

REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
18700 Ward Street, Fountain Valley, California  
November 17, 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#

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**AGENDA**

**MOMENT OF SILENCE**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**PUBLIC COMMENTS/PARTICIPATION**

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

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

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

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

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

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

**EMPLOYEE SERVICE AWARDS**



**NEXT RESOLUTION NO. 2118****CONSENT CALENDAR (Items 1 to 7)**

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

**1. MINUTES**

- a. October 6, 2021 Workshop Board Meeting
- b. October 20, 2021 Regular Board Meeting

*Recommendation: Approve as presented.*

**2. COMMITTEE MEETING REPORTS**

- a. Planning & Operations Committee Meeting: October 4, 2021
- b. Administration & Finance Committee Meeting: October 13, 2021
- c. Executive Committee Meeting: October 21, 2021
- d. MWDOC/OCWD Joint Planning Committee Meeting: October 27, 2021

*Recommendation: Receive and file as presented.*

**3. TREASURER'S REPORTS**

- a. MWDOC Revenue/Cash Receipt Register as of October 31, 2021
- b. MWDOC Disbursement Registers (October/November)

*Recommendation: Ratify and approve as presented.*

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of September 30, 2021
- d. PARS Monthly Statement (OPEB Trust)

*Recommendation: Receive and file as presented.*

**4. FINANCIAL REPORT**

- a. Combined Financial Statements and Budget Comparative for the Period ending September 30, 2021
- b. Quarterly Budget Report
- c. FY 2020-21 Audit Report and Presentation regarding Audit Report

*Recommendation: Receive and file as presented.*

**5. AUTHORIZATION FOR STAFF TO ENTER INTO AGREEMENT WITH THE COUNTY OF ORANGE FOR THE UTILIZATION OF ALERTOC, EVERBRIDGE MASS NOTIFICATION SYSTEM**

*Recommendation: Authorize the MWDOC General Manager and/or the WEROC Director of Emergency Management to execute the Memorandum of Understanding (MOU) between*



*Municipal Water District of Orange County and the County of Orange for the continued use of the County's Countywide Mass Notification System, AlertOC.*

**6. 2022 HEALTH SAVINGS ACCOUNT CONTRIBUTIONS**

*Recommendation: Approve Option 1, authorizing the 2022 contributions to the HSA Accounts, per MWDOC policy and JPIA recommendation.*

**7. AUTHORIZATION TO VOTE ON BEHALF OF MWDOC IN THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' (ACWA) ELECTION OF PRESIDENT, VICE PRESIDENT**

*Recommendation: Authorize MWDOC Board President Sat Tamaribuchi, or alternate Director Jeffery Thomas, to cast the District's ballot for the ACWA President, Vice President at ACWA's Fall Conference on December 1, 2021.*

**End Consent Calendar**

**ACTION CALENDAR**

**8-1 MWDOC LEGISLATIVE POLICY PRINCIPLES ANNUAL UPDATE**

*Recommendation: Review and adopt the updated Legislative and Regulatory Policy Principles for 2022, as amended by the Planning & Operations Committee.*

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

**9. GENERAL MANAGER'S REPORT, NOVEMBER 2021 (ORAL AND WRITTEN)**

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

**10. MWDOC GENERAL INFORMATION ITEMS**

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

*Recommendation: Receive and file as presented.*



## **ADJOURNMENT**

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



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

October 6, 2021

At 8:30 a.m., President Tamaribuchi called to order the Regular Meeting of the Municipal Water District of Orange County via the Zoom Webinar application (due to the current state of emergency related to the spread of COVID-19 and pursuant to Government Code Section 54953(e)). Director Seckel led the Pledge of Allegiance and Secretary Goldsby called the roll.

