√
	IGOE	Cafeteria Plan Administration	2,400	660	√
	Ralph Anderson & Associates	Benchmark Study	36,000		√
	Gladwell Services	Records Management Consulting	1,200	1,200	√
	Health Equity	Health Equity		100	√
Governmental Affairs (31)	BBK Legislation	State Legislative Advocate	96,000	96,000	√
	James C. Barker	Federal Legislative Advocate	96,000	-	√
	Lewis Consulting	County Issues Consulting	42,000	42,000	√
	Soto Services	Grant Research and Acquisition Assistance	36,000	39,000	√
	Ackerman	Legal and Regulatory	36,000	36,000	√
	Natural Resource Results	Federal Legislative Advocate		96,000	√
Public Affairs (32)	Stetson Engineers	Consumer Confidence Report (CCR) Technical Water Quality Advisor	41,852	43,449	√
	So Cal Water Coalition	Delta Conveyance Program Support	30,000	30,000	√
	(To be determined)	Collateral materials update and resolutions/proclamations	4,500	4,500	
	(To be determined)	Event Registration Fees	12,500	12,500	
	Hashtag Pinpoint	Strategic Digital Outreach Contract	95,000	95,000	√
	(To be determined)	CA Water, Energy & Education Alliance	5,000	5,000	
	(To be determined)	Client Agency Workshops for PAW	4,000		
	(To be determined)	Wyland Mayors Challenge	10,000	10,000	
	PSAV	Special Events AV Support	20,000	20,000	√
	(To be determined)	Advertising	20,000	20,000	
WUE - Core (35)	(To be determined)	Environmental Literacy Initiative	20,000	25,000	
	(To be determined)	Scouts Program	7,500	7,500	
	(To be determined)	General WUE Research	75,000	75,000	
	Blue Watchdog Conservation, Inc	Landscape Education - QWEL License	500		√
	Water Systems Optimization	Water Loss Control Work Grp (WLC)	55,000	55,000	√
Finance & IT (41 & 45)	Water Systems Optimization	WLC Business Plan Implementation	25,000	25,000	√
	(To be determined)	Water Conservation Potential Study		100,000	
	SAWPA	Aerial Imagery and Landscape Measurement Project	100,000		√
	U.S. Bank	Custodial Bank fees	6,500	6,500	√
Finance & IT (41 & 45)	CalPERS	CalPERS GASB 68 Report		700	√
	Davis Farr	Financial Consulting	20,000	15,000	√
	Demsey Filliger & Assoc., LLC	OPEB Actuarial	3,750	750	√
	Raffelis	Rate Study	82,500		√
Total Professional Fees			988,202	865,859	

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

Exhibit J1
Professional / Special Services Authorized
Choice Funds

Department	Consultant	Service	Budget FY 20-21	Budget FY 21-22	* Approval included in Budget Approval
Training					
Water Loss Control (70)	(To be determined)	Water Balance Validation Certification	2,000	2,000	
Professional Fees					
Water Loss Control (70)	Westerley & McCall's	Meter Accuracy Testing	62,801	65,000	√
Water Use Efficiency (62)	Various Printers	Printing of marketing materials for all WUE programs	40,000	40,000	
	Droplet	Web Based Rebate Processing Platform (Turf & Drip)	45,072	30,000	√
	Droplet	E-Signature Rebate Processing	7,500	7,100	√
	Mission Resource Cnsvr District	Residential Installation Verification Inspections	35,000	50,000	√
School Program (63)	Discovery Cube/Shows That	Assemblies (Elementary School)	285,123	290,807	√
	Bolsa Chica Conservancy	Assemblies (High School)	64,800	66,142	√
	Discovery Cube	Assemblies (Middle School)	44,840	45,709	√
Total Professional Fees			585,136	594,758	

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

Municipal Water District of Orange County
Fiscal Year 2020-2021 Consolidated Budget Summary

	Core & Choice	Water Fund	WUE Grants and Outside Funding	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers	Less Inter-Fund Transfers(1)	Consolidated Budget Total
Revenues:								
Water Sales		\$ 229,079,152				\$ 229,079,152		\$ 229,079,152
Local Resource Program Incentives		(4,881,259)				(4,881,259)		(4,881,259)
Retail Meter Charge	7,837,792					7,837,792		7,837,792
Ground Water Customer Charge	595,323					595,323		595,323
Water Increment Charge	-					-		-
Interest Revenue	458,000	22,000				480,000		480,000
MWDOC's Contribution	-		1,579,934	241,236	-	241,236	(241,236)	-
Outside Fundings	-			241,236		1,821,170		1,821,170
Carryover Funds	-			-		-		-
Choice Revenue	1,630,995					1,630,995		1,630,995
Miscellaneous Income	3,000					3,000		3,000
Total Revenues	10,525,111	224,219,893	1,579,934	482,472	-	236,807,409	(241,236)	236,566,173
Expenses:								
Water Purchases		224,197,893				224,197,893		224,197,893
Salaries & Wages	4,152,075			318,348	-	4,470,423		4,470,423
less S & W Reimb. DSC or Recov from Grants	-					-		-
Employee Benefits	1,542,385			105,792	-	1,648,177		1,648,177
Engineering Expense	340,000					340,000		340,000
Professional Fees	1,581,338			-		3,161,272		3,161,272
Contribution to Election Reserve	-		1,579,934			-		-
Legal Expense - General	210,500			-		210,500		210,500
Maintenance Expense	146,420			3,900		150,320		150,320
Insurance Expense	110,000			-		110,000		110,000
Membership / Sponsorship	127,161			1,105		128,266		128,266
Director Compensation	258,909					258,909		258,909
MWDOC Contribution to WEROC Operations	241,236					241,236	(241,236)	-
MWDOC Contribution to WEROC Capital Improv	-					-		-
Others:								
MWD Representation	157,070					157,070		157,070
Director Benefits	101,971					101,971		101,971
Health Insurance Coverage for Retirees	87,449					87,449		87,449
Audit Expense	29,725					29,725		29,725
Automotive & Toll Road Expenses	28,650			3,200		31,850		31,850
Conference Expense - Staff	26,515			3,800		30,315		30,315
Conference Expense - Directors	18,695					18,695		18,695
CDR Participation	53,158					53,158		53,158
Business Expense	4,500					4,500		4,500
Miscellaneous Expense	115,000			6,000		121,000		121,000
Postage / Mail Delivery	9,300					9,300		9,300
Rents & Leases	1,750			-		1,750		1,750
Outside Printing, Subscription & Books	84,700			1,000		85,700		85,700
Office Supplies	49,000			1,800		50,800		50,800
Computer Maintenance	8,000			5,060		13,060		13,060
Software Support & Expense	104,640			9,491		114,131		114,131
Computers and Equipment	33,550			-		33,550		33,550
Telecommunications Expense	30,850			10,000		40,850		40,850
Temporary Help Expense	5,000					5,000		5,000
Training Expense	64,500			8,226		72,726		72,726
Tuition Reimbursement	5,000					5,000		5,000
Travel & Accommodations - Staff	62,495			4,750		67,245		67,245
Travel & Accommodations - Directors	24,900					24,900		24,900
Depreciation Expense (annualized)	-					-		-
Overhead Expenses billed to AMP and WFC	-					-		-
Overhead Reimbursement	-					-		-
MWDOC Building Expense	726,883			-		726,883		726,883
Contribution to Operating Reserves	-					-		-
Capital Acquisition	79,200			-		79,200		79,200
All Other Expenses	1,912,501			53,327		1,965,828		1,965,828
Total Expenses	10,622,524	224,197,893	1,579,934	482,472	-	236,882,823	(241,236)	236,641,588
EFFECT ON RESERVES / FUND BALANCE	\$ (97,413)	\$ 22,000	(2)	\$ -	\$ -	\$ (75,414)	\$ -	\$ (75,415)

1 Adjustment for MWDOC's contributions to other funds.
2 Net change to restricted reserves for interest revenue.

Municipal Water District of Orange County
Fiscal Year 2021-2022 Consolidated Budget Summary

	Core & Choice	Water Fund	WUE Grants and Outside Funding	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers	Less Inter-Fund Transfers ⁽¹⁾	Consolidated Budget Total
Revenues:								
Water Sales		\$ 175,452,389				\$ 175,452,389		\$ 175,452,389
Local Resource Program Incentives		(4,136,088)				(4,136,088)		(4,136,088)
Retail Meter Charge	8,357,232					8,357,232		8,357,232
Ground Water Customer Charge	335,385					335,385		335,385
Water Increment Charge	-					-		-
Interest Revenue	220,000	10,500				230,500		230,500
MWDOC's Contribution	-		2,618,752		11,622	260,346	(260,346)	-
Outside Fundings	-					2,890,720		2,890,720
Carryover Funds	1,636,669					1,636,669		1,636,669
Choice Revenue	3,000					3,000		3,000
Miscellaneous Income								
Total Revenues	10,552,286	171,326,801	2,618,752	520,692	11,622	185,030,153	(260,346)	184,769,807
Expenses:								
Water Purchases		171,316,301				171,316,301		171,316,301
Salaries & Wages	4,178,542					4,178,542		4,178,542
less S & W Reimb. DSC or Recov from Grants	(18,665)				3,238	(15,427)		(15,427)
Employee Benefits	1,563,730					1,563,730		1,563,730
Engineering Expense	380,000				883	380,883		380,883
Professional Fees	1,475,640					1,475,640		1,475,640
Contribution to Election Reserve	-		2,618,752			-		-
Legal Expense - General	225,000				6,000	231,000		231,000
Maintenance Expense	168,400					168,400		168,400
Insurance Expense	130,000					130,000		130,000
Membership / Sponsorship	143,041					143,041		143,041
Director Compensation	288,800					288,800		288,800
MWDOC Contribution to WEROC Operations	260,346					260,346	(260,346)	-
MWDOC Contribution to WEROC Capital Improv	-					-		-
Others:								
MWD Representation	165,029					165,029		165,029
Director Benefits	161,248					161,248		161,248
Health Insurance Coverage for Retirees	101,099					101,099		101,099
Audit Expense	30,220					30,220		30,220
Automotive & Toll Road Expenses	23,050					23,050		23,050
Conference Expense - Staff	44,560					44,560		44,560
Conference Expense - Directors	16,845					16,845		16,845
CDR Participation	65,249					65,249		65,249
Business Expense	2,500					2,500		2,500
Miscellaneous Expense	88,381					88,381		88,381
Postage / Mail Delivery	9,243					9,243		9,243
Rentals & Leases	1,800					1,800		1,800
Outside Printing, Subscription & Books	83,700					83,700		83,700
Office Supplies	39,000					39,000		39,000
Computer Maintenance	8,000					8,000		8,000
Software Support & Expense	84,680					84,680		84,680
Computers and Equipment	23,450					23,450		23,450
Telecommunications Expense	42,840					42,840		42,840
Temporary Help Expense	5,000					5,000		5,000
Training Expense	52,000					52,000		52,000
Tuition Reimbursement	5,000					5,000		5,000
Travel & Accommodations - Staff	69,825					69,825		69,825
Travel & Accommodations - Directors	21,250					21,250		21,250
Depreciation Expense (annualized)	-					-		-
Overhead Expenses billed to AMP and WFC	-					-		-
Overhead Reimbursement	-					-		-
MWDOC Building Expense	441,973					441,973		441,973
Contribution to Operating Reserves	267,256					267,256		267,256
Capital Acquisition	1,853,198					1,853,198		1,853,198
All Other Expenses								
Total Expenses	10,648,033	171,316,301	2,618,752	520,692	10,121	185,113,899	(260,346)	184,853,552
EFFECT ON RESERVES / FUND BALANCE	\$ (95,747)	\$ 10,500	\$ -	\$ -	\$ 1,501	\$ (83,746)	\$ -	\$ (83,746)

1 Adjustment for MWDOC's contributions to other funds.
2 Net change to restricted reserves for interest revenue.



ACTION ITEM
October 20, 2021

TO: Board of Directors

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

Robert Hunter, General Manager
Staff Contact: J. Berg, Director of Water Use Efficiency

SUBJECT: Temporary Acoustic Leak Detection Surveys and Staff Training

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to enter into a professional services agreement with Utility Services Associates, LLC. to perform acoustic leak detection surveys temporarily and to provide leak detection training for MWDOC's Water Loss Control staff at a total cost not to exceed \$94,200.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

MWDOC member agencies have elected to complete 900 miles of acoustic leak detection surveys in FY21-22. Staff generally performs these surveys "in-house" but, due to staffing turnover, is now seeking temporary assistance from a contractor for 300 miles of leak detection and staff training. This temporary contract will allow us to meet our leak detection obligations to the member agencies, as well as train our new staff, to ensure the continued smooth operation of the Water Loss Control Shared Services Program.

DETAILED REPORT

Budgeted (Y/N): Yes	Budgeted amount: \$94,200	Core __	Choice _x_
Action item amount: \$94,200		Line item: 34-7040	
Fiscal Impact (explain if unbudgeted): The acoustic leak detection survey and training will be paid for through member agency shared services elections at \$144/mile and Metropolitan Water District funding at \$170/mile.			

MWDOC provides acoustic leak detection surveys to the member agencies through the Water Loss Control Shared Services Program. Due to recent staffing turnover, MWDOC staff feels it is necessary to bring on a temporary contractor to survey 300 miles of main and to train two new MWDOC staff members, currently in the process of being hired. MWDOC member agencies have elected 900 miles of leak detection surveys during FY 21-22. This is a 260-mile increase over FY20-21 elections, and a 330-mile increase over FY19-20 elections.

In order to support the growing program and meet our obligations to the member agencies as timely as possible, on September 23, 2021, staff released an RFQ seeking quotes for Acoustic Leak Detection services for 300 miles and leak detection staff training. The RFQ was sent to seven companies known to provide these services. Two responses to the RFQ were received by the September 28, 2021 deadline. Respondents included Water Systems Optimization (WSO) and Utility Services Associates, LLC. (USA). Both companies were found to be capable of providing the defined leak detection services. WSO was unable to meet the scheduled start date of November 30 and offered a less competitive price. USA was able to meet our start date, provide staff training and offer a competitive price of \$314 per mile. While USA is based in Montana, their lead leak detection technician is located in Riverside County, reducing the travel fees and overall project costs.

Acoustic Leak Detection Surveys

The surveys will require the contractor to walk the designated mileage and use noise amplifying listening equipment to listen to all available fittings on main lines and service connections in the survey area including, but not limited to, angle meter stops, backflows, air release valves, and fire hydrants. When suspected leaks are identified, they will be noted and then revisited on a different day to validate that the leak noise is still present. Once a leak sound is detected, the technician uses a ground microphone and/or acoustic correlators to pinpoint the location of the leak, when possible. Validated leaks are recorded in an electronic GIS based system that captures key information about the leak. A final report detailing the confirmed leaks and the key information will be presented to MWDOC and each participating water retailer.

Comprehensive acoustic leak detection requires more time than a general leak survey where a technician listens only to accessible valves and hydrants. A general survey often fails to detect the majority of distribution system leakage, especially in Southern California where the majority of distribution system leakage tends to occur at low flow rates on meter and service connections. Only quotes for comprehensive acoustic leak detection surveys were considered.

Leak Detection Training

This project also includes the training of two new MWDOC staff members that are currently in the process of being hired. While it is expected that these staff members will have at least one year of water distribution system experience, it is unlikely that they will be familiar with acoustic leak detection because it is such a highly specialized field. They will need to be trained on the use of noise amplifying listening equipment and acoustic correlators, as well as basic leak investigation including acoustic leak detection theory, pumping out meter boxes, using probe rods, and visual inspection techniques.

Following this training, their primary function will be performing leak detection surveys. The training will be mostly field-based, with supplemental classroom instruction.

BOARD OPTIONS

Option #1: Staff recommends the Board of Directors authorize the General Manager to enter into a professional services agreement, with Utility Services Associates, LLC. to perform acoustic leak detection surveys temporarily and to provide leak detection training for MWDOC's Water Loss Control staff at a total cost not to exceed \$94,200.

Fiscal Impact: Status quo, costs are covered by Choice contributions from Member agencies and leak detection incentives from Metropolitan.

Business Analysis: Honors MWDOC's obligations to provide leak detection services to member agencies and provides for training of new staff.

Option #2: The Board does not approve the contract for temporary leak detections and staff training services.

Fiscal Impact: Funding on account from member agencies would be refunded and an opportunity to access Metropolitan funding would be missed.

Business Analysis: MWDOC would be unable to honor obligations to provide leak detection services to member agencies, negatively affecting our relations.



ACTION ITEM
October 20, 2021

TO: Board of Directors

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

Robert Hunter, General Manager

Staff Contact: Heather Baez

SUBJECT: CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) PROPOSED BYLAWS UPDATE

STAFF RECOMMENDATION

Staff recommends that the Committee review the proposed updates to CSDA's bylaws, and authorize President Tamaribuchi, or his designee, to cast the District's ballot with an either yes or no vote.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

The last CSDA bylaws updates were made in 2016 with the primary change being the addition of electronic voting for elections and other matters that require Regular Member approval.

Following receipt of feedback and suggestions over the last few years from members, CSDA has conducted a review of the CSDA Bylaws making the necessary updates as well as additions or improvements. There are numerous minor verbiage and grammar updates as well as more significant proposed updates that are listed in summary below and in detail in the mark-up form via the link provided below:

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

- Revised Rights of Regular Membership;
- A new category for Retired Non-Voting Individual Membership;
- A new section on the use of “member” in reference to Associate Members and Business Affiliate Members;
- Updates to the Termination of Membership section and adds a section regarding Procedure for Termination of Membership;
- Clarification on the process for handling a vacancy on the Board of Directors outside of nomination period;
- New Annual Report section added; and
- A new section prohibiting dual directorships with CSDA’s Alliance partner, Special District Risk Management Authority (SDRMA)

Attached is a line item copy of the suggested bylaw amendments.

BOARD OPTIONS

Option #1

- Authorize President Tamaribuchi or his designee to cast the district’s ballot for the proposed changes to the CSDA Bylaws.

Fiscal Impact: None

Business Analysis: While the changes are not overly substantial in nature, as a member, it is important to stay engaged with CSDA and how it is governed.

Option #2

- Take no action

Fiscal Impact: None

Business Analysis: MWDOC would not have an opportunity to weigh-in on the proposed CSDA bylaws.

STAFF RECOMMENDATION

Option #1

ATTACHED:

- Draft CSDA Bylaws Update 2021

DRAFT

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DRAFT



BYLAWS

California Special Districts Association

Approved Bylaw Revision Dates:

Revised 1996

Revised 1999

Revised 2004

Revised October 1, 2009

Revised August 2, 2010

Revised August 1, 2011

Revised July 1, 2014

Revised July 1, 2016

[Revised November XX, 2021](#)

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ARTICLE I – GENERAL

Section 1. Purpose:

In addition to the general and specific purposes set forth in the Articles of Incorporation of the California Special Districts Association ([hereinafter referred to as "CSDA"](#)), CSDA will provide outreach, [advocacy, professional development, information, and other](#) [various services to member districts](#)

. CSDA will interact [and collaborate, where appropriate](#), with the associations and groups that support or oppose its membership's interests. [The control and governance of CSDA shall be the responsibility of CSDA's Board of Directors \(the "Board of Directors"\)](#).

Section 2. CSDA Networks:

The state of California shall be divided along county boundaries into six voting networks. The areas of the networks [are](#) determined by the Board of Directors of CSDA.

Section 3. Principal Office:

The principal business office of CSDA [is](#) located [at 1112 I Street, Suite 200, Sacramento, California 95814. The Board of Directors shall have authority to change the principal office from one location to another.](#)

ARTICLE II – MEMBERSHIP

Section 1. Qualification of Membership:

There may be several classes of membership in CSDA, as determined by the Board of Directors. The following classes have been adopted:

A. Regular Voting Members:

Regular voting members shall be any public agency formed pursuant to either general law or special act for the local performance of governmental or proprietary functions within limited boundaries, and which meets any one of the following criteria:

1. Meets the definition of "independent special district" set forth in Government Code Section 56044 by having a legislative body comprised entirely of elected members, or which members are appointed to fixed terms; or
2. The following public agencies: (a) air quality management districts; (b) air
The following public agencies: (a) air quality management districts; (b) air
The following public agencies: (a) air quality management districts; (b) air
The following public agencies: (a) air quality management districts; (b) air
The following public agencies: (a) air quality management districts; (b) air
The following public agencies: (a) air quality
management districts; (b) air pollution control districts; (c) county water agencies or authorities; (d) transit or rapid transit districts, or transportation authorities; (e) metropolitan water districts; (f) flood control or water conservation districts; (g) sanitation agencies.