**MWDOC DIRECTORS**

Al Nederhood  
Larry Dick\*  
Karl W. Seckel  
Bob McVicker  
Sat Tamaribuchi\*  
Jeffery M. Thomas  
Megan Yoo Schneider

**STAFF**

Robert Hunter, General Manager  
Harvey De La Torre, Asst. Gen. Mgr.  
Joe Byrne, Legal Counsel  
Maribeth Goldsby, Board Secretary  
Melissa Baum-Haley, Prin. Water Resource Analyst  
Alex Heide, Water Resources Analyst  
Chris Lingad, Associate Engineer  
Kevin Hostert, Water Resources Analyst  
Joe Berg, Director of Water Use Efficiency  
Charles Busslinger, Principal Engineer  
Heather Baez, Governmental Affairs Manager  
Vicki Osborn, Director of Emergency Management  
Damon Micalizzi, Director of Public Affairs  
Hilary Chumpitazi, Accounting Manager

\*Also MWDOC MET Directors

**OTHER MWDOC MET DIRECTORS**

Linda Ackerman  
Dennis Erdman

**OTHERS PRESENT**

Brad Coffey  
Brandon Goshi  
Demetri Polyzos  
Sara Tucker  
Garrett Durst  
Syrus Devers  
Dick Ackerman  
Ed Means  
Richard Bell  
Dave Youngblood  
Kathryn Freshley  
Kay Havens  
Mike Gaskins  
Mark Monin  
Jose Vergara  
Dennis Cafferty  
Doug Reinhart

Metropolitan Water District of So. California  
Metropolitan Water District of So. California  
Metropolitan Water District of So. California  
NRR  
NRR  
Best, Best & Krieger  
Ackerman Consulting  
Means Consulting  
East Orange County Water District  
East Orange County Water District  
El Toro Water District  
El Toro Water District  
El Toro Water District  
El Toro Water District  
El Toro Water District  
El Toro Water District  
Irvine Ranch Water District



Peer Swan  
 Paul Weghorst  
 Frank Prewoznik  
 Christine Compton  
 Jim Atkinson  
 Stacy Taylor  
 Don Froelich  
 Bill Moorhead  
 Sherry Wanninger  
 Laura Rocha  
 Kaden Young  
 Kelly Rowe  
 Mike Markus  
 John Kennedy  
 Alicia Dunkin  
 Chuck Gibson  
 Saundra Jacobs  
 Dan Ferons  
 Jim Leach  
 Brad Reese  
 Jerry Vilander  
 Bill Green  
 Rick Shintaku  
 Brooke Jones  
 Wayne Miller  
 Megan Couch  
 Lisa Ohlund  
 Kristy Khachigian  
 Paul Jones

Irvine Ranch Water District  
 Irvine Ranch Water District  
 Irvine Ranch Water District  
 Irvine Ranch Water District  
 Mesa Water  
 Mesa Water  
 Moulton Niguel Water District  
 Moulton Niguel Water District  
 Moulton Niguel Water District  
 Moulton Niguel Water District  
 Moulton Niguel Water District  
 Orange County Water District  
 Orange County Water District  
 Orange County Water District  
 Orange County Water District  
 Santa Margarita Water District  
 Santa Margarita Water District  
 Santa Margarita Water District  
 Santa Margarita Water District  
 Serrano Water District  
 Serrano Water District  
 South Coast Water District  
 South Coast Water District  
 Yorba Linda Water District  
 Yorba Linda Water District  
 San Diego County Water Authority  
 Ohlund Management & Technical Services  
 KK Consulting  
 Dopudja & Wells Consulting

### **PUBLIC PARTICIPATION/PUBLIC COMMENTS**

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

No comments were received.

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

No items were presented.



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

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

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

**PRESENTATION / DISCUSSION / INFORMATION ITEMS****LEGISLATIVE ACTIVITIES****a. Federal Legislative Report (NRR)**

Ms. Sara Tucker highlighted the Colorado River hearings and she provided an overview of current activities in Washington.

Mr. Garrett Durst reported on the following: infrastructure package, and the appropriations bills and appropriations process, and the National Defense Authorization Act (NDAA) (and PFAS inclusions).

Discussion ensued with emphasis on the Colorado River hearings, the Natural Resources Committee functions and purpose, the importance of extending the WIIN Act, and the NDAA cost benefit analysis.

The Board received and filed the report.

**b. State Legislative Report****c. MWDOC Legislative Matrix**

Mr. Syrus Devers of BBK, reviewed his report, noting that the legislature was still on break. He highlighted the drought conditions, including messaging and the need to convey that although there are drought conditions, Southern California is addressing those conditions by pursuing drought contingency measures.

Considerable discussion ensued regarding the drought conditions, the nexus between conservation and water use efficiency, the need for assistance on desalination efforts, the need to educate the legislative delegation on how the region will handle the drought conditions, outreach messaging, and the importance of the local agencies handling versus statewide mandates.

The Board received and filed the report.

**PRESENTATION BY METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA STAFF REGARDING INTEGRATED RESOURCES PLAN (IRP)**

Mr. Demetri Polyzos, Mr. Brandon Goshi, and Mr. Brad Coffey (MET staff) presented information regarding the IRP portfolios and adaptive management implementation considerations.



Mr. Goshi advised that because the IRP process is coming to a conclusion (with a final draft expected by the end of the year), MET is now looking at its second phase (strategic planning/implementation phase).

The information they provided included an overview of the four scenarios, an in-depth look at interpreting the graphs (frequency and timing of shortages, shortage and surplus curves, and storage), refined gap analysis improvements, and a portfolio analysis. Key observations were outlined which included MET's water storage needs, efficiency/demands, system improvements, and implementation.

A discussion period ensued, with emphasis on the need to set targets (to help measure overall success), the modeling used to develop the data (historical hydrologic was used to sequence, but was modified using climate change experts), local and regional projects and how this information was incorporated into the scenarios, the differences between the four scenarios and how the agencies are affected by them, groundwater management and how it would fit into the IRP, the shortage analyses, assumptions on local supplies, baseloaded supply assumptions, demand management issues, drought and responses issues, and economic cost factors.

President Tamaribuchi encouraged the member agencies to provide any ideas on the implementation phase, noting that a future Workshop meeting would address this.

The Board received and filed the report as presented.

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

Directors Erdman and Dick each highlighted the recent MET Board retreat, and Director Dick commented that MET is short on sales.

The Board received and filed the reports.

#### **INFORMATION ITEMS**

##### **MWD ITEMS CRITICAL TO ORANGE COUNTY**

- a. MET Finance and Rate Issues
- b. MET General Manager Recruitment Process
- c. MET Review of Equal Employment Opportunity Policies and Practices
- d. MET Integrated Resources Plan Update
- e. MET Water Supply Conditions
- f. Colorado River Issues
- g. Delta Conveyance Activities and State Water Project Issues

The Board received and filed the report as presented.

##### **METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS**

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



The report was received and filed.

**ADJOURNMENT**

There being no further business, the meeting adjourned at 10:36 a.m.

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Maribeth Goldsby  
Board Secretary



**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
October 20, 2021**

At 8:30 a.m., President Tamaribuchi called to order the Regular Meeting of the Municipal Water District of Orange County, via the Zoom Webinar application (due to the current state of emergency related to the spread of COVID-19 and pursuant to Government Code Section 54953(e)). Following a moment of silence, Director Nederhood led the Pledge of Allegiance and Secretary Goldsby called the roll.

**MWDOC DIRECTORS**

Al Nederhood  
Larry Dick  
Bob McVicker  
Karl Seckel  
Sat Tamaribuchi  
Jeffery M. Thomas  
Megan Yoo Schneider

**STAFF**

Robert Hunter, General Manager  
Harvey De La Torre, Assistant General Manager  
Joe Byrne, Legal Counsel  
Maribeth Goldsby, Board Secretary  
Melissa Baum-Haley, Prin. Water Resources Analyst  
Cathy Harris, Director of H.R. & Administration  
Alex Heide, Water Resource Analyst  
Kevin Hostert, Water Resources Analyst  
Charles Busslinger, Principal Engineer  
Hilary Chumpitazi, Accounting Manager  
Damon Micalizzi, Director of Public Affairs  
Heather Baez, Governmental Affairs Manager  
Vicki Osborn, Director of Emergency Management  
Joe Berg, Director of Water Use Efficiency

**ALSO PRESENT**

Dennis Erdman

MWDOC/MET Director

Dave Youngblood  
Mike Gaskins  
Kay Havens  
Mark Monin  
Jose Vergara  
Dennis Cafferty  
Sheri Seitz  
Doug Reinhart  
Peer Swan  
Keith Van Der Maaten  
Jim Atkinson  
Don Froelich  
Bill Moorhead  
Kelly Rowe  
John Kennedy  
Chuck Gibson  
Saundra Jacobs  
Justin McCusker