Commented [MH1]: This was removed because it conflicts with the remaining portion of the provision and does not provide clarity on whom is included or excluded.

Regular voting members shall not include any state, cities, counties, school districts, community college districts, local agency formation commissions (LAFCOs), dependent districts, or joint powers authorities (JPAs) except as may be specifically referenced above.

Rights of Regular Membership: Regular voting members have voting privileges and may hold seats on the Board of Directors. All Regular Members shall have the right to vote, as set forth in these bylaws, on the election of directors, on the disposition of all or substantially all of the corporation's assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, Regular Members shall have all rights afforded members under the California Nonprofit Public Benefit Corporation Law.

Commented [NM2]: New provision based on CA Nonprofit Law

B. Associate Non-Voting Members:

Associate members shall be public agencies such as dependent districts composed of appointees from a single public agency, cities, counties, joint powers authorities, and other public agencies that do not satisfy the criteria for regular voting membership specified in Section A above.

Associate members have no voting privileges, except as approved members on a CSDA committee, and may not hold a seat on the Board of Directors.

C. Business Affiliate Non-Voting Members:

Business Affiliate members shall be those businesses or organizations that provide services to special districts and have evidenced interest in the purposes and goals of CSDA. Business Affiliates have no voting privileges, except as approved members on a CSDA committee, and may not hold a seat on the Board of Directors.

D. Retired Non-Voting Member (Individual Membership):

Retired Individual members shall be those persons that are retired from service as a staff or board member at a special district and have at least 1 year of previous service.

Retired members shall not be affiliated with or serve as a consultant to any agency eligible for regular, associate, or business affiliate membership in CSDA. Retired members cannot be employed by a company that provides services or products to special districts.

Retired members have no voting privileges and may not hold a seat on the CSDA Board of Directors. Retired members may hold a seat and may have voting privileges on any CSDA committee, with the exception of the Legislative Committee.

CSDA benefits available to retired members shall be determined by the CSDA Board of Directors.

Commented [NM3]: New provision adding individual membership category for those that wish to stay involved/informed after retirement

Section 2. Membership Application:

Application for membership to CSDA will be directed to staff, who will determine if the applicant's interest and purpose is in common with CSDA. If the applicant meets the requirements of membership, the Board of Directors shall approve the new member by a majority vote of the Board. Acceptance to membership shall authorize participation in CSDA activities as specified in these Bylaws. The Board shall retain the authority to deny membership in CSDA at its discretion.

Section 3. Membership Dues:

The membership dues of CSDA shall be established annually by a majority vote of the Board of Directors at a scheduled Board meeting. Authority to adjust the dues shall remain with the Board of Directors.

Section 4. Membership Voting:

Matters to be voted upon by the authorized voting membership shall be determined by the Board of Directors in accordance with these Bylaws. Only those matters of which notice has been given to voting members by CSDA may be voted upon.

A. Voting Designee:

In accordance with these Bylaws, regular voting members in good standing shall have voting privileges. The governing body of each regular voting member shall designate one representative from their respective district who shall have the authority to exercise the right of the regular voting member to vote. Such voting designee shall be a Board member or managerial employee of the regular voting member.

B. Voting Authorization:

Regular voting members who have paid the required dues as set by the Board of Directors are members in good standing. Each regular voting member in good standing shall be entitled to one vote on all matters brought before the membership for vote at any meeting or by ballot.

C. Non-Voting Members:

CSDA may refer to Associate Members and Business Affiliate Members or other persons or entities associated with it, as "members", even though those persons or entities are not voting Regular Members as set forth in Article II Section I A. hereof. No such reference as "members" shall constitute anyone as a voting member of this corporation unless that person or entity has qualified for voting Regular Membership pursuant to Article II Section I A of these Bylaws. The Board of Directors may adopt policies which grant some or all of the rights of a Regular Member, other than voting rights, to an Associate Member or Business Affiliate Member, but no such person or entity shall be a Regular Member by virtue of such grant of rights.

Commented [NM4]: New provision clarifying the term 'members' and related references to the term

Section 5. Membership Quorum:

A. Meeting Quorum:

Twenty-five voting designees, as defined in Article II, Section 4, present at any annual or special meeting of the CSDA shall constitute a quorum. No regular voting member shall have the right to vote by means of an absentee or proxy ballot.

B. Mailed or Electronic Ballot Quorum:

Mail ballots or electronic ballots received from 25 voting designees officially designated by each regular voting member shall constitute a quorum. Each regular voting member shall be entitled to one vote. No regular voting member shall have the right to vote by means of a proxy.

Section 6. Membership Meetings:

A. Annual Business Meeting:

The annual business meeting of the members shall be held at the Annual CSDA Conference at such time and place as determined by the Board of Directors. Written notice of the annual business meeting distributed by mail or electronically shall include all matters that the Board intends to present for action and vote by the members.

B. Special Meetings:

Special meetings of the members may be called at any time by the President, by a majority of the Board of Directors, or at least a quorum of the members (25 members). Such a special meeting may be called by written request, specifying the general nature of the business proposed to be transacted and addressed to the attention of and submitted to the President of the Board. The President shall direct the Chief Executive Officer to cause notice to be given promptly to the members stating that a special meeting will be held at a specific time and date fixed by the Board. No business other than the business that was set forth in the notice of the special meeting may be transacted at a special meeting.

C. Notice of Meetings:

Whenever members are permitted to take any action at any annual or special meeting, written notice of the meeting distributed by mail or electronically shall be given to each member entitled to vote at that meeting. The notice shall specify the place, date and hour of the meeting, and the means of communication to be utilized by and between CSDA and its members, if any, [through](#) which members may participate in the meeting. For the Annual Membership Meeting, the notice shall state the matters that the Board intends to present for action by the members. For a special meeting the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

1. Notice Requirements. Written notice of any annual membership meeting shall be given at least 45 days before the meeting date either personally, by first class registered or certified mail, or by electronic transmission.

2. Electronic Notice. Notice given by electronic transmission by CSDA shall be valid if delivered by either (a) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address for that main contact member on record with CSDA; (b) posting on an electronic message board or network that CSDA has designated for such communications, together with a separate electronic notice to each member of the posting; or (c) any other means of electronic communication. Such electronic transmission must be directed to a member which has provided to CSDA an unrevoked consent to the use of electronic transmission for such communications. The method of electronic communication utilized must create a record that is capable of retention, retrieval and review by CSDA.

All such electronic transmissions shall include a written statement that each member receiving such communication has the right to have the notice provided in non-electronic form. Any member may withdraw its consent to receive electronic transmissions in the place of written communications by providing written notice to CSDA of such withdrawal of consent.

Notice shall not be given by electronic transmission by CSDA if CSDA is unable to deliver two (2) consecutive notices to a member by that means, or otherwise becomes aware of the fact that the member cannot receive electronic communications.

D. Electronic Meetings:

Members not physically present in person at either an annual or special meeting of members may participate in such a meeting by electronic transmission or by electronic video screen communication by and between such members and CSDA. Any eligible member participating in a meeting electronically shall be deemed present in person and eligible to vote at such a meeting, whether that meeting is to be held at a designated place, conducted entirely by means of electronic transmission, or conducted in part by electronic communication between CSDA and those members who are not capable of being physically present at such designated meeting place.

Annual and special meetings of the members may be conducted in whole or in part by electronic transmission or by electronic video screen communication by and between CSDA and its members if all of the following criteria are satisfied: (1) CSDA implements reasonable procedures to provide members participating by means of electronic communication a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to hear the proceedings of the meeting including comments of members participating in person substantially concurrent with such proceedings; and (2) any votes cast by a member by means of electronic communication by and between CSDA and a member must be recorded and maintained in the minutes by CSDA.

E. Majority Vote:

Any matter submitted to the membership for action or approval shall constitute the action or approval of the members only when: (1) the number of votes cast by regular voting members present at the meeting equals or exceeds the quorum requirement of 25 registered voters; and (2) the number of votes approving the action or proposal equals or exceeds a majority (50% plus one) of the regular voting members present and casting votes on the issue.

F. Solicitation of Written Ballots from Members:

All solicitations of votes by written ballot, whether by means of electronic communication or first class mail, shall: (1) state the number of returned ballots needed to meet the quorum requirement ; (2) state, with respect to returned ballots other than for election of directors, that the majority of returned ballots must indicate approval of each measure in order to adopt such measure; and (3) specify the time by which the written ballot must be received by CSDA in order to be counted. Each written ballot so distributed shall: (1) set forth the proposed action; (2) give members an opportunity to specify approval or disapproval of each proposal; and (3) provide a reasonable time in which to return the ballots to CSDA either electronically or by first class mail.

Each written ballot distributed by first class mail shall be mailed to each regular voting member at least 45 days in advance of the date designated for return of the ballot by each such member to CSDA. Written ballots transmitted electronically to members shall

be electronically communicated at least 45 days in advance of the date designated for return of the ballot by each member to CSDA.

G. Return of Ballots:

Written ballots shall be returned either by first class mail or by electronic communication to either the principal business address of CSDA or CSDA's designated electronic format specified on the ballot prior to the close of business (5:00 pm) on the designated election date. Written ballots received either by first class mail or electronic communication from regular voting members after the specified date shall be invalid and shall not be counted.

H. Number of Votes Required for Approval of Action on Written Ballot:

Approval by written ballot shall be valid only when (1) the number of votes cast by written ballot either by means of electronic communication or first class mail within the specified time equals or exceeds the quorum required to be present at a meeting authorizing the action (25 votes); and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting of members, i.e. 50% plus one of those participating members casting written ballots either electronically or by first class mail.

Section 7. Termination of Membership:

A member shall not be in good standing, and membership may be terminated, on occurrence of any of the following events:

A. Any member delinquent in the payment of dues for a period of three months after said dues are due and payable, shall be notified in writing of such arrearage, and shall be given written notice of possible termination. If such delinquent dues remain unpaid for 45 days after notice, the delinquent member shall automatically cease to be a member of CSDA. CSDA's Chief Executive Officer may approve special payment arrangements if deemed necessary including with those districts that may be members of the Special District Risk Management Authority (SDRMA).

A.B. Determination by the Board of Directors that a member has failed in a material and serious degree to observe the rules of conduct or operational policies of CSDA, including but not limited to the Corporation's Anti-Trust Policies or has engaged in conduct materially and seriously prejudicial to this CSDA's purposes and interests.

Commented [NM5]: New provision based on CA Nonprofit Law and Federal anti-trust laws

Section 8. Procedure for Termination of Membership:

If grounds exist for terminating the membership of a member under Section 7 hereof, the following procedures shall be followed:

A. The Board of Directors shall give the member at least 15 days prior written notice of the proposed termination and the reasons for the proposed termination of membership. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class mail to the member's last address as shown on CSDA records.

B. The member shall be given an opportunity to be heard, either orally or in writing, at least 5 days before the effective date of the proposed termination of membership. The hearing shall be held, or the written statement considered, by the Board of Directors which is responsible for determining in its sole discretion whether the termination of membership should occur.

C. The Board of Directors shall determine whether the membership shall be terminated. The decision of the Board of Directors shall be final.

Commented [NM6]: New provision based on CA Nonprofit Law and to outline process

ARTICLE III – DIRECTORS

Section 1. Number of Directors:

The authorized number of elected directors to serve on the Board of Directors shall be 18. Each regular voting member shall be limited to one seat on the Board.

There shall be three directors elected from each of the six CSDA networks. Directors elected from each of the six networks shall hold staggered three-year terms.

Section 2 Term of Office:

Directors elected from each of the six networks shall hold staggered three-year terms. After the annual election of directors, a meeting of the Board shall be held to ratify the election results. The term of office of the newly elected persons shall commence on the following January 1 and shall automatically terminate three years thereafter.

Section 3. Nomination of Directors:

Nomination of Directors seeking to serve on the Board shall be by network. Any regular voting member in good standing is eligible to nominate one person from their district to run for director of CSDA. The CSDA director nominee shall be a member of the board of directors of the district or a managerial employee as defined by that district's board of directors. Nomination of the director designee shall be made by a resolution or minute action of the regular voting member's Board of Directors. Only one individual from each regular voting member district may be nominated to run at each election.

CSDA staff, in conjunction with the Elections and Bylaw Committee, will review all nominations received and accept all that meet the qualifications set by these Bylaws. A slate of each network's qualified nominees will be transmitted by mail or electronic ballot to that network's regular voting membership for election pursuant to Article III, Section 4

Section 4. Election of Directors:

The Election and Bylaws Committee shall have primary responsibility for establishing and conducting elections [for the Board of Directors](#). The Committee may enforce any regulation [to facilitate the conduct of said elections](#). [Directors shall be voted upon and elected](#) by the regular voting members from the network from which they are nominated.

The Election and Bylaws Committee shall meet each year to review, with staff, the networks where election of directors will be necessary. The Committee will coordinate, with staff, the dates nomination requests shall be mailed to the regular voting members, the official date for the nomination requests to be received at the CSDA office, and set the date of the election.

A. Written Notice:

Written notice requesting nominations of candidates for election to the Board of Directors shall be sent by first class mail or electronically to each regular voting member in good standing on the date specified by the Election and Bylaws Committee, which shall be at least 120 days prior to the election. The nominations must be received either by mail or electronically by CSDA before the established deadline which shall be no later than 60 days prior to the election. Nominations received after the deadline date shall be deemed invalid. [In the event an incumbent does not re-run for their seat, the nomination period for that network shall be extended by ten days.](#)

B. Balloting and Election:

Voting for directors shall be by written ballot distributed by mail or by electronic transmission by CSDA directly or via [authorized](#) third-party to members eligible to vote in each network.

After the nomination period for directors is closed, a written ballot specifying the certified nominees in each network shall be distributed by first class mail or electronically to each regular voting member in that network. Each such regular member in good standing in each network shall be entitled to cast one vote for each of that network's open seats on the Board. [In the event there is more than one seat available for election, regular members shall be entitled to a number of votes equal to the seats available for election in their network.](#)

The ballot for each network shall contain all nominations accepted and approved by CSDA staff. In the event there is only one nomination in a network, the nominee shall automatically assume the Seat up for election and a ballot shall not be mailed or electronically transmitted. Staff will execute a Proof of Service certifying the date upon which all regular voting members of each network were sent a ballot, either by first class mail or by electronic transmission. The form of written ballot and any related materials sent by electronic transmission by CSDA and completed ballots returned to CSDA by electronic transmission by participating members must comply with all of the requirements of Article II, Section 6(F-H) of these Bylaws. If a member does not consent to electronic communication for balloting purposes, a form of written ballot will be mailed to such participating member no later than 45 days prior to the date scheduled for such election. All written ballots shall indicate that each participating member may return the ballot by electronic communication or first class mail.

All solicitations of votes by written ballot shall: (1) state the number of returned ballots needed to meet the quorum requirement ; (2) state, with respect to ballots for election of directors, that those nominees receiving the highest number of votes for each Board position subject to election will be certified as elected to that Board position.

Election of a nominee to a Board position shall be valid only when: (1) the number of votes cast by written ballot, transmitted either electronically or by first class mail, within the time specified, equals or exceeds the quorum required to be present at a meeting of members authorized in such action ; and (2) the number of written ballots approving the election of a nominee must be the highest number of votes cast for each Board position subject to election as would be required for an election of a nominee at a meeting of the members.

Written ballots shall be returned either by first class mail or by electronic mail communication to either the principal business address of CSDA or CSDA's designated electronic format specified on the ballot prior to the close of business (5:00 pm) on the designated election date, which shall be at least 45 days prior to the Annual Conference. Written ballots received either by first class mail or electronic communication after the specified date shall be invalid and shall not be counted.

All written ballots received by mail shall remain sealed until opened in the presence of the Election and Bylaws Committee chairperson or [their](#) designee. All electronic ballots will be prepared, distributed, authenticated, received, tabulated, and kept secure and confidential. [Election documents will be retained as outlined in CSDA's Board approved records retention policy.](#)

Section 5. Event of Tie:

In the event of a tie vote, a supplemental written ballot containing only the names of those candidates receiving the same number of votes shall be distributed either by first class mail or electronically to each regular voting member in the network where the tie vote occurred.

Those written ballots received by mail or electronically prior to the close of business (5:00 pm) on the date designated by the Election and Bylaws Committee shall be considered valid and counted. All supplemental written ballots received after the designated date whether by first class mail or electronically shall be deemed invalid. All written ballots received either by mail or electronically shall remain sealed as provided in Article III, Section 4.B of these Bylaws.

In the event the supplemental written ballot also results in a tie vote, the successful candidate will be chosen by a drawing by lot.

Section 6. Director Vacancy:

In the event of a director vacating [their](#) seat on the Board of Directors, an individual who meets the qualifications as specified in these Bylaws may be appointed or elected to complete the director's unexpired term.

A. Two or Three Vacant Seats in the Same Network:

In the event more than one seat on the CSDA Board of Directors in any one network is vacant at the same time, such vacancies shall be filled by election. A written ballot shall

be prepared; listing all nominees for that network accepted and approved by CSDA and distributed to each regular voting member in each such network either by first class mail or by electronic communication pursuant to the provisions of Article III, Section 4.A and B of these Bylaws

Regular members of each network shall be entitled to cast one vote for each open seat in that network by returning a completed written ballot to CSDA either by first class mail or by electronic communication. The candidate receiving the most votes will be elected to the vacant seat with the longest remaining term. The candidate receiving the second highest number of votes will be elected to fill the vacant seat with the second longest remaining term. The candidate receiving the third highest number of votes will be elected to fill the vacant position with the third longest remaining term.

B. Vacancy Outside of Nomination Period

In the event of a vacancy occurring outside of the nomination period timeframe, at the discretion of the CSDA Board, the vacancy may be filled by appointment or special election. The CSDA Board at its discretion may leave a vacancy that occurs outside of the nomination period unfilled until the next regularly scheduled election.

Should the CSDA Board choose to fill the vacancy by appointment, notification of the vacancy and request for nominations shall be sent by regular mail or electronic communication to all regular members in good standing in the network in which the vacancy occurred. The network's existing directors sitting on the CSDA Board shall interview all interested candidates of that network and bring a recommendation to the CSDA Board of Directors for consideration. The Board shall make the appointment to fill the unexpired term of the vacated Board position.

Should the CSDA Board choose to fill the vacancy by special election, written notification of the vacancy and request for nominations shall be sent either by first class mail or electronically to each regular member in good standing in the network in which the vacancy occurred. Nominations will be accepted for the vacant seat by first class mail or by electronic communication and shall be placed on the written ballot for election in that network. Such election shall be conducted pursuant to the provisions of Article III, Section 4.A and B hereof.

C. Vacancy During Nomination Period:

In the event of a vacancy occurring during the nomination period, the vacancy shall be filled by election. Written notification of the vacancy and request for nominations shall be sent either by first class mail or electronically to each regular member in the network in which the vacancy occurred. Nominations will be accepted for the vacant seat by first class mail or by electronic communication and shall be placed on the written ballot for election in that network. Such election shall be conducted pursuant to the provisions of Article III, Section 4.A and B hereof.

D.

Section 7. Director Disqualification:

- A. A director shall become disqualified from further service on the Board of Directors or any committee upon the occurrence of any of the following:

Commented [NM7]: Based on edits to item "B" above, this provision is no longer necessary

1. A director's district is no longer a member of CSDA;
2. A director is no longer a board member or an employee of a member district;
3. A director is elected or appointed to the Board of Directors of the Special District Risk Management Authority (SDRMA) or
- 1.4. A director's resignation.

Any officer or director may resign at any time by giving written notice to the President or CEO. Any such resignation shall take effect at the date of the receipt of such notice or at any time specified therein.

- B. The position of a director may be declared vacant by a majority vote of the CSDA Board of Directors when a director is unexcused and fails to attend three consecutive meetings of the Board or has not completed the Board Member requirements and expectations as outlined in policy.

Section 8. Powers of Directors:

Subject to the limitations of these Bylaws, the Articles of Incorporation, and the California General Nonprofit Corporation Law, all corporate powers of the CSDA shall be exercised by or under the authority of the Board of Directors.

Directors shall serve without compensation. However, they shall be allowed reasonable reimbursement for pre-approved expenses incurred in the performance of their duties as Directors.

Commented [MH8]: This has been added to reflect current policy.

Annual Report: The Board of Directors shall cause an annual report to be sent to the members within 120 days after the end CSDA's fiscal year. That report shall contain the following information, in appropriate detail:

- The assets and liabilities of CSDA as of the end of the fiscal year;
- The principal changes in assets and liabilities;
- CSDA's revenue or receipts, both unrestricted and restricted to particular purposes;
- CSDA's expenses or disbursements for both general and restricted purposes.