East Orange County Water District  
El Toro Water District  
El Toro Water District  
El Toro Water District  
El Toro Water District  
El Toro Water District  
El Toro Water District  
El Toro Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Laguna Beach County Water District  
Mesa Water  
Moulton Niguel Water District  
Moulton Niguel Water District  
Orange County Water District  
Orange County Water District  
Santa Margarita Water District  
Santa Margarita Water District  
Santa Margarita Water District



|                   |   |
|-------------------|---|
| Jim Leach         | Santa Margarita Water District                |
| Jerry Vilander    | Serrano Water District                        |
| Bill Green        | South Coast Water District                    |
| Rick Shintaku     | South Coast Water District                    |
| Michael Perrea    | Trabuco Canyon Water District                 |
| Brooke Jones      | Yorba Linda Water District                    |
| Tom Lindsey       | Yorba Linda Water District                    |
| Wayne Miller      | Yorba Linda Water District                    |
| Jessica Arm       | Metropolitan Water District of So. California |
| Lisa Ohlund       | Ohlund Management & Technical Services        |
| Dick Ackerman     | Ackerman Consulting                           |
| Paul Jones        | Dopudja & Wells Consulting                    |
| Kristy Khachigian | KK Consulting                                 |

### **PUBLIC PARTICIPATION/PUBLIC COMMENT**

President Tamaribuchi announced that members of the public wishing to comment on agenda items could do so after the item has been discussed by the Board and requested members of the public identify themselves when called on. Mr. Tamaribuchi asked whether any member of the public had any comments on items that are not on the agenda.

Director Mark Monin (ETWD) commended staff on their efforts with the OC Water Summit.

### **ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were received.

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

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

No items were distributed.

### **EMPLOYEE SERVICE AWARD**

General Manager Hunter presented an award to Jeff Stalvey for fifteen years of service to the District.

### **CONSENT CALENDAR**

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

Director Seckel noted he communicated a minor typographical error in the MWDOC Water Facilities Corporation minutes to the Board Secretary; the Board accepted the revision.



Upon MOTION by Director Thomas, seconded by Director Seckel, and carried (7-0) the Board approved the balance of Consent Calendar items, by the following roll call vote:

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

## **MINUTES**

The following minutes were approved.

September 1, 2021 Workshop Board Meeting  
September 15, 2021 MWDOC Water Facilities Corporation Meeting  
September 15, 2021 Regular Board Meeting

## **COMMITTEE MEETING REPORTS**

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

Planning & Operations Committee Meeting: September 7, 2021  
Administration & Finance Committee Meeting: September 8, 2021  
Executive Committee Meeting: September 16, 2021

## **TREASURER'S REPORTS**

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of September 30, 2021  
MWDOC Disbursement Registers (September/October)

The following items were received and filed as presented.

MWDOC Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of August 31, 2021

PARS Monthly Statement (OPEB Trust)

## **FINANCIAL REPORT**

The following item was received and filed as presented.

Combined Financial Statements and Budget Comparative for the Period ending August 31, 2021

**APPROVE COST SHARE AGREEMENT BETWEEN MWDOC AND ETWD FOR  
CONSULTING SERVICES FOR REPLACEMENT OF THE SOUTH EOC**



The Board authorized the General Manager to enter into a cost share agreement with El Toro Water District (ETWD) to pay the proportional share of consultant service costs for the replacement EOC as part of the ETWD Filter Plant Site Use Investigation and Design. The total cost for consulting services for the ETWD Filter Plant Site Use Investigation and Design is estimated at \$651,147. MWDOC's share is estimated at \$270,056 plus a 10% contingency for a total of \$297,062 based upon proportional services for design, cost estimating, and construction support for a replacement EOC to be located on the ETWD filter plant site.

#### **AUTHORIZE FY 2021-22 BUDGET REVISIONS**

The Board approved the budget revisions as presented.

#### **TEMPORARY ACOUSTIC LEAK DETECTION SURVEYS AND STAFF TRAINING**

The Board authorized 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.

#### **CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) PROPOSED BYLAWS UPDATE**

The Board authorized President Tamaribuchi, or his designee, to cast the District's ballot in favor of the CSDA Bylaws update.