The CSDA Annual Financial Audit shall serve as the Annual Report of CSDA.

Commented [NM9]: New provision based on CA Nonprofit Law

Section 9. No Dual Directorships:

During any period that CSDA is a participant in the Alliance Executive Council Memorandum of Understanding (MOU), the Board of Directors of CSDA shall appoint three (3) members of its board to serve as members of the Alliance Executive Council. No member of the Board of Directors of CSDA shall serve as a director on the board of SDRMA during the term of the MOU. In the event a director is elected to SDRMA, that director shall immediately be disqualified from further service on the Board of Directors of CSDA.

Commented [NM10]: New provision to reflect provision in SDRMA's JPA and current practice

ARTICLE IV – DIRECTOR MEETINGS

Section 1. Place of Meetings:

Meetings of the Board of Directors shall be held in the state of California, at such places as the Board may determine. [Directors may participate and have voting privileges remotely from other states and countries.](#)

Section 2. Ratification Meeting:

Following the election of Directors, the Board shall hold a meeting at such time and place as determined by the Board for the purpose of ratifying the newly elected directors and to transact other business of CSDA.

Section 3. Organization Meeting:

After the ratification meeting, an organizational meeting of the Board shall be held at such time and place as determined by the Board for the purpose of electing the officers of the Board of Directors and the transaction of other business of CSDA.

Section 4. Planning Session:

As directed by the Board of Directors, a special Strategic Planning Meeting shall be held to review, evaluate, [and update](#) the plans, policies and activities related to the business interests of CSDA. [Timing and intervals of the Strategic Planning Meeting shall be determined by the Board of Directors.](#)

Section 5. Regular Meetings:

The dates of the regular meetings of the Board of Directors shall be ratified at the last Board meeting of the previous year. The meetings shall be held at such time and place as the Board may determine. The dates and places of the Board meetings shall be published in the CSDA's publications for the benefit of the members.

Section 6. Special Meetings:

A special meeting of the Board of Directors may be called [for any purpose](#) at any time by the President or by any group of 10 directors or as described in Article II, Section 6.B.

Such meetings may be held at any place designated by the Board of Directors. In the event directors are unable to personally attend the special meeting, teleconferencing means will be made available.

Notice of the time and place of special meetings shall be given personally to the directors, or sent by written or electronic communication. All written notices shall be sent at least ten days prior to the special meeting and electronic notices at least five days prior.

Section 7. [Board of Directors Meeting Quorum:](#)

A quorum of the Board of Directors for the purpose of transacting business of the CSDA shall consist of ten directors. A majority vote among at least ten directors present at a duly noticed meeting shall constitute action of the Board of Directors.

Section 8. Board Meetings by Telephone and Electronic Communications:

Any Board meeting may be held by conference telephone, video screen communication or other electronic communications equipment. Participation in such a meeting under this Section shall constitute presence in person at the meeting if both of the following apply: (a) each Board member participating in the meeting can communicate concurrently with all other Board members; and (b) each member of the Board is provided a means of participating in all matters before the Board, including the capacity to propose or interpose an objection to a specific action to be taken by CSDA, and the capacity to vote on any proposal requiring action of the Board.

Section 9. Official Records:

All official records of the meetings of the CSDA shall be maintained at the principal business office of the CSDA [or on official CSDA electronic file server\(s\)](#).

ARTICLE V – OFFICERS

Section 1. Number and Selection:

The officers of CSDA shall be the President, Vice President, Secretary, Treasurer and the Immediate Past President. The officers shall be elected annually from the members of the Board of Directors without reference to networks. All officers shall be subordinate and responsible to the CSDA Board of Directors and shall serve without compensation.

Each [officer](#) shall hold office for the term of one year, or until resignation or disqualification.

The Board of Directors may appoint such other officers as the business of CSDA may require. Each of the appointed officers shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may determine.

Section 2. Duties of the President:

The President shall be the chief officer of the CSDA and shall, subject to the approval of the Board of Directors, give supervision and direction to the business and affairs of CSDA.

The President shall preside at all Board of Director and membership meetings. The President shall be an ex-officio member of all Standing Committees. The President shall appoint committee chairs and vice-chairs and members of the Standing Committees, subject to confirmation by the Board of Directors.

The President shall have the general powers, duties and management usually vested in the office of the president of a corporation. The President shall have such other powers and duties as may be prescribed by these Bylaws or by the vote of the Board of Directors.

Section 3. Duties of the Vice President:

In the absence of, or disability of the President, the Vice President shall perform all of the duties of the President. When so acting, the Vice President shall have all the powers of the President, and be subject to all the restrictions upon the President.

The Vice President shall be an ex-officio member of all of the Standing Committees.

Section 4. Duties of the Secretary:

The Secretary or a designee appointed by the Board of Directors shall give notice of meetings to the Board of Directors, and notices of meetings to the members as provided by these Bylaws.

The Secretary or designee shall record and keep all motions and resolutions of the Board. A record of all meetings of the Board and of the members shall be maintained. All written records of the Secretary shall be kept at the business office of CSDA.

A list of the membership of CSDA shall be maintained by the Secretary or such designee. Such record shall contain the name, address and type of membership, of each member. The date of membership shall be recorded, and in the event the membership ceases, the date of termination.

The Secretary or designee shall perform such other duties as may be required by law, by these Bylaws, or by the Board of Directors.

Section 5. Duties of the Treasurer:

The Treasurer or a designee appointed by the Board of Directors shall keep and maintain adequate and correct accounts of the properties and the business transactions of CSDA, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any director or member of the CSDA.

The Treasurer or designee shall be responsible to cause the deposit of all moneys of the CSDA, and other valuables in the name and to the credit of CSDA, with such depositories as may be designated by the Board of Directors.

The Treasurer or designee, shall disburse, or cause to be disbursed by persons as authorized by resolution of the Board of Directors, the funds of CSDA, as ordered by the Board of Directors.

The Treasurer or designee shall serve as chair of the CSDA Fiscal Committee. The Treasurer shall render to the President and the Board of Directors an account of all financial transactions and the financial condition of CSDA at each Board meeting and on an annual basis, or upon request of the Board.

The Treasurer or designee shall, after the close of the fiscal year of CSDA, cause an annual audit of the financial condition of CSDA to be done.

The Treasurer or such designee shall perform such other duties as may be required by law, by these Bylaws, or by the Board of Directors.

Section 6. Disbursement of Funds:

No funds shall be disbursed by CSDA unless a check, draft or other evidence of such disbursement has been executed on behalf of CSDA by persons authorized by resolution of the Board of Directors.

Section 7. Removal of Officers:

Officers of the Board may be removed with or without cause at any meeting of the Board of Directors by the affirmative vote of a majority of the Board of Directors present at such meeting.

ARTICLE VI – COMMITTEES

Section 1. Committee Structure:

Each committee shall have a chair and a vice-chair who shall be directors of the Board of Directors. Each committee shall have at least two Board members and no more than nine Board members. Directors may be appointed as alternate members of a committee, in the event of an absent committee member.

Other members of any committee may include designees of regular, associate or Business Affiliate members.

Section 2. Committee Actions:

All actions of any committee of the CSDA shall be governed by and taken in accordance with the provisions of these Bylaws. All committees shall serve at the pleasure of the Board and

have such authority as provided by the Board of Directors. Minutes of each committee meeting shall be kept and each committee shall present a report to the Board of Directors at each scheduled Board meeting.

No committee may take any final action on any matter that, under these Bylaws, or under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members of the CSDA.

All committees, regardless of Board resolution, are restricted from any of the following actions as imposed by the California Nonprofit Public Benefit Corporation Law:

- No committee may fill vacancies on the Board of Directors or on any committee that has authority of the Board, establish any other committees of the Board, or appoint the members of the committees of the Board.
- No committee may fix compensation of the directors for serving on the Board or on any committee, expend corporate funds to support a nominee for director, or approve any contract or transaction to which CSDA is a party and in which one or more of its directors has a material financial interest.
- No committee may amend or repeal Bylaws or adopt new Bylaws or amend or repeal any resolution of the Board that by its express terms is not subject to amendment or repeal.

Section 3. Committee Meetings:

Meetings of the committees of CSDA shall be held in accordance with the provisions of these Bylaws. The time and place for regular meetings of such committees may be determined by the Board or by such committees. Special meetings of the committees may be called by the chair of such committee, or by the Board of Directors.

Written notice of any regular or special committee meeting may be given either personally, by first class mail, or by electronic transmission as specified in Article II, Section 6.C.2 of these Bylaws. Any committee meeting may also be held by conference telephone, web conference or other electronic communication equipment. Participation in such a meeting under this Section shall constitute presence in person at the committee meeting if both of the following apply: (a) each committee member participating in the meeting can communicate concurrently with all other committee members; and (b) each member of the committee is provided a means of participating in all matters before the committee, including the capacity to propose or interpose an objection to a specific action to be taken by that committee, and the capacity to vote on any proposal requiring action or recommendation by the committee.

Section 4. Standing Committees:

Standing Committees of CSDA shall be advisory in nature except for the Finance Corporation (see Section 4D). The Standing Committees are: Executive, Professional Development, Elections and Bylaw, Finance Corporation, Fiscal, Legislative, Member Services and Audit.

The President shall recommend the appointment of committee officers and members of each Standing Committee except the Executive Committee. All committee members are subject to ratification by the Board of Directors.

A. Executive Committee:

The Executive Committee shall consist of all officers of CSDA:

Subject to these Bylaws and approval of the Board of Directors, the Executive Committee shall have full power, authority and responsibility for the operation and function of the CSDA.

B. Professional Development Committee:

The Professional Development Committee shall provide advice, feedback and general guidance for CSDA professional development programs and events.

C. Election and Bylaws Committee:

The Election and Bylaws Committee shall be responsible for conducting all elections for the CSDA Board of Directors as provided in these Bylaws. The Committee shall annually review the Bylaws and shall be responsible for membership vote on any bylaw changes and approval of election materials.

D. Finance Corporation Committee:

The Finance Corporation Committee shall serve as [ex officio members of](#) the Board of Directors of the CSDA Finance Corporation, a California non-profit public benefit corporation organized to provide financial assistance to CSDA members in acquiring, constructing and financing various public facilities and equipment for the use and benefit of the public. The Finance Corporation Committee is not an advisory committee, but [rather](#) has all of the powers described in the CSDA Finance Corporation Bylaws, which are incorporated herein by this reference. Such powers include the powers to manage and control the business affairs of the corporation, to approve policies for the corporation's operations, and to enter into all contracts necessary to provide financial assistance to CSDA members.

E. Fiscal Committee:

The Treasurer shall serve as the chair of the Fiscal Committee and shall, with the Committee, be responsible for oversight of all the financial transactions of the CSDA. An annual budget shall be reviewed by the committee and ratified by the Board of Directors.

F. Legislative Committee:

The Legislative Committee shall be responsible for the development of CSDA's legislative agenda [and advocacy priorities](#). The [Legislative](#) Committee shall review, direct and assist the CSDA Advocacy and Public Affairs Department with legislative and public policy issues.

G. Member Services Committee:

The Member Services Committee shall be responsible for recruitment and retention activities as well as recommendation of new members and benefits to the CSDA Board of Directors. All new members shall be ratified by the Board of Directors.

H. Audit Committee:

The Audit Committee is responsible for maintaining and updating internal controls. The Committee selects the Auditor for Board of Directors approval and provides guidance to the auditors on possible audit and fraud risks. The Committee reviews the audit and management letter and makes recommendation to the Board of Directors for action.

Section 5. Ad Hoc Committees:

The President may appoint other Ad Hoc Committees and their officers as may be determined necessary for the proper operation of the CSDA. The Standing Committees and the Ad Hoc Committees shall plan and authorize such programs as may be directed by the Board of Directors.

The Ad Hoc Committees shall be advisory in nature and shall be composed of at least two members of the Board of Directors. Other members of such committees may include designees of regular, associate or professional members, or members of the public, as approved by the Board of Directors.

Section 6. Special Committee of the Board:

A Special Committee may be granted authority of the Board as a Committee of the Board, as required by the California Nonprofit Public Benefit Corporation Law, provided by a specific resolution adopted by a majority of the Board of Directors then in office. In such case, the Special Committee shall be composed exclusively of two or more directors, but less than a quorum of the Board of Directors.

ARTICLE VII – INDEMNIFICATION

Section 1. Right of Indemnity:

To the fullest extent permitted by law, the CSDA shall defend, indemnify and hold harmless both its past and present directors, officers, employees and other persons described in Section 5238(a) of the California Corporations Code, against any and all actions, expenses, fines, judgments, claims, liabilities, settlements and other amounts reasonably incurred by them in connection with any “proceeding”, as that term is used in the Section 5238(a) of the California Corporations Code.

“Expenses”, as used in these Bylaws, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

Section 2. Approval of Indemnity:

On written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the Board shall promptly determine under Section 5238(e) of the California Corporations code whether the applicable standard of conduct

set forth in Section 5238(b) or Section 5238(c) has been met, and if so, the Board shall authorize indemnification.

If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the Board shall promptly call a meeting of the members.

At the request for indemnification meeting, the members shall determine under Section 5238(e) of the California Corporations Code whether the applicable standard or conduct set forth in Section 5238(b) or Section 5238(c) has been met, and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

Section 3. Insurance:

CSDA shall have the right to purchase and maintain insurance to the full extent permitted by law, on behalf of its officers, directors, employees, and agents, against any liability asserted against or incurred by any officer, director, employee or agent in such capacity, or arising out of the officer's, director's, employee's, or agent's status as such.

Section 4. Liability:

No member, individual, director, or staff member of the CSDA shall be personally liable to the CSDA's creditors, or for any indebtedness or liability. Any and all creditors shall look only to the CSDA's assets for payment.

ARTICLE VIII – AFFILIATED CHAPTERS

Section 1. Purpose:

The purpose of affiliated chapters is to provide local forums of members for the discussion, consideration and interchange of ideas concerning matters relating to the purposes and powers of special districts and the CSDA.

The affiliated chapters may meet to discuss issues bearing upon special districts and the CSDA. The chapters may make recommendations to the CSDA's Board of Directors.

Section 2. Organization:

The regular voting members of CSDA are encouraged to create and establish affiliated chapters. In order to be recognized as a CSDA Chapter, each Chapter must approve and execute a Chapter Affiliation Agreement in order to obtain the right to use the CSDA name, logo, membership mailing list, intellectual property, endorsements, and CSDA staff support and technical assistance in conducting Chapter activities. The terms and conditions of the Chapter Affiliation Agreement are incorporated herein by this reference.

Each chapter formed prior to August 1, 2011 must have at least one CSDA member in their membership at all times, [including but not limited to the following chapters](#): Alameda, Butte, Contra Costa, Kern, Marin, Monterey, Orange (ISDOC), Placer, Sacramento, San Bernardino, San Diego, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara and Ventura. Such existing chapters may include as members: local organizations [and businesses](#), districts and professionals who are not members of CSDA.

New chapters formed after August 1, 2011, are required to have 100 percent of their special district members [as](#) current members of CSDA in order to be a chapter affiliate of CSDA. Such chapters may include [as](#) members: local organizations/[businesses](#) and professionals who are not members of CSDA.

Affiliated chapters shall be determined upon approval and execution of the Chapter Affiliation Agreement by the chapter and approval and ratification of the Chapter Affiliation Agreement by the CSDA Board of Directors. The chapters shall be required to provide updated membership lists to the CSDA at least annually [or upon request by the President or CEO](#).

[No partnership or joint venture shall be established between](#) CSDA and its affiliated chapters by reason of the provisions of these Bylaws or the Chapter Affiliation Agreement.

Section 3. Rules, Regulations and Meetings:

Each affiliated chapter shall adopt such rules and regulations, meeting place and times as the membership of such affiliated chapter may decide by majority vote. Rules and regulations of the affiliated chapter shall not be inconsistent with the Articles of Incorporation or Bylaws of CSDA.

Section 4. Financing of Affiliated Chapters:

No part of CSDA's funds shall be used for the operation of the affiliate chapters. CSDA is not responsible for the debts, obligations, acts or omissions of the affiliate chapters.

Section 5. Legislative Program Participation:

Affiliate chapters may function as a forum [regarding](#) federal, state and local legislative issues. The chapters may assist CSDA in the distribution of information to their members.

ARTICLE IX – AMENDMENTS TO THE BYLAWS

Section 1. Amendment Proposals:

Any regular voting member in good standing may propose changes to these Bylaws. The proposed amendments shall be reviewed by the Board of Directors and submitted to the Election and Bylaws Committee for their study.

After examination by the Election and Bylaws Committee and upon approval by the Board of Directors the amendment proposals may be submitted for vote at the Annual Business meeting of the members held by CSDA, at a specially called meeting, or by mail or electronic ballot.

Section 2. Amendment Membership Meeting:

Prior notice in writing of the proposed amendments to these Bylaws shall be given either by first class mail or by electronic transmission by the Board of Directors to the regular voting members

in good standing, not later than 45 days in advance of the amendment meeting pursuant to the provisions of Article II, Section 6.C of these Bylaws. The electronic notice shall include copies of the proposed amendments.

Electronic copies of the proposed amendments shall also be available on the CSDA website for review by the regular voting members prior to the meeting. Copies of the proposed amendments shall also be available for the regular voting members at the amendment membership meeting.

The amendment membership meeting may be conducted as an electronic meeting pursuant to the provisions of Article II, Section 6.D of these Bylaws.

Section 3. Written Bylaw Amendment Ballot:

The Board of Directors of CSDA may submit Bylaw amendments for approval of regular voting members by mail or electronic ballot rather than by means of an amendment membership meeting.

When a written ballot is used to amend these Bylaws, the ballot shall include the text of all proposed Bylaw amendments the Board of Directors intends to present for vote by the members. Such written ballot shall contain the information specified in Article II, Section 6.F of these Bylaws and shall be distributed to regular voting members either by first class mail or by electronic transmission at least 45 days in advance of the date designated for return of the ballot.

Written ballots shall be returned either by first class mail or by electronic communication to either the principal business address of CSDA or CSDA's designated electronic format specified on the ballot prior to the close of business (5:00 pm) on the designated election date. Written ballots received either by first class mail or electronic communication after the specified date shall not be counted and will be deemed invalid.

Section 4. Bylaw Amendment Ratification:

A. Membership Meeting:

The proposed Bylaw amendments shall be deemed adopted by the members when the number of votes cast by regular voting members present at such membership meeting meets or exceeds the required quorum of 25 regular voting members, and the number of votes cast approving the Bylaw amendments constitutes a majority of votes cast, i.e., 50% plus one of regular voting members casting ballots at such meeting.

B. Mail or Electronic Ballot:

The proposed Bylaw amendment/s shall be deemed adopted by a majority of the regular voting members by mail or electronic ballot when the provisions of Article II, Section 6.H of these Bylaws have been satisfied.

EXHIBIT A

Updated November 1, 2019





INFORMATION ITEM

October 13, 2021

TO: Administration & Finance Committee
(Directors McVicker, Thomas, Dick)

FROM: Robert Hunter, General Manager

Cathy Harris, Director of Human Resources
Katie Davanaugh, Sr. Executive Assistant

SUBJECT: Association of California Water Agencies (ACWA) Joint Powers Insurance Authority (JPIA) Retiree Medical Insurance Plan Changes

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The District participates in the Association of California Water Agencies (ACWA) Joint Powers Insurance Authority (JPIA) for medical and vision insurance. Dental benefits are offered through Special District Risk Management Authority (SDRMA). The health, dental and vision plans are offered to eligible active employees, retirees and dependents/spouses.

Currently, MWDOC Medicare-eligible retirees are offered enrollment in one of the following medical plans:

- Anthem Blue Cross (PPO)
- California Care (HMO)
- Kaiser Senior Advantage Plan

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

Effective January 1, 2022, Medicare-eligible retirees will be eligible to participate in one of the two following plan options:

- United Healthcare (UHC) Medicare Advantage Plan (PPO)
- Kaiser Senior Advantage Plan

The UHC PPO Plan will be the primary plan and there will no longer be a coordination of benefits with a secondary plan.

JPIA has evaluated the plans and determined that the UHC plan has comparable (or better) benefits than the current Anthem Blue Cross PPO plan, in terms of coverage, co-pays, maximum out-of-pocket expenses, annual deductible, prescription coverage and cost. JPIA has entered into a two year contract with UHC for the Advantage PPO Plan. The UHC premiums are 29% lower than the current Blue Cross PPO Plan.

The Human Resources team has reached out to current retirees to inform them of the upcoming changes, encourage participation in the webinars being offered by JPIA and to reach out to HR or UHC with questions. HR will continue to monitor the transition of the plan and communicate any issues or concerns to JPIA.

The JPIA Benefits Manager, Sandra Smith, will attend the October 13 A&F Committee Meeting to provide an overview of the UHC Medicare Advantage PPO Plan.

You are encouraged to view the following links prepared by JPIA for full plan information:

<https://youtu.be/IFgm-keCu6A>

<https://youtu.be/2DSHqP-4WBY>



INFORMATION ITEM

October 13, 2021

**TO: Administration & Finance Committee
(Directors McVicker, Thomas, Dick)**

From: Robert Hunter, General Manager

Staff Contact: Katie Davanaugh

SUBJECT: Consumer Driven Health Plans (CDHP)

STAFF RECOMMENDATION

It is recommended that the Board of Directors receive and file information.

COMMITTEE RECOMMENDATION

Committee recommends (to be determined at Committee meeting)

STAFF REPORT

Background:

As follow-up to an inquiry from the September Executive Committee meeting; the following information is presented on enrollment and participation in the Consumer Drive Health Plan (high deductible plan) offered through JPIA medical benefits:

The District offers participation in two CDHPs (Anthem and Kaiser), as well an HMO, PPO or Kaiser medical pan.

The District began participation in the Anthem and Kaiser CDHPs in January 2016 and the enrollment is made available to all eligible employees and Directors.

When the plan was initially rolled out staff invited JPIA in October 2015 to the District to review the new plan details and information with all staff. Information for all available health plans is provided annually to all eligible participants during Open Enrollment.

The District has incentivizes participation in the CDHPs over the years by making annual contributions to a health savings account. It is also noted that the premiums for the CDHP versus the PPO plan are approximately 25% lower.

For 2021, the annual contributions approved by the Board are as follows:

	Employee	2-party	Family
Proposed Annual District Contributions:			
Kaiser	\$1500	\$3000	\$3000
Anthem	1300	2600	2400
Employee 2021 max contributions:			
Kaiser	2100	600	4200
Anthem	2300	1000	4800
Total 2021 IRS maximum contribution:	3600	3600	7200
55+ Catch-up (Additional employee contribution allowable)	1000	1000	1000

Historical participation over the past 6 years has been approximately 10% of total enrolment.

**INFORMATION ITEM**
October 13, 2022

To: Administration & Finance Committee
(Directors McVicker, Dick, Thomas)

From: Robert Hunter, General Manager **Staff Contact:** Katie Davanaugh

SUBJECT: 2022 Health Insurance Rates and Open Enrollment

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (to be determined at Committee meeting).

DETAILED REPORT

The Open Enrollment period for 2022 will be as follows:

- Medical and Vision insurance (JPIA) - 10/20/21 – 11/2/21
- Dental insurance (SDRMA) from 10/20/21 – 10/30/21

Open Enrollment plan information for 2022 will be provided to all eligible participants by 10/20/21.

Medical, vision and dental insurance rate changes are as follows:

JPIA Benefit Plan	% Rate Change
Anthem PPO - medical	-5%
Anthem HMO – medical	4.2%
Kaiser – medical (aggregate)	-2.1%
VSP - vision	0%
Dental (SDRMA)	Less than 1%

- The amount budgeted for FY 2021-22 for medical, dental and vision benefits is \$736,851. Based on the 2022 plan premium rates, the projected totals for 2021-22 will be \$727,119.

Budgeted (Y/N): Y	Budgeted amount: \$736,851	Core <u>X</u>	Choice
Action item amount: NA	Line item:		
Fiscal Impact (explain if unbudgeted):			



INFORMATION ITEM

October 13, 2021

TO: Administration & Finance Committee
(Directors McVicker, Thomas, Dick)

FROM: Robert Hunter, General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: CalPERS Annual Valuation Report as of June 30, 2020

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee receive and file the CalPERS Annual Valuation Report

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Attached for your information is the CalPERS Annual Valuation Reports as of June 30, 2020. The report includes the following information:

- MWDOC's total PERS obligation for Classic Members effective July 1, 2022 will be 17.87% compared to July 1, 2021 that was 17.88%.
- The District's Classic Members contribution amount will be 10.87% for fiscal year 2021-22 with the employee contribution being 7%.
- The District's contribution amount for PEPRA Members effective July 1, 2022, will be 7.47% compared to July 1, 2021 that was 7.59%. The employee's contribution of 6.75% is unchanged.
- MWDOC's current plan obligation as of June 30, 2020 for Classic is \$14,522,790; 77.9% funded and for PEPRA is \$988,167; 90.0% funded.

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

- MWDOC's unfunded liability for Classic Members (2%@55) as of June 30, 2020 is \$3,213,590. PEPRA Members (2%@62) unfunded liability is \$98,449.

As of August 2021 MWDOC has contributed \$828,000 to our PRSP Trust with PARS with a goal to fully fund our pension liability.

Section 2 of the valuation is available online and can be emailed upon request.



California Public Employees' Retirement System

Actuarial Office

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

July 2021

Miscellaneous Plan of the Municipal Water District of Orange County

(CalPERS ID: 6497938438)

Annual Valuation Report as of June 30, 2020

Dear Employer,

Attached to this letter, you will find the June 30, 2020 actuarial valuation report of your CalPERS pension plan. **Provided in this report is the determination of the minimum required employer contributions for fiscal year 2022-23.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

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

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2020.

Section 2 can be found on the CalPERS website (calpers.ca.gov). From the home page, go to *"Forms & Publications"* and select *"View All"*. In the search box, enter *"Risk Pool"* and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2020.

Your June 30, 2020 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution rates as needed. This valuation is based on an investment return assumption of 7.0% which was adopted by the board in December 2016. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017.

Required Contribution

The exhibit below displays the minimum employer contributions for fiscal year 2022-23 along with estimates of the required contributions for fiscal year 2023-24. Member contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability
2022-23	10.87%	\$248,117
<i>Projected Results</i>		
2023-24	10.9%	\$271,000

The actual investment return for fiscal year 2020-21 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 7.00%. ***To the extent the actual investment return for fiscal year 2020-21 differs from 7.00%, the actual contribution requirements for fiscal year 2023-24 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through fiscal year 2027-28.

Changes from Previous Year's Valuation

There are no significant changes in actuarial assumptions or policies in your 2020 actuarial valuation. Your annual valuation report is an important tool for monitoring the health of your CalPERS pension plan. Your report contains useful information about future required contributions and ways to control your plan's funding progress. In addition to your annual actuarial report my office has developed tools for employers to plan, project and protect the retirement benefits of your employees. Pension Outlook is a tool to help plan and budget pension costs into the future with easy to understand results and charts.

You will be able to view the projected funded status and required employer contributions for pension plans in different potential scenarios for up to 30 years into the future — which will make budgeting more predictable. While Pension Outlook can't predict the future, it can provide valuable planning information based on a variety of future scenarios that you select.

Pension Outlook can help you answer specific questions about your plans, including:

- When is my plan's funded status expected to increase?
- What happens to my required contributions in a down market?
- How does the discount rate assumption affect my contributions?
- What is the impact of making an additional discretionary payment to my plan?

To get started, visit our Pension Outlook page at www.calpers.ca.gov/page/employers/actuarial-resources/pension-outlook-overview and take the steps to register online.

CalPERS will be completing an Asset Liability Management (ALM) review process in November 2021 that will review the capital market assumptions and the strategic asset allocation and ascertain whether a change in the discount rate and other economic assumptions is warranted. In addition, the Actuarial Office will be completing its Experience Study to review the demographic experience within the pension system and make recommendations to modify future assumptions where appropriate.

Furthermore, this valuation does not reflect any impacts from the COVID-19 pandemic on your pension plan. The impact of COVID-19 on retirement plans is not yet known and CalPERS actuaries will continue to monitor the effects and where necessary make future adjustments to actuarial assumptions.

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

Questions

We understand that you might have questions about these results, and your assigned CalPERS actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or **(888-225-7377)**.

Sincerely,

SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA
Chief Actuary



**Actuarial Valuation
as of June 30, 2020**

**for the
Miscellaneous Plan
of the
Municipal Water District of Orange County
(CalPERS ID: 6497938438)**

**Required Contributions
for Fiscal Year
July 1, 2022 - June 30, 2023**

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Section 1 – Plan Specific Information

Section 2 – Risk Pool Actuarial Valuation Information

Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Specific Information for the Miscellaneous Plan of the Municipal Water District of Orange County

**(CalPERS ID: 6497938438)
(Rate Plan ID: 4054)**

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Actuarial Certification

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2020 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2020 provided by employers participating in the Miscellaneous Risk Pool to which the plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the pool actuaries have certified that, in their opinion, the valuation of the risk pool containing your Miscellaneous Plan has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the plan, it is my opinion as the plan actuary that the Unfunded Accrued Liability amortization bases as of June 30, 2020 and employer contribution as of July 1, 2022 have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary who satisfies the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States with regard to pensions.

KERRY J. WORGAN, MAAA, FSA, FCIA
Supervising Pension Actuary, CalPERS

Highlights and Executive Summary

- **Introduction**
- **Purpose of Section 1**
- **Required Employer Contributions**
- **Additional Discretionary Employer Contributions**
- **Plan's Funded Status**
- **Projected Employer Contributions**
- **Other Pooled Miscellaneous Risk Pool Rate Plans**
- **Cost**
- **Changes Since the Prior Year's Valuation**
- **Subsequent Events**

Introduction

This report presents the results of the June 30, 2020 actuarial valuation of the Miscellaneous Plan of the Municipal Water District of Orange County of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for fiscal year 2022-23.

Purpose of Section 1

This Section 1 report for the Miscellaneous Plan of the Municipal Water District of Orange County of CalPERS was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2020;
- Determine the minimum required employer contribution for this plan for the fiscal year July 1, 2022 through June 30, 2023; and
- Provide actuarial information as of June 30, 2020 to the CalPERS Board of Administration and other interested parties.

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

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

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

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 6.0% and 8.0%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2017.
- Pension Plan maturity measures quantifying the risks the employer bears.

Required Employer Contributions

	Fiscal Year
Required Employer Contributions	2022-23
Employer Normal Cost Rate	10.87%
<i>Plus</i>	
Required Payment on Amortization Bases ¹	\$248,117
<i>Paid either as</i>	
1) Monthly Payment	\$20,676.42
<i>Or</i>	
2) Annual Prepayment Option*	\$239,864
<p><i>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).</i></p> <p><i>* Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31).</i></p>	

	Fiscal Year	Fiscal Year
	2021-22	2022-23
Development of Normal Cost as a Percentage of Payroll		
Base Total Normal Cost for Formula	17.25%	17.24%
Surcharge for Class 1 Benefits ²		
a) FAC 1	0.54%	0.55%
Phase out of Normal Cost Difference ³	0.00%	0.00%
Plan's Total Normal Cost	17.79%	17.79%
Formula's Expected Employee Contribution Rate	6.91%	6.92%
Employer Normal Cost Rate	10.88%	10.87%

¹ The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2021.

² Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

³ The normal cost change is phased out over a five-year period in accordance with the CalPERS contribution allocation policy.

Additional Discretionary Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for the 2022-23 fiscal year is \$248,117. CalPERS allows employers to make additional discretionary payments (ADPs) at any time and in any amount. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Employers can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during fiscal year 2022-23 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see the "Amortization Schedule and Alternatives" section of the report.

If you are considering making an ADP, please contact your actuary for additional information.

Minimum Required Employer Contribution for Fiscal Year 2022-23

Estimated Normal Cost	Minimum UAL Payment	ADP	Total UAL Contribution	Estimated Total Contribution
\$313,691	\$248,117	\$0	\$248,117	\$561,808

Alternative Fiscal Year 2022-23 Employer Contributions for Greater UAL Reduction

Funding Target	Estimated Normal Cost	Minimum UAL Payment	ADP ¹	Total UAL Contribution	Estimated Total Contribution
20 years	\$313,691	\$248,117	\$50,653	\$298,770	\$612,461
15 years	\$313,691	\$248,117	\$99,402	\$347,519	\$661,210
10 years	\$313,691	\$248,117	\$202,532	\$450,649	\$764,340
5 years	\$313,691	\$248,117	\$523,839	\$771,956	\$1,085,647

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

Note that the calculations above are based on the projected Unfunded Accrued Liability as of June 30, 2022 as determined in the June 30, 2020 actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Plan's Funded Status

	June 30, 2019	June 30, 2020
1. Present Value of Projected Benefits (PVB)	\$16,864,454	\$18,060,126
2. Entry Age Accrued Liability (AL)	13,422,370	14,522,790
3. Plan's Market Value of Assets (MVA)	10,589,127	11,309,200
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	2,833,243	3,213,590
5. Funded Ratio [(3) / (2)]	78.9%	77.9%

This measure of funded status is an assessment of the need for future employer contributions based on the selected actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below.

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2020-21)				
Fiscal Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Rate Plan 4054 Results					
Normal Cost %	10.87%	10.9%	10.9%	10.9%	10.9%	10.9%
UAL Payment	\$248,117	\$271,000	\$296,000	\$311,000	\$325,000	\$333,000

For some sources of UAL, the change in UAL is amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large increase in UAL, the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the "Future Investment Return Scenarios" in the "Risk Analysis" section.

Our online pension plan modeling and projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook is a tool to help plan and budget pension costs into the future with results and charts that are easy to understand.

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown below, correspond to rate plan 4054. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the payroll for each rate plan will grow according to the overall payroll growth assumption of 2.75% per year for three years.

	Fiscal Year 2021-22	Fiscal Year 2022-23
Estimated Combined Employer Contributions for all Pooled Miscellaneous Rate Plans		
Projected Payroll for the Contribution Year	\$3,764,649	\$4,419,188
Estimated Employer Normal Cost	\$374,296	\$428,232
Required Payment on Amortization Bases	\$215,562	\$255,889
Estimated Total Employer Contributions	\$589,858	\$684,121
Estimated Total Employer Contribution Rate (illustrative only)	15.67%	15.48%

Cost

Actuarial Determination of Pension Plan Cost

Contributions to fund the pension plan are comprised of two components:

- Normal Cost, expressed as a percentage of total active payroll
- Amortization of the Unfunded Accrued Liability (UAL), expressed as a dollar amount

For fiscal years prior to 2016-17, the Amortization of UAL component was expressed as a percentage of total active payroll. Starting with fiscal year 2016-17, the Amortization of UAL component was expressed as a dollar amount and invoiced on a monthly basis. There continues to be an option to prepay this amount during July of each fiscal year.

The Normal Cost component is expressed as a percentage of active payroll with employer and employee contributions payable as part of the regular payroll reporting process.

The determination of both components requires complex actuarial calculations. The calculations are based on a set of actuarial assumptions which can be divided into two categories:

- Demographic assumptions (e.g., mortality rates, retirement rates, employment termination rates, disability rates)
- Economic assumptions (e.g., future investment earnings, inflation, salary growth rates)

These assumptions reflect CalPERS' best estimate of future experience of the plan and are long term in nature. We recognize that all assumptions will not be realized in any given year. For example, the investment earnings at CalPERS have averaged 5.5% over the 20 years ending June 30, 2020, yet individual fiscal year returns have ranged from -23.6% to +20.7%. In addition, CalPERS reviews all actuarial assumptions by conducting in-depth experience studies every four years, with the most recent experience study completed in 2017.

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. Voluntary benefit changes by plan amendment are generally included in the first valuation that is prepared after the amendment becomes effective, even if the valuation date is prior to the effective date of the amendment.

This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the 2020 actuarial valuation.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2020. Changes in the value of assets subsequent to that date are not reflected. Investment returns below the assumed rate of return will increase future required contributions while investment returns above the assumed rate of return will decrease future required contributions.

CalPERS will be completing an Asset Liability Management (ALM) process in November 2021 that will review the capital market assumptions and the strategic asset allocation and ascertain whether a change in the discount rate and other economic assumptions is warranted. As part of the ALM process the Actuarial Office will be completing an Experience Study to review the demographic experience of the retirement system and make recommendations to modify future assumptions where appropriate.

Furthermore, this valuation does not reflect any impacts from the COVID-19 pandemic on your pension plan. The impact of COVID-19 on retirement plans is not yet known and CalPERS actuaries will continue to monitor the effects and where necessary make future adjustments to actuarial assumptions.

The projected employer contributions on Page 6 are calculated under the assumption that the discount rate remains at 7.0% going forward and that the realized rate of return on assets for fiscal year 2020-21 is 7.0%.

This actuarial valuation report reflects statutory changes, regulatory changes and CalPERS Board actions through January 2021. Any subsequent changes or actions are not reflected.

Assets and Liabilities

- **Breakdown of Entry Age Accrued Liability**
- **Allocation of Plan's Share of Pool's Experience/Assumption Change**
- **Development of Plan's Share of Pool's Market Value of Assets**
- **Schedule of Plan's Amortization Bases**
- **Amortization Schedule and Alternatives**
- **Employer Contribution History**
- **Funding History**

Breakdown of Entry Age Accrued Liability

Active Members	\$7,931,304
Transferred Members	1,717,853
Terminated Members	695,030
Members and Beneficiaries Receiving Payments	4,178,603
Total	\$14,522,790

Allocation of Plan's Share of Pool's Experience/Assumption Change

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

1. Plan's Accrued Liability	\$14,522,790
2. Projected UAL balance at 6/30/2020	2,901,017
3. Pool's Accrued Liability ¹	19,314,480,060
4. Sum of Pool's Individual Plan UAL Balances at 6/30/2020 ¹	4,306,566,797
5. Pool's 2019/20 Investment (Gain)/Loss ¹	344,968,792
6. Pool's 2019/20 Non-Investment (Gain)/Loss ¹	60,428,629
7. Plan's Share of Pool's Investment (Gain)/Loss: $[(1) - (2)] \div [(3) - (4)] \times (5)$	267,136
8. Plan's Share of Pool's Non-Investment (Gain)/Loss: $(1) \div (3) \times (6)$	45,437
9. Plan's New (Gain)/Loss as of 6/30/2020: $(7) + (8)$	312,573

¹ Does not include plans that transferred to Pool on the valuation date.

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

10. Plan's UAL: $(2) + (9)$	\$3,213,590
11. Plan's Share of Pool's MVA: $(1) - (10)$	\$11,309,200

Schedule of Plan's Amortization Bases

Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2020.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: fiscal year 2022-23.

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

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by the agency.

Reason for Base	Date Est.	Ramp Level 2022-23	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Minimum Required Payment 2022-23
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.75%	15	547,825	45,204	539,413	46,447	529,127	47,724
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.75%	23	(9,490)	(644)	(9,488)	(661)	(9,468)	(680)
Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.75%	23	987,119	66,963	986,950	68,805	984,864	70,697
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.75%	24	864	57	866	59	866	60
Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.75%	24	(815,594)	(53,933)	(816,897)	(55,416)	(816,757)	(56,940)
Assumption Change	6/30/14	100%	Up/Down	2.75%	14	488,642	46,465	474,783	47,742	458,633	49,055
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.75%	25	(39,683)	(2,076)	(40,313)	(2,666)	(40,377)	(2,739)
Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.75%	25	506,120	26,472	514,166	34,000	514,988	34,935
Non-Investment (Gain)/Loss	6/30/16	100%	Up/Down	2.75%	26	(78,751)	(3,095)	(81,062)	(4,240)	(82,350)	(5,446)
Investment (Gain)/Loss	6/30/16	100%	Up/Down	2.75%	26	667,621	26,237	687,215	35,944	698,139	46,166
Assumption Change	6/30/16	100%	Up/Down	2.75%	16	205,941	11,212	208,759	15,361	207,483	19,729
Non-Investment (Gain)/Loss	6/30/17	80%	Up/Down	2.75%	27	(17,650)	(469)	(18,400)	(723)	(18,940)	(991)
Investment (Gain)/Loss	6/30/17	80%	Up/Down	2.75%	27	(362,067)	(9,624)	(377,457)	(14,834)	(388,535)	(20,322)
Assumption Change	6/30/17	80%	Up/Down	2.75%	17	254,719	9,288	262,942	14,316	266,539	19,613
Non-Investment (Gain)/Loss	6/30/18	60%	Up/Down	2.75%	28	54,322	742	57,357	1,525	59,795	2,350
Investment (Gain)/Loss	6/30/18	60%	Up/Down	2.75%	28	(116,204)	(1,587)	(122,697)	(3,261)	(127,913)	(5,027)
Assumption Change	6/30/18	60%	Up/Down	2.75%	18	408,086	7,609	428,781	15,636	442,622	24,098
Method Change	6/30/18	60%	Up/Down	2.75%	18	108,119	2,016	113,602	4,143	117,269	6,385
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	19	55,424	0	59,304	5,412	57,857	5,412

Schedule of Plan's Amortization Bases (continued)

Reason for Base	Date Est.	Ramp Level 2022-23	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Minimum Required Payment 2022-23
Investment (Gain)/Loss	6/30/19	40%	Up Only	0.00%	19	55,654	0	59,550	1,302	62,372	2,604
Non-Investment (Gain)/Loss	6/30/20		No Ramp	0.00%	20	45,437	0	48,618	0	52,021	4,747
Investment (Gain)/Loss	6/30/20	20%	Up Only	0.00%	20	267,136	0	285,836	0	305,845	6,687
Total						3,213,590	170,837	3,261,828	208,891	3,274,080	248,117

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

Amortization Schedule and Alternatives

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

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

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

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

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

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

Amortization Schedule and Alternatives (continued)

Date	<u>Current Amortization Schedule</u>		<u>Alternate Schedules</u>			
	Balance	Payment	15 Year Amortization		10 Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2022	3,274,080	248,117	3,274,080	347,519	3,274,080	450,649
6/30/2023	3,246,611	271,483	3,143,789	347,519	3,037,111	450,649
6/30/2024	3,193,048	295,970	3,004,378	347,519	2,783,554	450,650
6/30/2025	3,110,408	311,123	2,855,208	347,519	2,512,247	450,650
6/30/2026	3,006,310	325,171	2,695,596	347,519	2,221,948	450,649
6/30/2027	2,880,393	332,735	2,524,811	347,519	1,911,329	450,649
6/30/2028	2,737,836	340,509	2,342,071	347,519	1,578,967	450,649
6/30/2029	2,577,259	348,495	2,146,540	347,519	1,223,340	450,650
6/30/2030	2,397,179	356,698	1,937,321	347,519	842,818	450,650
6/30/2031	2,196,011	365,134	1,713,457	347,519	435,659	450,649
6/30/2032	1,972,034	360,925	1,473,923	347,519		
6/30/2033	1,736,735	356,253	1,217,621	347,519		
6/30/2034	1,489,796	345,621	943,378	347,518		
6/30/2035	1,236,569	327,198	649,939	347,518		
6/30/2036	984,673	292,678	335,959	347,519		
6/30/2037	750,849	199,101				
6/30/2038	597,458	173,856				
6/30/2039	459,444	153,371				
6/30/2040	332,955	139,652				
6/30/2041	211,805	106,746				
6/30/2042	116,212	65,928				
6/30/2043	56,151	51,713				
6/30/2044	6,587	6,814				
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
6/30/2050						
6/30/2051						
Total		5,775,291		5,212,783		4,506,494
Interest Paid		2,501,211		1,938,703		1,232,414
Estimated Savings				562,508		1,268,797

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan. The amounts are based on the actuarial valuation from two years prior and does not account for prepayments or benefit changes made during a fiscal year. Additional discretionary payments before July 1, 2019 or after June 30, 2020 are not included.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment (\$)	Additional Discretionary Payments
2016 - 17	8.880%	\$64,364	N/A
2017 - 18	8.921%	83,180	N/A
2018 - 19	9.409%	112,790	N/A
2019 - 20	10.221%	144,402	0
2020 - 21	11.031%	170,837	
2021 - 22	10.88%	208,891	
2022 - 23	10.87%	248,117	

Funding History

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

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2011	\$5,636,322	\$4,612,177	\$1,024,145	81.8%	\$2,665,451
06/30/2012	6,273,252	4,841,500	1,431,752	77.2%	2,664,777
06/30/2013	7,189,485	5,842,865	1,346,620	81.3%	2,378,088
06/30/2014	8,295,329	7,150,851	1,144,478	86.2%	2,274,325
06/30/2015	8,587,815	7,077,429	1,510,386	82.4%	2,090,151
06/30/2016	9,638,398	7,445,211	2,193,187	77.2%	2,170,501
06/30/2017	10,883,341	8,720,332	2,163,009	80.1%	2,346,800
06/30/2018	12,474,635	9,849,234	2,625,401	79.0%	2,352,803
06/30/2019	13,422,370	10,589,127	2,833,243	78.9%	2,481,377
06/30/2020	14,522,790	11,309,200	3,213,590	77.9%	2,660,274

Risk Analysis

- **Future Investment Return Scenarios**
- **Discount Rate Sensitivity**
- **Mortality Rate Sensitivity**
- **Maturity Measures**
- **Maturity Measures History**
- **Hypothetical Termination Liability**

Future Investment Return Scenarios

Analysis was performed to determine the effects of various future investment returns on required employer contributions. The projections below provide a range of results based on five investment return scenarios assumed to occur during the next four fiscal years (2020-21, 2021-22, 2022-23 and 2023-24). The projections also assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

For fiscal years 2020-21, 2021-22, 2022-23, and 2023-24, each scenario assumes an alternate fixed annual return. The fixed return assumptions for the five scenarios are 1.0%, 4.0%, 7.0%, 9.0% and 12.0%.

These alternate investment returns were chosen based on stochastic analysis of possible future investment returns over the four-year period ending June 30, 2024. Using the expected returns and volatility of the asset classes in which the funds are invested, we produced five thousand stochastic outcomes for this period based on the most recently completed Asset Liability Management process. We then selected annual returns that approximate the 5th, 25th, 50th, 75th, and 95th percentiles for these outcomes. For example, of all the 4-year outcomes generated in the stochastic analysis, approximately 25% had an average annual return of 4.0% or less.

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 1.0% or greater than 12.0% over this four-year period, the likelihood of a single investment return less than 1.0% or greater than 12.0% in any given year is much greater.

Assumed Annual Return From 2020-21 through 2023-24	Projected Employer Contributions			
	2023-24	2024-25	2025-26	2026-27
1.0%				
Normal Cost	10.9%	10.9%	10.9%	10.9%
UAL Contribution	\$288,000	\$347,000	\$413,000	\$496,000
4.0%				
Normal Cost	10.9%	10.9%	10.9%	10.9%
UAL Contribution	\$280,000	\$322,000	\$363,000	\$413,000
7.0%				
Normal Cost	10.9%	10.9%	10.9%	10.9%
UAL Contribution	\$271,000	\$296,000	\$311,000	\$325,000
9.0%				
Normal Cost	11.1%	11.3%	11.5%	11.8%
UAL Contribution	\$267,000	\$284,000	\$287,000	\$284,000
12.0%				
Normal Cost	11.1%	11.3%	11.5%	11.8%
UAL Contribution	\$259,000	\$257,000	\$232,000	\$188,000

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.50% and 2.50%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2020 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 7.0% as well as alternate discount rates of 6.0% and 8.0%. The rates of 6.0% and 8.0% were selected since they illustrate the impact of a 1.0% increase or decrease to the 7.0% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2020	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.0%	7.0%	8.0%
Inflation	2.5%	2.5%	2.5%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	22.18%	17.79%	14.42%
b) Accrued Liability	\$16,570,692	\$14,522,790	\$12,842,229
c) Market Value of Assets	\$11,309,200	\$11,309,200	\$11,309,200
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$5,261,492	\$3,213,590	\$1,533,029
e) Funded Status	68.2%	77.9%	88.1%

Sensitivity to the Price Inflation Assumption

As of June 30, 2020	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.0%	7.0%	8.0%
Inflation	1.5%	2.5%	3.5%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	18.96%	17.79%	16.39%
b) Accrued Liability	\$15,301,217	\$14,522,790	\$13,508,222
c) Market Value of Assets	\$11,309,200	\$11,309,200	\$11,309,200
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$3,992,017	\$3,213,590	\$2,199,022
e) Funded Status	73.9%	77.9%	83.7%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2020 plan costs and funded status under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2017. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

As of June 30, 2020	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	18.10%	17.79%	17.50%
b) Accrued Liability	\$14,858,630	\$14,522,790	\$14,216,001
c) Market Value of Assets	\$11,309,200	\$11,309,200	\$11,309,200
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$3,549,430	\$3,213,590	\$2,906,801
e) Funded Status	76.1%	77.9%	79.6%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only.

One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2019	June 30, 2020
1. Retired Accrued Liability	3,814,627	4,178,603
2. Total Accrued Liability	13,422,370	14,522,790
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.28	0.29

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the Support Ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures, and members retire, the ratio starts declining. A mature plan will often have a ratio near or below one. The average support ratio for CalPERS public agency plans is 1.25.

Support Ratio	June 30, 2019	June 30, 2020
1. Number of Actives	20	20
2. Number of Retirees	10	11
3. Support Ratio [(1) / (2)]	2.00	1.82

Maturity Measures (Continued)

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

Asset Volatility Ratio (AVR)

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

Liability Volatility Ratio (LVR)

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The AVR, described above, will tend to move closer to the LVR as a plan matures.

Contribution Volatility	June 30, 2019	June 30, 2020
1. Market Value of Assets	\$10,589,127	\$11,309,200
2. Payroll	2,481,377	2,660,274
3. Asset Volatility Ratio (AVR) [(1) / (2)]	4.3	4.3
4. Accrued Liability	\$13,422,370	\$14,522,790
5. Liability Volatility Ratio (LVR) [(4) / (2)]	5.4	5.5

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0.30	2.33	3.7	4.6
06/30/2018	0.31	2.00	4.2	5.3
06/30/2019	0.28	2.00	4.3	5.4
06/30/2020	0.29	1.82	4.3	5.5

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2020. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

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

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 19-month period from 12 months before the valuation date to 7 months after.

Market Value of Assets (MVA)	Hypothetical Termination Liability^{1,2} at 0.75%	Funded Status	Unfunded Termination Liability at 0.75%	Hypothetical Termination Liability^{1,2} at 2.50%	Funded Status	Unfunded Termination Liability at 2.50%
\$11,309,200	\$36,052,422	31.4%	\$24,743,222	\$26,740,836	42.3%	\$15,431,636

¹ The hypothetical liabilities calculated above include a 5% mortality contingency load in accordance with Board policy. Other actuarial assumptions can be found in Appendix A of the Section 2 report.

² The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 1.18% on June 30, 2020, and was 1.68% on January 31, 2021.

In order to terminate the plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow the plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. CalPERS advises you to consult with the plan actuary before beginning this process.

Participant Data

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

	June 30, 2019	June 30, 2020
Active Members		
Counts	20	20
Average Attained Age	N/A	52.1
Average Entry Age to Rate Plan	N/A	40.7
Average Years of Credited Service	N/A	11.5
Average Annual Covered Pay	\$124,069	\$133,014
Annual Covered Payroll	\$2,481,377	\$2,660,274
Projected Annual Payroll for Contribution Year	\$2,691,772	\$2,885,837
Present Value of Future Payroll	\$19,054,564	\$19,093,680
Transferred Members	12	13
Separated Members	17	15
Retired Members and Beneficiaries		
Counts*	10	11
Average Annual Benefits*	N/A	\$34,705

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

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- One Year Final Compensation (FAC 1)

Plan's Major Benefit Options

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

Member Category	Benefit Group		
	Misc	Misc	
Demographics			
Actives	Yes	No	
Transfers/Separated	Yes	No	
Receiving	Yes	Yes	
Benefit Provision			
Benefit Formula	2% @ 55		
Social Security Coverage	No		
Full/Modified	Full		
Employee Contribution Rate	7.00%		
Final Average Compensation Period	One Year		
Sick Leave Credit	Yes		
Non-Industrial Disability	Standard		
Industrial Disability	No		
Pre-Retirement Death Benefits			
Optional Settlement 2	Yes		
1959 Survivor Benefit Level	Level 4		
Special	No		
Alternate (firefighters)	No		
Post-Retirement Death Benefits			
Lump Sum	\$500	\$500	
Survivor Allowance (PRSA)	No	No	
COLA	2%	2%	

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Risk Pool Actuarial Valuation Information

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



California Public Employees' Retirement System

Actuarial Office

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

July 2021

PEPRA Miscellaneous Plan of the Municipal Water District of Orange County

(CalPERS ID: 6497938438)

Annual Valuation Report as of June 30, 2020

Dear Employer,

Attached to this letter, you will find the June 30, 2020 actuarial valuation report of your CalPERS pension plan. **Provided in this report is the determination of the minimum required employer contributions for fiscal year 2022-23.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

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

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2020.

Section 2 can be found on the CalPERS website (calpers.ca.gov). From the home page, go to "*Forms & Publications*" and select "*View All*". In the search box, enter "*Risk Pool*" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2020.

Your June 30, 2020 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution rates as needed. This valuation is based on an investment return assumption of 7.0% which was adopted by the board in December 2016. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017.

Required Contribution

The exhibit below displays the minimum employer contributions and the Employee PEPRA Rate for fiscal year 2022-23 along with estimates of the required contributions for fiscal year 2023-24. Member contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Employee Rate
2022-23	7.47%	\$7,772	6.75%
<i>Projected Results</i>			
2023-24	7.5%	\$8,600	TBD

The actual investment return for fiscal year 2020-21 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 7.00%. ***To the extent the actual investment return for fiscal year 2020-21 differs from 7.00%, the actual contribution requirements for fiscal year 2023-24 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through fiscal year 2027-28.

Changes from Previous Year's Valuation

There are no significant changes in actuarial assumptions or policies in your 2020 actuarial valuation. Your annual valuation report is an important tool for monitoring the health of your CalPERS pension plan. Your report contains useful information about future required contributions and ways to control your plan's funding progress. In addition to your annual actuarial report my office has developed tools for employers to plan, project and protect the retirement benefits of your employees. Pension Outlook is a tool to help plan and budget pension costs into the future with easy to understand results and charts.

You will be able to view the projected funded status and required employer contributions for pension plans in different potential scenarios for up to 30 years into the future — which will make budgeting more predictable. While Pension Outlook can't predict the future, it can provide valuable planning information based on a variety of future scenarios that you select.

Pension Outlook can help you answer specific questions about your plans, including:

- When is my plan's funded status expected to increase?
- What happens to my required contributions in a down market?
- How does the discount rate assumption affect my contributions?
- What is the impact of making an additional discretionary payment to my plan?

To get started, visit our Pension Outlook page at www.calpers.ca.gov/page/employers/actuarial-resources/pension-outlook-overview and take the steps to register online.

CalPERS will be completing an Asset Liability Management (ALM) review process in November 2021 that will review the capital market assumptions and the strategic asset allocation and ascertain whether a change in the discount rate and other economic assumptions is warranted. In addition, the Actuarial Office will be completing its Experience Study to review the demographic experience within the pension system and make recommendations to modify future assumptions where appropriate.

Furthermore, this valuation does not reflect any impacts from the COVID-19 pandemic on your pension plan. The impact of COVID-19 on retirement plans is not yet known and CalPERS actuaries will continue to monitor the effects and where necessary make future adjustments to actuarial assumptions.

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

Questions

We understand that you might have questions about these results, and your assigned CalPERS actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or **(888-225-7377)**.

Sincerely,

SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA
Chief Actuary



**Actuarial Valuation
as of June 30, 2020**

**for the
PEPRA Miscellaneous Plan
of the
Municipal Water District of Orange County
(CalPERS ID: 6497938438)**

**Required Contributions
for Fiscal Year
July 1, 2022 - June 30, 2023**

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Section 2 – Risk Pool Actuarial Valuation Information

Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**Plan Specific Information
for the
PEPRA Miscellaneous Plan
of the
Municipal Water District of Orange
County**

**(CalPERS ID: 6497938438)
(Rate Plan ID: 26684)**

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Actuarial Certification

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2020 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2020 provided by employers participating in the Miscellaneous Risk Pool to which the plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the pool actuaries have certified that, in their opinion, the valuation of the risk pool containing your PEPRA Miscellaneous Plan has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the plan, it is my opinion as the plan actuary that the Unfunded Accrued Liability amortization bases as of June 30, 2020 and employer contribution as of July 1, 2022 have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary who satisfies the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States with regard to pensions.

KERRY J. WORGAN, MAAA, FSA, FCIA
Supervising Pension Actuary, CalPERS

Highlights and Executive Summary

- **Introduction**
- **Purpose of Section 1**
- **Required Employer Contributions**
- **Additional Discretionary Employer Contributions**
- **Plan's Funded Status**
- **Projected Employer Contributions**
- **Other Pooled Miscellaneous Risk Pool Rate Plans**
- **Cost**
- **Changes Since the Prior Year's Valuation**
- **Subsequent Events**

Introduction

This report presents the results of the June 30, 2020 actuarial valuation of the PEPRA Miscellaneous Plan of the Municipal Water District of Orange County of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for fiscal year 2022-23.

Purpose of Section 1

This Section 1 report for the PEPRA Miscellaneous Plan of the Municipal Water District of Orange County of CalPERS was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2020;
- Determine the minimum required employer contribution for this plan for the fiscal year July 1, 2022 through June 30, 2023; and
- Provide actuarial information as of June 30, 2020 to the CalPERS Board of Administration and other interested parties.

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

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

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

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 6.0% and 8.0%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2017.
- Pension Plan maturity measures quantifying the risks the employer bears.

Required Employer Contributions

	Fiscal Year
Required Employer Contributions	2022-23
Employer Normal Cost Rate	7.47%
<i>Plus</i>	
Required Payment on Amortization Bases ¹	\$7,772
<i>Paid either as</i>	
1) Monthly Payment	\$647.67
<i>Or</i>	
2) Annual Prepayment Option*	\$7,513
<i>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).</i>	
<i>* Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31).</i>	

	Fiscal Year	Fiscal Year
	2021-22	2022-23
Development of Normal Cost as a Percentage of Payroll		
Base Total Normal Cost for Formula	14.34%	14.22%
Surcharge for Class 1 Benefits ²		
None	0.00%	0.00%
Phase out of Normal Cost Difference ³	0.00%	0.00%
Plan's Total Normal Cost	14.34%	14.22%
Plan's Employee Contribution Rate ⁴	6.75%	6.75%
Employer Normal Cost Rate	7.59%	7.47%

¹ The required payment on amortization bases does not take into account any additional discretionary payment made after April 30, 2021.

² Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

³ The normal cost change is phased out over a five-year period in accordance with the CalPERS contribution allocation policy.

⁴ For detail regarding the determination of the required PEPRM employee contribution rate see Section on PEPRM Member Contribution Rates.

Additional Discretionary Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for the 2022-23 fiscal year is \$7,772. CalPERS allows employers to make additional discretionary payments (ADPs) at any time and in any amount. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Employers can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during fiscal year 2022-23 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see the "Amortization Schedule and Alternatives" section of the report.

If you are considering making an ADP, please contact your actuary for additional information.

Minimum Required Employer Contribution for Fiscal Year 2022-23

Estimated Normal Cost	Minimum UAL Payment	ADP	Total UAL Contribution	Estimated Total Contribution
\$114,541	\$7,772	\$0	\$7,772	\$122,313

Alternative Fiscal Year 2022-23 Employer Contributions for Greater UAL Reduction

Funding Target	Estimated Normal Cost	Minimum UAL Payment	ADP ¹	Total UAL Contribution	Estimated Total Contribution
20 years	\$114,541	\$7,772	\$1,264	\$9,036	\$123,577
15 years	\$114,541	\$7,772	\$2,738	\$10,510	\$125,051
10 years	\$114,541	\$7,772	\$5,857	\$13,629	\$128,170
5 years	\$114,541	\$7,772	\$15,575	\$23,347	\$137,888

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

Note that the calculations above are based on the projected Unfunded Accrued Liability as of June 30, 2022 as determined in the June 30, 2020 actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Plan's Funded Status

	June 30, 2019	June 30, 2020
1. Present Value of Projected Benefits (PVB)	\$2,097,426	\$3,049,437
2. Entry Age Accrued Liability (AL)	707,720	988,167
3. Plan's Market Value of Assets (MVA)	642,900	889,718
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	64,820	98,449
5. Funded Ratio [(3) / (2)]	90.8%	90.0%

This measure of funded status is an assessment of the need for future employer contributions based on the selected actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below.

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2020-21)				
Fiscal Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Rate Plan 26684 Results					
Normal Cost %	7.47%	7.5%	7.5%	7.5%	7.5%	7.5%
UAL Payment	\$7,772	\$8,600	\$9,300	\$10,000	\$11,000	\$11,000

For some sources of UAL, the change in UAL is amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large increase in UAL, the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the "Future Investment Return Scenarios" in the "Risk Analysis" section.

Our online pension plan modeling and projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook is a tool to help plan and budget pension costs into the future with results and charts that are easy to understand.

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown below, correspond to rate plan 26684. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the payroll for each rate plan will grow according to the overall payroll growth assumption of 2.75% per year for three years.

	Fiscal Year 2021-22	Fiscal Year 2022-23
Estimated Combined Employer Contributions for all Pooled Miscellaneous Rate Plans		
Projected Payroll for the Contribution Year	\$3,764,649	\$4,419,188
Estimated Employer Normal Cost	\$374,296	\$428,232
Required Payment on Amortization Bases	\$215,562	\$255,889
Estimated Total Employer Contributions	\$589,858	\$684,121
Estimated Total Employer Contribution Rate (illustrative only)	15.67%	15.48%

Cost

Actuarial Determination of Pension Plan Cost

Contributions to fund the pension plan are comprised of two components:

- Normal Cost, expressed as a percentage of total active payroll
- Amortization of the Unfunded Accrued Liability (UAL), expressed as a dollar amount

For fiscal years prior to 2016-17, the Amortization of UAL component was expressed as a percentage of total active payroll. Starting with fiscal year 2016-17, the Amortization of UAL component was expressed as a dollar amount and invoiced on a monthly basis. There continues to be an option to prepay this amount during July of each fiscal year.

The Normal Cost component is expressed as a percentage of active payroll with employer and employee contributions payable as part of the regular payroll reporting process.

The determination of both components requires complex actuarial calculations. The calculations are based on a set of actuarial assumptions which can be divided into two categories:

- Demographic assumptions (e.g., mortality rates, retirement rates, employment termination rates, disability rates)
- Economic assumptions (e.g., future investment earnings, inflation, salary growth rates)

These assumptions reflect CalPERS' best estimate of future experience of the plan and are long term in nature. We recognize that all assumptions will not be realized in any given year. For example, the investment earnings at CalPERS have averaged 5.5% over the 20 years ending June 30, 2020, yet individual fiscal year returns have ranged from -23.6% to +20.7%. In addition, CalPERS reviews all actuarial assumptions by conducting in-depth experience studies every four years, with the most recent experience study completed in 2017.

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. Voluntary benefit changes by plan amendment are generally included in the first valuation that is prepared after the amendment becomes effective, even if the valuation date is prior to the effective date of the amendment.

This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the 2020 actuarial valuation.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2020. Changes in the value of assets subsequent to that date are not reflected. Investment returns below the assumed rate of return will increase future required contributions while investment returns above the assumed rate of return will decrease future required contributions.

CalPERS will be completing an Asset Liability Management (ALM) process in November 2021 that will review the capital market assumptions and the strategic asset allocation and ascertain whether a change in the discount rate and other economic assumptions is warranted. As part of the ALM process the Actuarial Office will be completing an Experience Study to review the demographic experience of the retirement system and make recommendations to modify future assumptions where appropriate.

Furthermore, this valuation does not reflect any impacts from the COVID-19 pandemic on your pension plan. The impact of COVID-19 on retirement plans is not yet known and CalPERS actuaries will continue to monitor the effects and where necessary make future adjustments to actuarial assumptions.

The projected employer contributions on Page 6 are calculated under the assumption that the discount rate remains at 7.0% going forward and that the realized rate of return on assets for fiscal year 2020-21 is 7.0%.

This actuarial valuation report reflects statutory changes, regulatory changes and CalPERS Board actions through January 2021. Any subsequent changes or actions are not reflected.

Assets and Liabilities

- **Breakdown of Entry Age Accrued Liability**
- **Allocation of Plan's Share of Pool's Experience/Assumption Change**
- **Development of Plan's Share of Pool's Market Value of Assets**
- **Schedule of Plan's Amortization Bases**
- **Amortization Schedule and Alternatives**
- **Employer Contribution History**
- **Funding History**

Breakdown of Entry Age Accrued Liability

Active Members	\$920,692
Transferred Members	63,682
Terminated Members	3,793
Members and Beneficiaries Receiving Payments	0
Total	\$988,167

Allocation of Plan's Share of Pool's Experience/Assumption Change

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

1. Plan's Accrued Liability	\$988,167
2. Projected UAL balance at 6/30/2020	74,352
3. Pool's Accrued Liability ¹	19,314,480,060
4. Sum of Pool's Individual Plan UAL Balances at 6/30/2020 ¹	4,306,566,797
5. Pool's 2019/20 Investment (Gain)/Loss ¹	344,968,792
6. Pool's 2019/20 Non-Investment (Gain)/Loss ¹	60,428,629
7. Plan's Share of Pool's Investment (Gain)/Loss: $[(1) - (2)] \div [(3) - (4)] \times (5)$	21,005
8. Plan's Share of Pool's Non-Investment (Gain)/Loss: $(1) \div (3) \times (6)$	3,092
9. Plan's New (Gain)/Loss as of 6/30/2020: $(7) + (8)$	24,096

¹ Does not include plans that transferred to Pool on the valuation date.

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

10. Plan's UAL: $(2) + (9)$	\$98,449
11. Plan's Share of Pool's MVA: $(1) - (10)$	\$889,718

Schedule of Plan's Amortization Bases

Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2020.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: fiscal year 2022-23.

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

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by the agency.

Reason for Base	Date Est.	Ramp Level 2022-23	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/20	Expected Payment 2020-21	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Minimum Required Payment 2022-23
Fresh Start	6/30/18	No Ramp		2.75%	13	68,053	6,138	66,468	6,307	64,597	6,480
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	19	2,922	0	3,127	285	3,051	285
Investment (Gain)/Loss	6/30/19	40%	Up Only	0.00%	19	3,377	0	3,613	79	3,784	158
Non-Investment (Gain)/Loss	6/30/20	No Ramp		0.00%	20	3,092	0	3,308	0	3,540	323
Investment (Gain)/Loss	6/30/20	20%	Up Only	0.00%	20	21,005	0	22,475	0	24,048	526
Total						98,449	6,138	98,991	6,671	99,020	7,772

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

Amortization Schedule and Alternatives

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

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

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

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

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

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

Amortization Schedule and Alternatives (continued)

Date	<u>Current Amortization Schedule</u>		<u>Alternate Schedules</u>			
	Balance	Payment	15 Year Amortization		10 Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2022	99,020	7,772	99,020	10,510	99,020	13,629
6/30/2023	97,912	8,555	95,080	10,510	91,853	13,629
6/30/2024	95,917	9,343	90,864	10,510	84,185	13,629
6/30/2025	92,966	10,137	86,353	10,510	75,980	13,629
6/30/2026	88,988	10,855	81,526	10,510	67,201	13,630
6/30/2027	83,989	11,054	76,361	10,510	57,806	13,629
6/30/2028	78,434	11,258	70,835	10,511	47,754	13,629
6/30/2029	72,278	11,468	64,921	10,511	36,999	13,630
6/30/2030	65,474	11,683	58,593	10,510	25,490	13,629
6/30/2031	57,972	11,904	51,823	10,511	13,176	13,629
6/30/2032	49,716	12,132	44,578	10,511		
6/30/2033	40,646	12,366	36,826	10,510		
6/30/2034	30,700	12,606	28,532	10,511		
6/30/2035	19,810	3,632	19,657	10,510		
6/30/2036	17,440	3,633	10,161	10,511		
6/30/2037	14,903	3,631				
6/30/2038	12,190	3,632				
6/30/2039	9,286	3,633				
6/30/2040	6,178	3,632				
6/30/2041	2,853	2,951				
6/30/2042						
6/30/2043						
6/30/2044						
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
6/30/2050						
6/30/2051						
Total		165,877		157,656		136,292
Interest Paid		66,857		58,636		37,272
Estimated Savings				8,221		29,585

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan. The amounts are based on the actuarial valuation from two years prior and does not account for prepayments or benefit changes made during a fiscal year. Additional discretionary payments before July 1, 2019 or after June 30, 2020 are not included.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment (\$)	Additional Discretionary Payments
2016 - 17	6.555%	\$149	N/A
2017 - 18	6.533%	230	N/A
2018 - 19	6.842%	2,172	N/A
2019 - 20	6.985%	2,438	0
2020 - 21	7.732%	6,138	
2021 - 22	7.59%	6,671	
2022 - 23	7.47%	7,772	

Funding History

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

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2014	\$32,950	\$34,415	(\$1,465)	104.5%	\$219,432
06/30/2015	95,833	91,620	4,213	95.6%	447,122
06/30/2016	204,458	183,981	20,477	90.0%	601,671
06/30/2017	345,872	327,242	18,630	94.6%	883,832
06/30/2018	515,011	471,223	43,788	91.5%	940,133
06/30/2019	707,720	642,900	64,820	90.8%	989,019
06/30/2020	988,167	889,718	98,449	90.0%	1,413,501

Risk Analysis

- **Future Investment Return Scenarios**
- **Discount Rate Sensitivity**
- **Mortality Rate Sensitivity**
- **Maturity Measures**
- **Maturity Measures History**
- **Hypothetical Termination Liability**

Future Investment Return Scenarios

Analysis was performed to determine the effects of various future investment returns on required employer contributions. The projections below provide a range of results based on five investment return scenarios assumed to occur during the next four fiscal years (2020-21, 2021-22, 2022-23 and 2023-24). The projections also assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

For fiscal years 2020-21, 2021-22, 2022-23, and 2023-24, each scenario assumes an alternate fixed annual return. The fixed return assumptions for the five scenarios are 1.0%, 4.0%, 7.0%, 9.0% and 12.0%.

These alternate investment returns were chosen based on stochastic analysis of possible future investment returns over the four-year period ending June 30, 2024. Using the expected returns and volatility of the asset classes in which the funds are invested, we produced five thousand stochastic outcomes for this period based on the most recently completed Asset Liability Management process. We then selected annual returns that approximate the 5th, 25th, 50th, 75th, and 95th percentiles for these outcomes. For example, of all the 4-year outcomes generated in the stochastic analysis, approximately 25% had an average annual return of 4.0% or less.

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 1.0% or greater than 12.0% over this four-year period, the likelihood of a single investment return less than 1.0% or greater than 12.0% in any given year is much greater.

Assumed Annual Return From 2020-21 through 2023-24	Projected Employer Contributions			
	2023-24	2024-25	2025-26	2026-27
1.0%				
Normal Cost	7.5%	7.5%	7.5%	7.5%
UAL Contribution	\$9,900	\$13,000	\$18,000	\$24,000
4.0%				
Normal Cost	7.5%	7.5%	7.5%	7.5%
UAL Contribution	\$9,200	\$11,000	\$14,000	\$18,000
7.0%				
Normal Cost	7.5%	7.5%	7.5%	7.5%
UAL Contribution	\$8,600	\$9,300	\$10,000	\$11,000
9.0%				
Normal Cost	7.6%	7.8%	8.0%	7.4%
UAL Contribution	\$8,300	\$8,500	\$8,400	\$7,800
12.0%				
Normal Cost	7.6%	7.8%	8.0%	7.4%
UAL Contribution	\$7,600	\$6,400	\$0	\$0

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.50% and 2.50%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2020 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 7.0% as well as alternate discount rates of 6.0% and 8.0%. The rates of 6.0% and 8.0% were selected since they illustrate the impact of a 1.0% increase or decrease to the 7.0% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2020	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	6.0%	7.0%	8.0%
Inflation	2.5%	2.5%	2.5%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	17.65%	14.22%	11.59%
b) Accrued Liability	\$1,193,183	\$988,167	\$826,531
c) Market Value of Assets	\$889,718	\$889,718	\$889,718
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$303,465	\$98,449	(\$63,187)
e) Funded Status	74.6%	90.0%	107.6%

Sensitivity to the Price Inflation Assumption

As of June 30, 2020	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	6.0%	7.0%	8.0%
Inflation	1.5%	2.5%	3.5%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	15.20%	14.22%	13.05%
b) Accrued Liability	\$1,051,724	\$988,167	\$908,128
c) Market Value of Assets	\$889,718	\$889,718	\$889,718
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$162,006	\$98,449	\$18,410
e) Funded Status	84.6%	90.0%	98.0%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2020 plan costs and funded status under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2017. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

As of June 30, 2020	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	14.49%	14.22%	13.97%
b) Accrued Liability	\$1,011,499	\$988,167	\$966,723
c) Market Value of Assets	\$889,718	\$889,718	\$889,718
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$121,781	\$98,449	\$77,005
e) Funded Status	88.0%	90.0%	92.0%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only.

One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2019	June 30, 2020
1. Retired Accrued Liability	0	0
2. Total Accrued Liability	707,720	988,167
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.00	0.00

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the Support Ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures, and members retire, the ratio starts declining. A mature plan will often have a ratio near or below one. The average support ratio for CalPERS public agency plans is 1.25.

Support Ratio	June 30, 2019	June 30, 2020
1. Number of Actives	14	19
2. Number of Retirees	0	0
3. Support Ratio [(1) / (2)]	N/A	N/A

Maturity Measures (Continued)

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

Asset Volatility Ratio (AVR)

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

Liability Volatility Ratio (LVR)

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The AVR, described above, will tend to move closer to the LVR as a plan matures.

Contribution Volatility	June 30, 2019	June 30, 2020
1. Market Value of Assets	\$642,900	\$889,718
2. Payroll	989,019	1,413,501
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.7	0.6
4. Accrued Liability	\$707,720	\$988,167
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.7	0.7

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0.00	N/A	0.4	0.4
06/30/2018	0.00	N/A	0.5	0.5
06/30/2019	0.00	N/A	0.7	0.7
06/30/2020	0.00	N/A	0.6	0.7

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2020. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

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

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 19-month period from 12 months before the valuation date to 7 months after.

Market Value of Assets (MVA)	Hypothetical Termination Liability^{1,2} at 0.75%	Funded Status	Unfunded Termination Liability at 0.75%	Hypothetical Termination Liability^{1,2} at 2.50%	Funded Status	Unfunded Termination Liability at 2.50%
\$889,718	\$2,570,556	34.6%	\$1,680,838	\$1,701,700	52.3%	\$811,982

¹ The hypothetical liabilities calculated above include a 5% mortality contingency load in accordance with Board policy. Other actuarial assumptions can be found in Appendix A of the Section 2 report.

² The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 1.18% on June 30, 2020, and was 1.68% on January 31, 2021.

In order to terminate the plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow the plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. CalPERS advises you to consult with the plan actuary before beginning this process.

Participant Data

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

	June 30, 2019	June 30, 2020
Active Members		
Counts	14	19
Average Attained Age	N/A	38.8
Average Entry Age to Rate Plan	N/A	35.6
Average Years of Credited Service	N/A	3.0
Average Annual Covered Pay	\$70,644	\$74,395
Annual Covered Payroll	\$989,019	\$1,413,501
Projected Annual Payroll for Contribution Year	\$1,072,877	\$1,533,351
Present Value of Future Payroll	\$9,911,715	\$15,074,267
Transferred Members	4	6
Separated Members	3	2
Retired Members and Beneficiaries		
Counts*	0	0
Average Annual Benefits*	N/A	\$0

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

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- None

Plan's Major Benefit Options

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

Benefit Group	
Member Category	Misc
Demographics	
Actives	Yes
Transfers/Separated	Yes
Receiving	No
Benefit Provision	
Benefit Formula	2% @ 62
Social Security Coverage	No
Full/Modified	Full
Employee Contribution Rate	6.75%
Final Average Compensation Period	Three Year
Sick Leave Credit	Yes
Non-Industrial Disability	Standard
Industrial Disability	No
Pre-Retirement Death Benefits	
Optional Settlement 2	Yes
1959 Survivor Benefit Level	Level 4
Special	No
Alternate (firefighters)	No
Post-Retirement Death Benefits	
Lump Sum	\$500
Survivor Allowance (PRSA)	No
COLA	2%

PEPPRA Member Contribution Rates

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

The table below shows the determination of the PEPPRA member contribution rates effective July 1, 2022, based on 50% of the total normal cost rate as of the June 30, 2020 valuation.

Rate Plan Identifier	Benefit Group Name	Basis for Current Rate		Rates Effective July 1, 2022			
		Total Normal Cost	Member Rate	Total Normal Cost	Change	Change Needed	Member Rate
26684	Miscellaneous PEPPRA Level	13.735%	6.75%	14.22%	0.485%	No	6.75%

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Risk Pool Actuarial Valuation Information

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

Municipal Water District of Orange County
Individual Charges Disclosure
For the period of 7/1/2020 - 6/30/2021

Item 8

POSITION:	VENDOR:	EVENT:	ITEM:	AMOUNT
Director	Staples	HP Hi-yield printer cartridge Purchased 1/26/21	Office supplies	\$ 105.58
			Director Total:	\$ 105.58
Director of Water Use Efficiency	Staples	HP Combo 5 pack printer cartridges Purchased 3/12/21	Office supplies	\$ 202.55
			Director of Water Use Efficiency Total:	\$ 202.55
Director of Engineering	Mileage	Utah State Research Lab OC-70 meter calibration testing Orange, CA to Logan, UT one way-8/5/20	Mileage	\$ 439.88
			Director of Engineering Total:	\$ 439.88
Water Loss Control Programs Supervisor	CA Water Resources Control Board	Water Distribution Operator D2 certification renewal Paid 4/9/21	Certification	\$ 110.00
	American Water Works Association California-Nevada Section	Water Use Efficiency Practitioner Grade 2 Paid 4/22/21	Certification	100.00
			Water Loss Control Programs Supervisor Total:	\$ 210.00
District Secretary	Reimbursement	Business related expense Paid 11/21/20	Miscellaneous	\$ 150.00
			District Secretary Total:	\$ 150.00
Senior Accountant	Offer Up	Office chair for home office use Purchased 6/1/20	Office furniture	\$ 150.00
			Senior Accountant Total:	\$ 150.00
Accountant	Staples	Office chair for home office use Purchased 7/19/20	Office furniture	\$ 141.36
			Accountant Total:	\$ 141.36
Senior Financial Analyst/Database Analyst	Amazon	Office chair for home office use Purchased 3/27/20	Office furniture	\$ 150.00
	Reimbursement	Business related expense Paid 11/23/20	Miscellaneous	150.00
			Senior Financial Analyst/Database Analyst Total:	\$ 300.00
Water Loss Control Technician	FedEx Office	FedEx shipping for hydrant pressure loggers Paid 7/17/20	Shipping	\$ 234.93
	REI Co-op	Work boots for Water Loss Control Shared Services employee Purchased 10/9/20	Boots	136.77
			Water Loss Control Technician Total:	\$ 371.70
Senior Water Use Efficiency Analyst	Amazon	Standing desk attachment for home office use Purchased 12/21/20	Office furniture	\$ 109.49
			Senior Water Use Efficiency Analyst Total:	\$ 109.49
			Grand Total	<u>\$ 2,180.56</u>



Administration Activities Report

September 3, 2021 – October 7, 2021

Activity	Summary
Administration/ Board	<p>Staff worked on the following:</p> <ul style="list-style-type: none"> • Scheduled meetings for Rob Hunter and Board members. • Assisted Rob with various write-ups and follow-up for the Committees and Board. • Continue to send the Water Supply Reports to the member agencies. • Processed and reviewed agreements for appropriate Board approval and insurance requirements as well as execution following approval; worked with WUE and PA re Agreements. • Reviewed Insurance documents for all District Agreements. • Responded to 3 Public Records Act requests, including a large on-going Public Records Act request; conducted research regarding PRAs • Updated various portions of the website. • Worked with Public Affairs re change order matters; worked with Accounting on Agreement processes • Worked with Secretary of State's Archive division to obtain formation records. • Reviewed Administrative Code and budget regarding conference attendance; worked with staff re Admin Code policies • Assisted IRWD with policy samples • Prepared mass mailing for General Manager Hunter to member agencies • Prepared and submitted ACWA Committee consideration forms • Consulted with MET Board services staff on processes and travel information • Worked with Legal Counsel regarding AB 361; coordinated with OCWD on same • Various discussions regarding Region 10 election. • Reviewed Administrative Code and budget regarding conference attendance. • Attended meeting regarding Laserfiche upgrade • Transcribe meeting minutes and prepare Board and Committee packets. • Attended and hosted ISDOC Executive Meeting via Zoom • Prepared ISDOC Executive Meeting minutes



Administration/ Board	<ul style="list-style-type: none"> • Created ISDOC Quarterly Luncheon invitation through Constant Contacts • Coordinated the transition of the MWDOC/ISDOC website to the Streamline ISDOC website. • Zoom Meetings: solicited availability, set-up and hosted Zoom Meetings for General Manager, Governmental Affairs Manager & Board President. • Agreements: processed agreements for Engineering and Water Use Efficiency. • Provided assistance to Government Affairs with formatting letters. • Secured accommodations for Staff and Directors for ACWA Fall Conference. • Registered Staff for various training, CAPIO, CRWUA Conference and misc. events • Coordinated the distribution of MWDOC – Member Agency Facilitated Discussions – Interview Scheduling, prepared letters. • Scheduled Zoom meetings for the MWDOC – Member Agency Facilitated Discussions and Interviews.
Records Management	<ul style="list-style-type: none"> • Staff continues to review incoming mail and log necessary documents into the Laserfiche system. • Staff continues to review documents and update information in Laserfiche. • Staff attended Laserfiche Cloud webinar.
Health and Welfare Benefits	<ul style="list-style-type: none"> • Staff participated in a JPIA webinar regarding 2022 Open Enrollment for employee medical and vision benefits for the upcoming plan year. • Staff also attended several JPIA webinars and held phone calls regarding changes for retiree health benefits for 2022 and conducted outreach efforts to current retirees to address questions or concerns. • Open Enrollment information will be provided to all eligible employees by October 20th. • Staff met with ACWA benefits manager, Sandra Smith on October 5 to discuss new retiree health benefits plan.
Recruitment / Departures	<ul style="list-style-type: none"> • Recruiting efforts continue for the following: <ul style="list-style-type: none"> ○ Public Affairs Intern ○ Leak Detection Intern ○ Water Loss Control Technician. • Staff is completing the pre-employment screening process for the WUE Intern. • Staff is completing the final interview process for the Financial Analyst/Database Analyst position.



Recruitment/ Departures	<ul style="list-style-type: none"> • Jason Thorsell, Leak Detection Technician, will be departing the District on 10/8/21
Projects/ Activities	<ul style="list-style-type: none"> • Majority of Phase 2 work was completed as of September 30th and Phase 3 work has commenced. • Staff participated in a Phase 2 office punch list walk through on September 29. • Staff continues coordination activities for the transition to the next phase of construction. • Staff continues coordination efforts in working with Engineering staff, IDS, ABS and the furniture vendor on Phase 3 of the Office Seismic Retrofit and Tenant Improvements. • Staff continues to participate in weekly move management and Construction Meetings. • Staff is continuing to work with the furniture vendor (People Space) on finalizing the office furniture specifications and the Interior Designer for Phases 3. • Staff met with Outdoor Dimensions to identify required office signage in compliance with ADA and Fire Code. • Cathy, Rob and Tiffany participated in a meeting with E Art Consulting regarding concepts for office art displays/exhibits upon completion of construction. • The General Manager continues to hold bi-monthly staff meetings via Zoom. • Staff is continuing to coordinate closely with the Director of Emergency Management on COVID-19 protocols, OSHA ETS and State guidelines. • Staff continues to coordinate additional office cleanings in the office twice a week. • Staff continues hosting of Board, Committee and Department meetings via zoom. • Weekly virtual meetings are held with the Administration Team. • Staff continues to update changes to the District Act Database and to the District Contacts in Outlook. • Staff continues to assist with WACO Meetings via Zoom, PowerPoint presentations and various correspondence. • Staff updated the WACO Website • Staff assisted with the WACO Planning Committee • Staff hosted a Member Agency HR Meeting on September 23rd.



Projects/ Activities	<ul style="list-style-type: none">• Staff coordinated and participated in interviews for the Financial Analyst position.• Staff participated in a JPIA Webinar on October 6th regarding JPIA's Risk Management Program.
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**INFORMATION ITEM**

October 13, 2021

TO: Administration & Finance Committee
(Directors McVicker, Thomas, Dick)

FROM: Robert J. Hunter, General Manager

Staff Contact: Jeff Stalvey

SUBJECT: Finance and IT Pending Items Report

SUMMARY

The following list details the status of special projects that are in-progress or to be completed during FY 2021-22.

Finance

Description	% of Completion	Estimated Completion date	Status
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	In Progress
2021 W-9 collection for conservation rebates. Currently holding 2 rebate checks awaiting a W-9 form.	On-going	On-going	In Progress
Prepare for annual audit of our financial statements. Final audit week of Sept 13 th .	90%	10-31-2021	In Progress
Prepare Annual Financials	95%	10-31-2021	In Progress
Government Compensation in California Report 2021	0%	03-30-2022	Not Started
State Controller Report preparation FY20-21	0%	11-30-2021	Not Started
Preparation of documents for FY2022-23 budget process.	0%	04-30-2022	Not Started
Preparation of documents for FY2021-22 revised budget.	100%	10-31-2021	In Progress

Information Technology

Description	% of Completion	Estimated Completion date	Status
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Upgrade Conference room 101 and 102 with new Audio/Video equipment.	90%	10-31-2021	In Progress
Batteries replacement for UPS	10%	12-31-2021	In Progress
Replace 10 computers and monitors for Staff	30%	12-31-2021	In Progress
Replace End-Of-Life Cisco Voice Gateway router (hardware and software)	10%	3-30-2022	In Progress
Upgrade backbone Gigabit network switch (hardware)	10%	3-30-2022	In Progress
Software and hardware upgrade for Hyper-V Virtual Server	0%	6-30-2022	Not Started

FY 2021-22 Completed Special Tasks

Description	% of Completion	Completion date	Status
<u>Finance</u>			
State Tax filing for Water Facilities Corp FY2020-21	100%	09-30-2021	Completed
<u>Information Technology</u>			
Upgrade 2 IT laptops for check-out	100%	12-31-2021	Completed



INFORMATION ITEM

October 13, 2021

TO: **Administration & Finance Committee**
(Directors Thomas, Dick, McVicker)

FROM: **Robert Hunter, General Manager**

Staff Contact: Kevin Hostert

SUBJECT: **Monthly Water Usage Data and Water Supply Info.**

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

The attached figures show the recent trend of water consumption in Orange County (OC), an estimate of Imported Water Sales for MWD OC, and selected water supply information.

- OC Water Usage, Monthly by Supply **OCWD Groundwater was the main supply in August.**
- Estimated OC Water Usage, Monthly, Comparison to Previous Years Water usage in August **2021 was slightly above average compared to the last 5 years.** We are projecting a slight decrease in overall water usage compared to FY 2020-21. On July 8th 2021, state officials have ask California residents to voluntary reduce their water usage by 15% compared to 2020 levels.
- Historical OC Water Consumption Orange County M & I water consumption is **projected** to be **535,000 AF in FY 2021-22** (this includes ~11 TAF of agricultural usage and non-retail water agency usage). This is about **25,000 AF less than FY 2020-21** and is about **3,000 AF more than FY 2019-20**. Water usage per person is projected to be slightly lower in **FY 2021-22 for Orange County at 151 gallons per day** (This includes recycled water usage). Although OC population has increased 20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is attributed mostly to Water Use

Budgeted (Y/N): N	Budgeted amount: N/A	Core <u>X</u>	Choice <u> </u>
Action item amount: N/A		Line item:	
Fiscal Impact (explain if unbudgeted):			

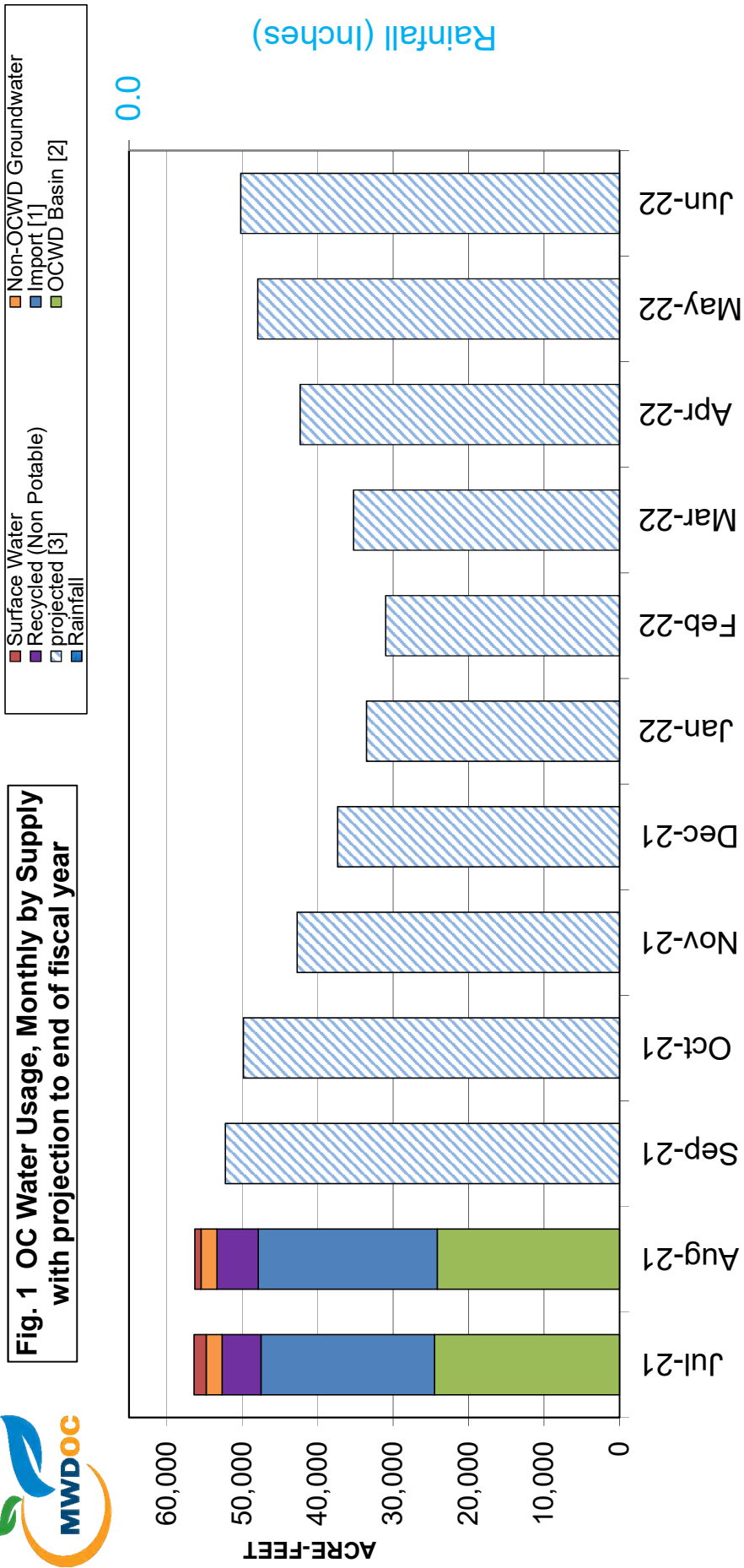
Efficiency (water conservation) efforts. ***O.C. Water Usage for the last five Fiscal Years (FY 2015-16 to FY 2019-20) was the lowest since the 1982-83 Fiscal Year (FY 1982-83 was the third wettest year on record). O.C. Water Usage in FY 2020-21 was the highest since FY 2010-11.***

Water Supply Information Includes data on Rainfall in OC; the OCWD Basin overdraft; Northern California and Colorado River Basin hydrologic data; the State Water Project (SWP) Allocation, and regional storage volumes. The data have implications for the magnitude of supplies from the three watersheds that are the principal sources of water for OC. Note that a hydrologic year is Oct. 1st through Sept. 30th.

- Orange County's accumulated precipitation through ***late September*** was below average for this period. Water year to date rainfall in Orange County is ***5.5 inches***, which is ***43% of normal***.
- Northern California accumulated precipitation through ***late September*** was ***48% of normal for this period***. Water Year 2020 was 63% of normal while water year 2019 was 137% of normal. The ***Northern California snowpack was 66% as April 1st As of late August, 100.00%*** of California is experiencing ***moderate to exceptional drought conditions*** while 100.00% of the state is experiencing abnormally dry conditions. The State Water Project Contractors Table A Allocation was lowered to 5% in March 2021.
- Colorado River Basin accumulated precipitation through ***late September*** was ***80% of normal*** for this period. The ***Upper Colorado Basin snowpack was 74% of normal*** as of April 13th. ***Lake Mead and Lake Powell*** combined have about ***45.0% of their average storage volume*** for this time of year and are at ***32.5% of their total capacity***. If Lake Mead's ***level falls below a "trigger" limit 1,075 ft. at the end of a calendar year***, then a shortage will be declared by the US Bureau of Reclamation (USBR), impacting Colorado River water deliveries to the Lower Basin states. As of late August, Lake Mead levels were ***7.24' BELOW the "trigger" limit***. The USBR has declared a ***shortage on the Colorado River starting January 1st 2022. There is and a 97% chance of shortage continuing in 2023.***



**Fig. 1 OC Water Usage, Monthly by Supply
with projection to end of fiscal year**



[1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water and deliveries into Irvine Lake.

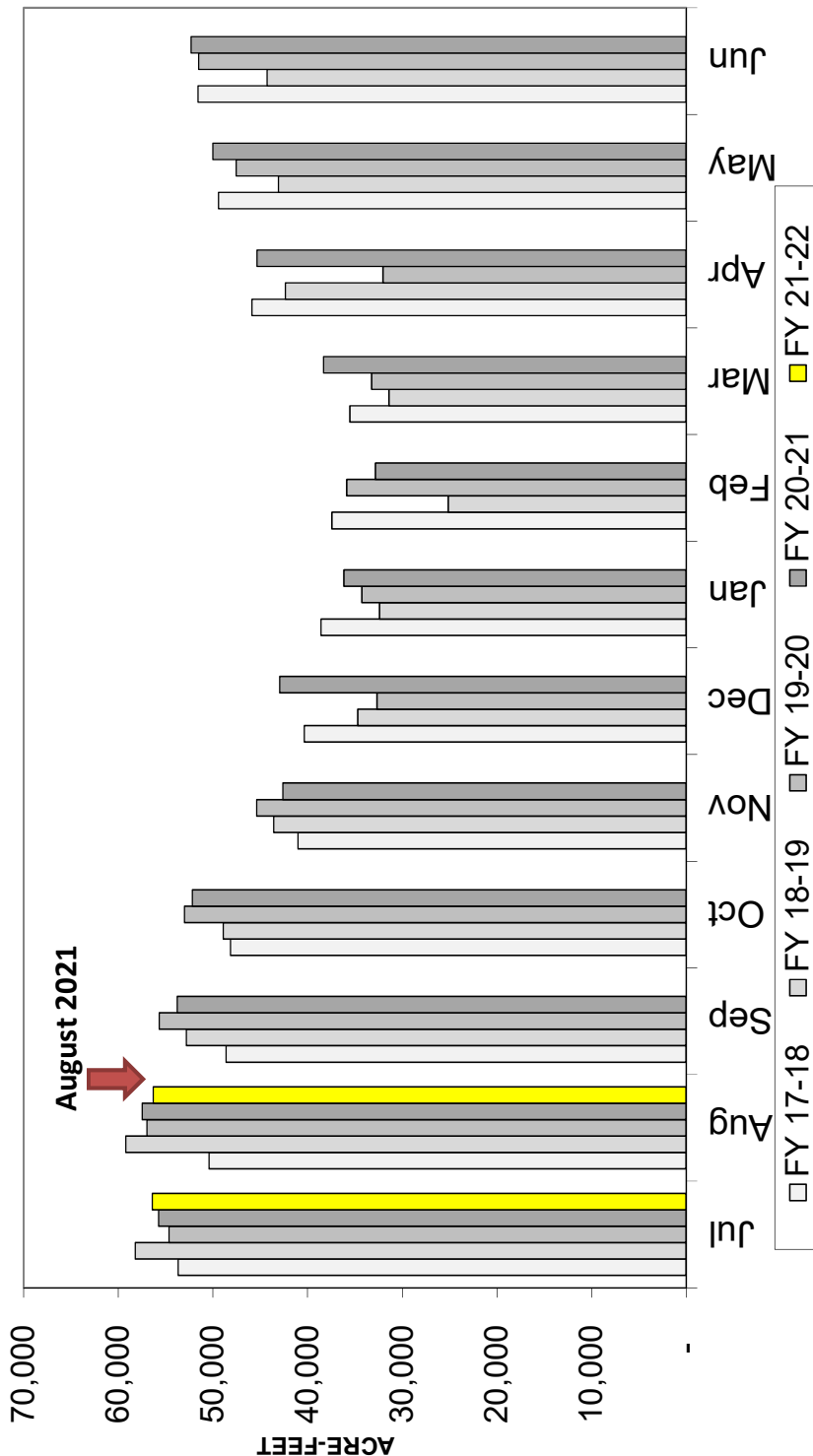
[2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '21-22 is 77%.

[3] MWD OC's estimate of monthly demand is based on the projected 5 Year historical retail water demand and historical monthly demand patterns.

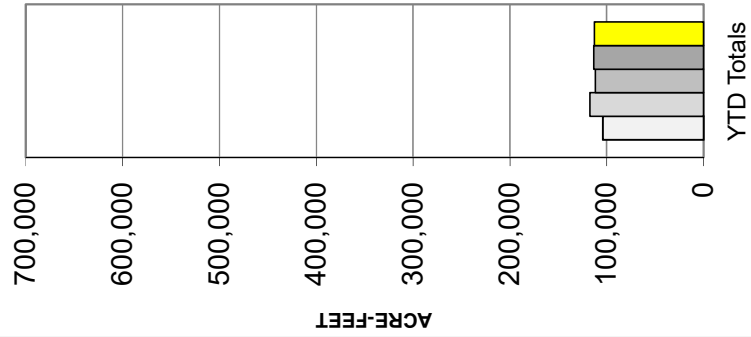
[4] Total water usage includes IRWD groundwater agricultural use and usage by non-retail water agencies.



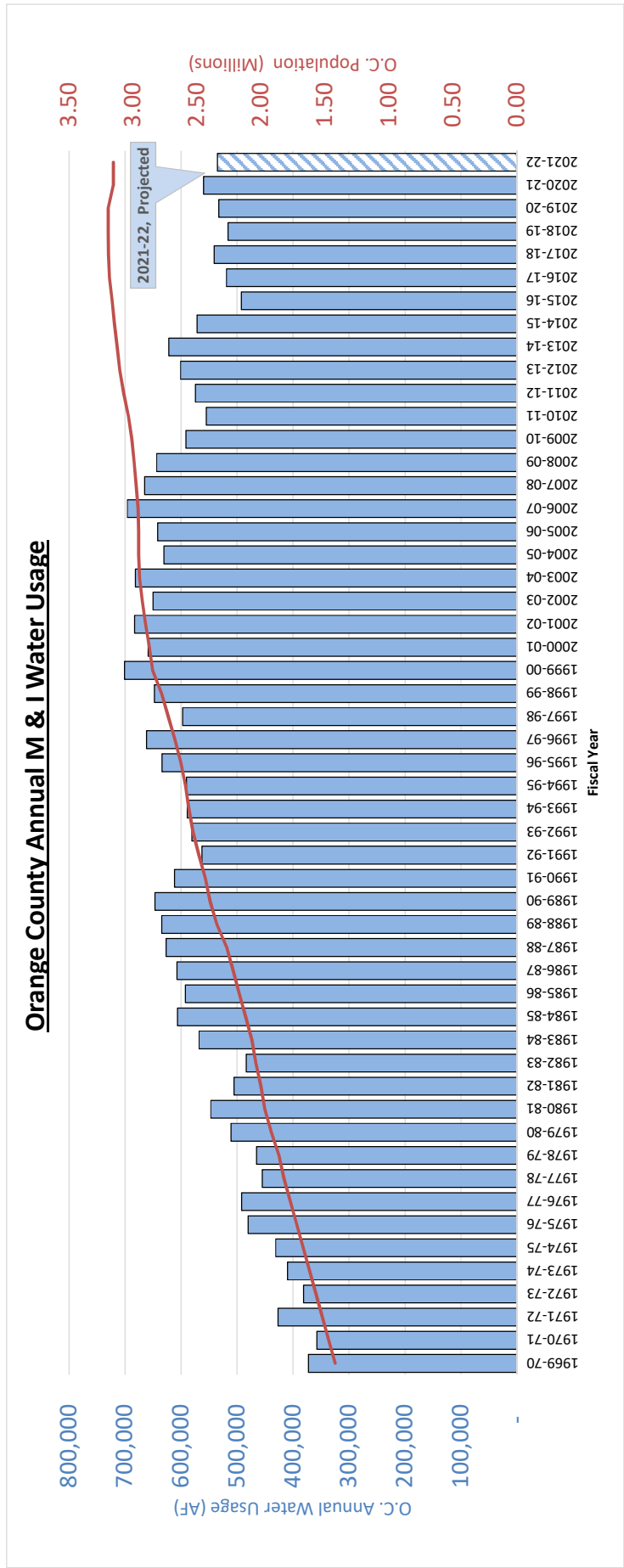
Fig. 2 OC Monthly Water Usage [1]: Comparison to Last 4 Fiscal Years



Partial Year Subtotals

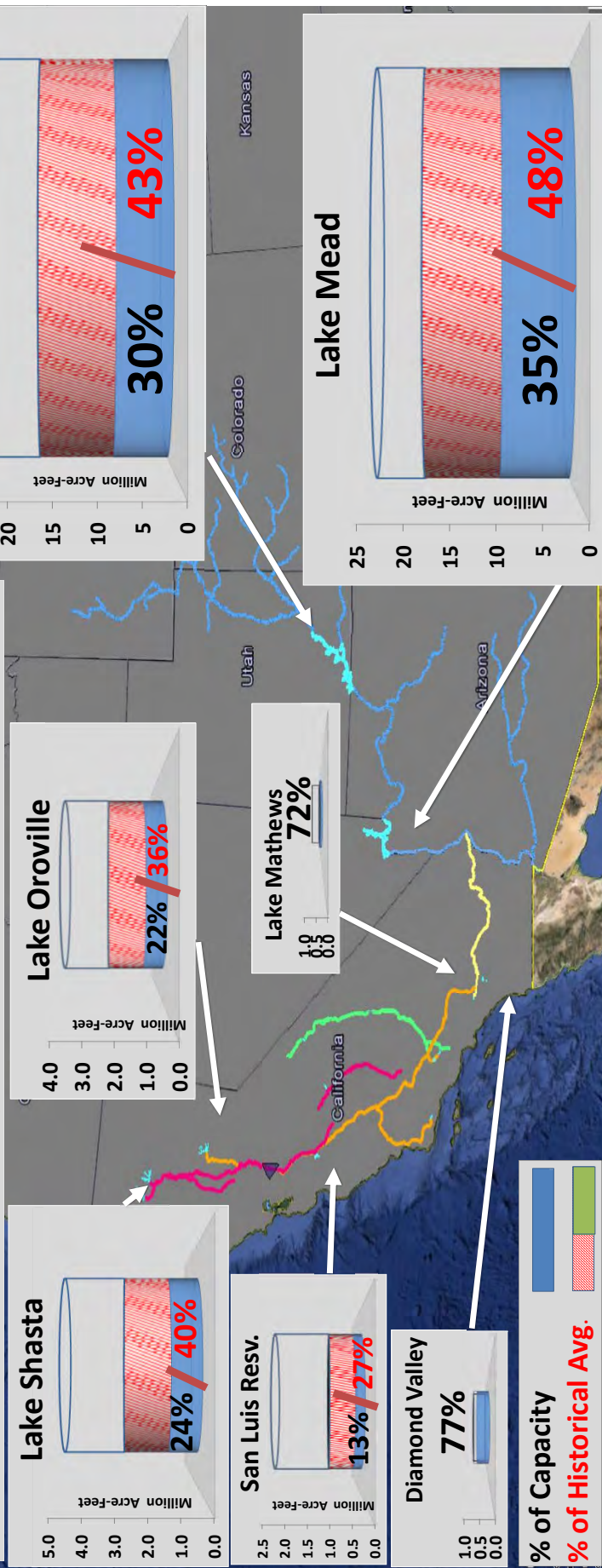


[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water and excludes GWRS production) Recent months numbers include some estimation.



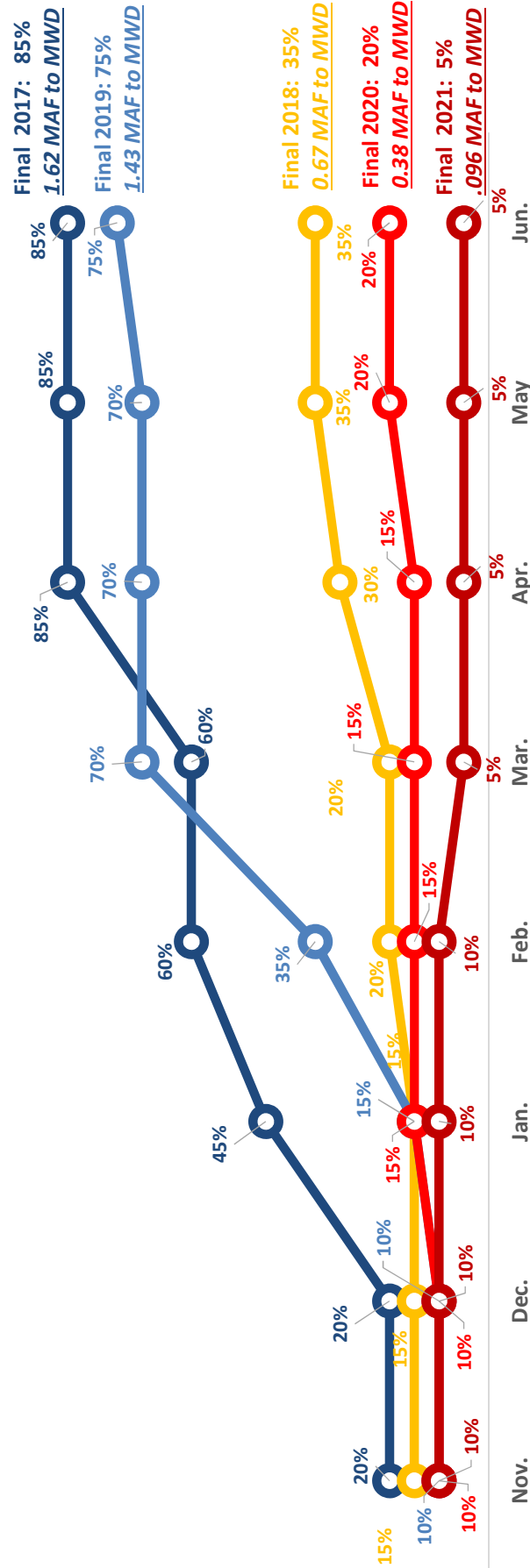
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State Water Project, Colorado River, and MWD Reservoir Storage as of September 27, 2021

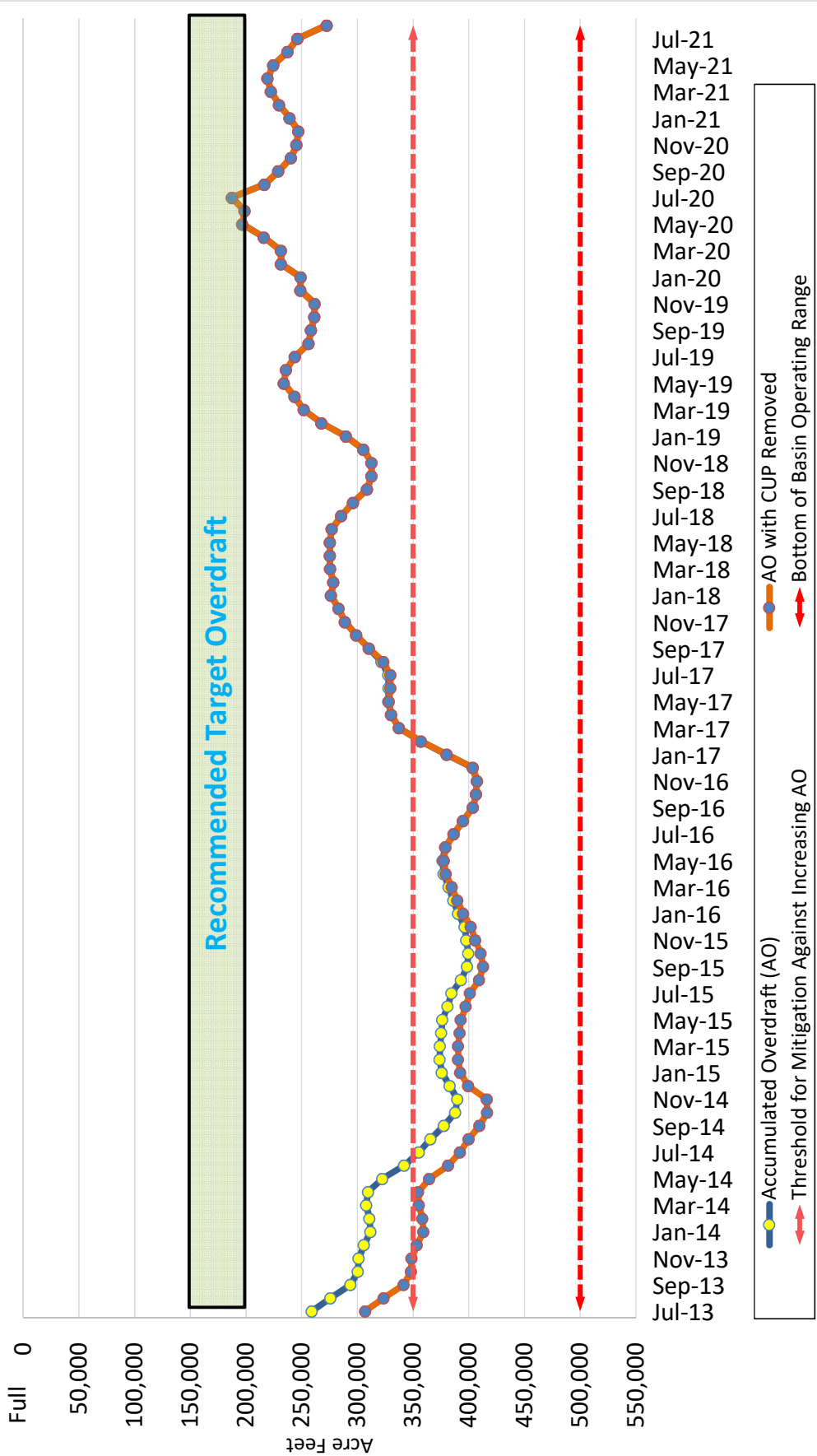


SWP TABLE A ALLOCATION

FOR STATE WATER PROJECT CONTRACTORS



Accumulated Overdraft of the OCWD Groundwater Basin as of August 2021

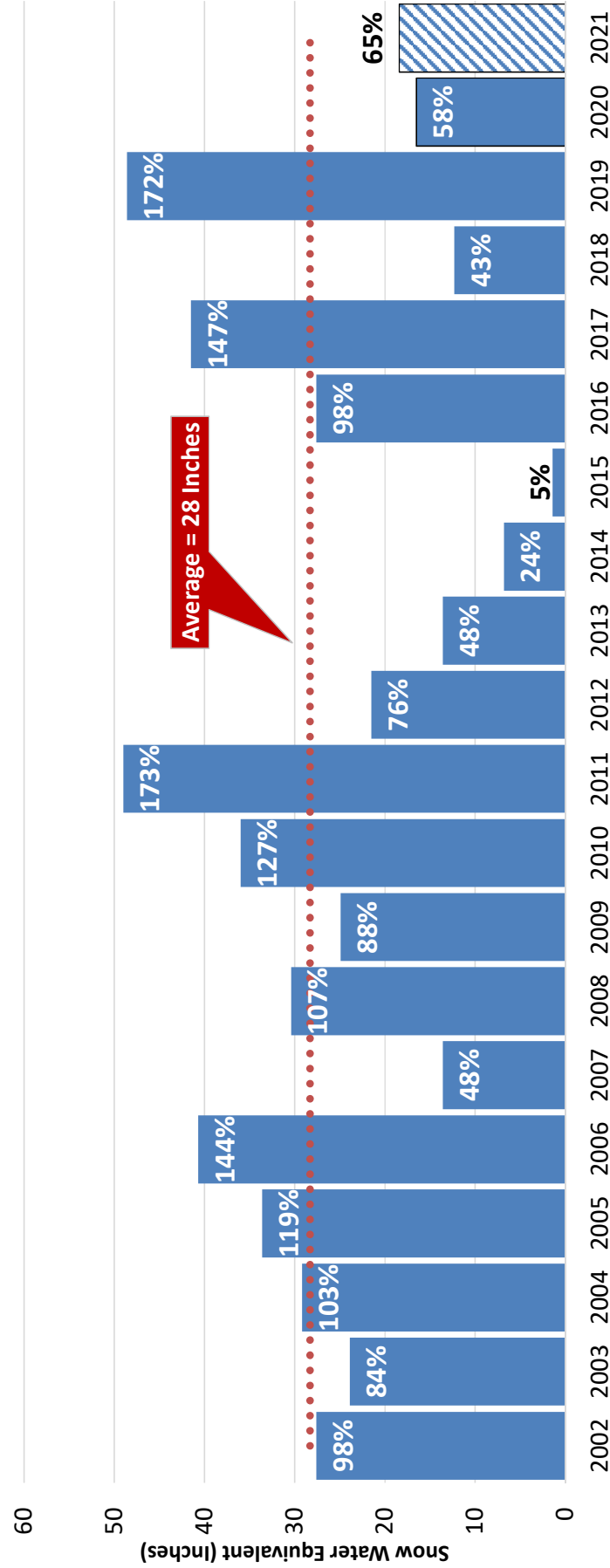


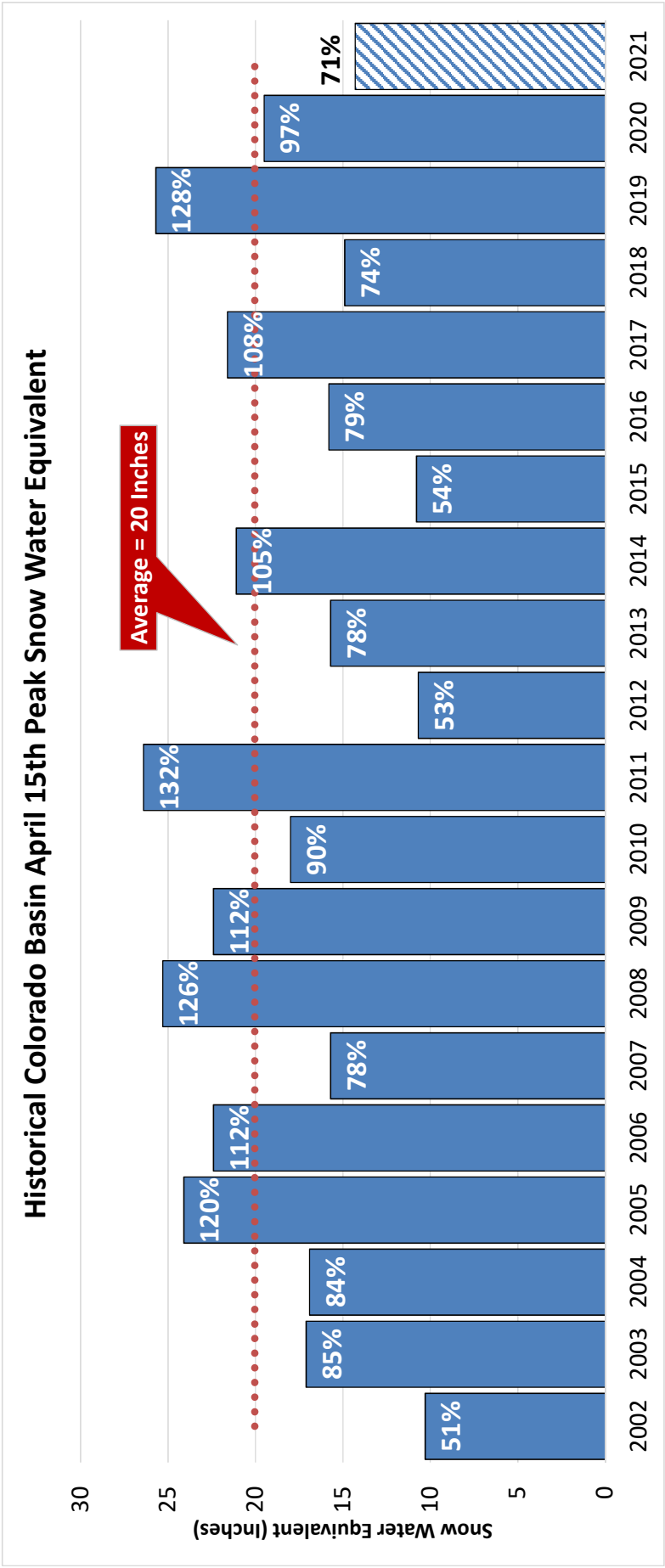
	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
AO (AF)	187,392	216,548	229,124	240,414	245,441	246,998	239,329	229,738	222,470	219,388	224,458	237,335
AO w/CUP removed (AF)	187,392	216,548	229,124	240,414	245,441	246,998	239,329	229,738	222,470	219,388	224,458	237,335
AO (AF)	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
AO w/CUP removed (AF)	246,350	272,443										
	246,350	272,442										

* Source ~ OCWD Monthly Board of Directors Packet, Water Resources Summary



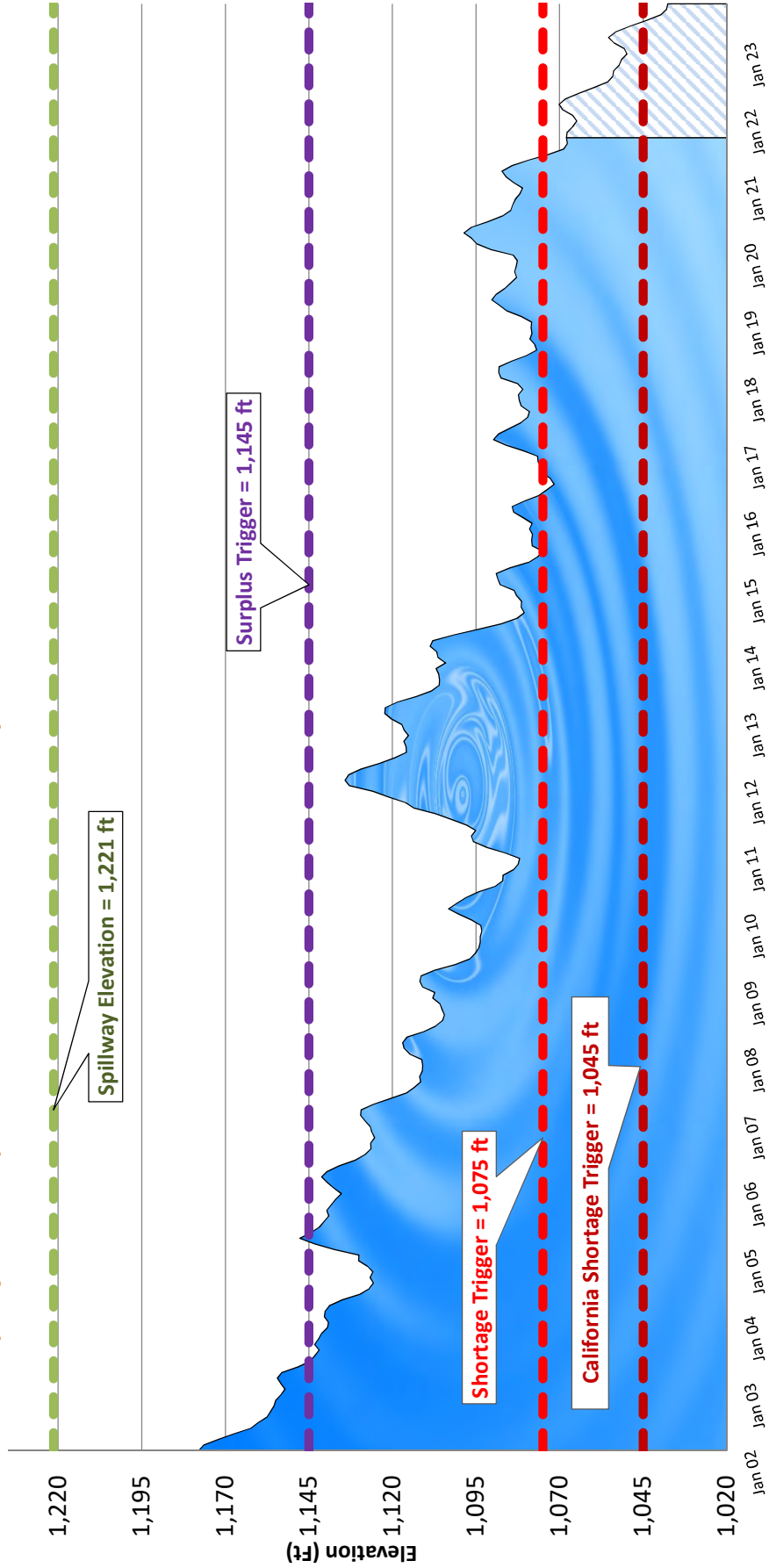
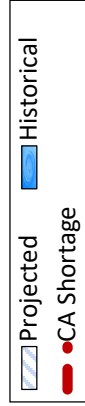
Historical Northern California April 1st Peak Snow Water Equivalent







Lake Mead Levels: Historical and Projected projection per USBR 24-Month Study





Lake Powell Levels: Historical and Projected projection per USBR 24-Month Study

■ Historical □ Projected