**- END CONSENT CALENDAR -**

#### **ACTION CALENDAR**

##### **EOP UPDATE AND RESOLUTION**

Upon MOTION by Director Seckel, seconded by Director Thomas, and carried (7-0), the Board adopted RESOLUTION NO. 2116, adopting the revised WEROC Emergency Operations Plan, by the following roll call vote:

|          |   |
|----------|---|
| AYES:    | Directors Nederhood, Dick, McVicker, Seckel, Tamaribuchi, Thomas & Yoo<br>Schneider |
| NOES:    | None  |
| ABSENT:  | None  |
| ABSTAIN: | None  |

#### **INFORMATION CALENDAR**

##### **GENERAL MANAGER'S REPORT, OCTOBER 2021**



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

Mr. Hunter congratulated staff on a successful OC Water Summit. He also provided an overview of Governor Newsom's recent drought Proclamation and considerable discussion was held regarding the Proclamation's terms and potential State Water Project Table A allocations.

Responding to an inquiry by Director Nederhood, Governmental Affairs Manager Baez provided an overview of the regulatory changes to time and use of emergency generators.

SMWD Director Chuck Gibson mentioned the WIIN Act will expire on December 16, 2021; he encouraged MWDOC's legislative advocates to work getting the Act extended. President Tamaribuchi requested an update on the WIIN Act at an upcoming meeting.

The Board received and filed the report as presented.

## **MWDOC GENERAL INFORMATION ITEMS**

### **a. BOARD OF DIRECTORS**

The Board members each reported on their attendance at the regular (and special) MWDOC Board and Committee meetings. In addition to these meetings, the following reports were made on conferences and meetings attended on behalf of the District. Due to COVID 19, most of the meetings outlined were attended virtually.

Director Nederhood advised that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the Urban Water Institute Conference, a tour of the GWRS expansion, the Water Policy dinner, the MET IRP/Bay-Delta Committee meeting, the WACO and WACO Planning meetings, the MET Board meeting, the MET Legal & Claims Committee meeting, the Doheny Desalination Project meeting, the Yorba Linda Mayor's Prayer Breakfast, and the Delta Stewardship Council meeting.

Director Dick reported on attending all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the regularly scheduled MET Board and Committee meetings, the WACO and WACO Planning meetings, the Building Management Committee meeting, the MET Board retreat, the Water Policy dinner, the ISDOC Executive Committee meeting, the reception honoring MET GM Adel Hagekhalil (in Fullerton), the OC Water Summit, and the Urban Water Institute conference.

Director McVicker reported that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the ACWA Water Quality Committee meeting, the MET IRP, Bay/Delta and Executive Committee meetings, the Water Policy dinner, the WACO meeting, the ISDOC Executive Committee meeting, the MET Committee meetings, the OCBC Infrastructure Committee meeting, and the OC Water Summit.



Director Seckel advised that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), a meeting with the President of Mesa Water, the WACO and WACO Planning meetings, the MET IRP Committee meeting, a meeting with Senator Dave Min, and seminars on (1) Water Agencies of Tomorrow; Adaptation, Revision and Changes; (2) Improving California's Water Market, (3) Groundwater and Urban Growth in the San Joaquin Valley. He also reported on attending the reception honoring MET GM Adel Hagekhalil, the OC Water Summit and speakers meeting, and the Water Policy dinner.

Director Thomas stated that he attended all of the regularly scheduled MWDOC meetings, except the Planning & Operations Committee meeting, (Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), several ACWA/JPIA meetings, the meeting with the South County agencies, the Summit planning meeting(s), the OC Water Summit, and the IRWD Board meeting.

Director Yoo Schneider advised that she attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the California WEF Planning Program & Development Committee meeting, the SMWD Water Quality & Treatment Committee meeting, the CA WEA Diversity, Equity and Inclusion interviews for a consultant, the SCWD Board meeting, the SMWD Board meeting, an interview with water treatment operators, and the OC Water Summit. She also reported on speaking at the Rocky Mountain Section of AWWA, the WEF Treatment Fundamentals Workbook for Operators event (as author), the WEF Diversity, Equity & Inclusion Committee meeting, and noted she spoke at the University of Pennsylvania's Water Center (Women of Water) in celebration of Climate Week.

Director Tamaribuchi reported on attending the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the regularly scheduled MET Board and Committee meetings, a Building Management Committee meeting, the meeting with South County agencies, three MWDOC/MET Director meetings, the MET Board retreat, the OCBC Governmental Affairs Committee meeting, the MET Caucus, a meeting with MWDOC's auditors, the OC Water Summit, the California Water Alliance reception for MET's GM Adel Hagekhalil, and the Water Policy dinner.

**a. REQUESTS FOR FUTURE AGENDA TOPICS**

There were no requests for future agenda topics.

**CLOSED SESSION**

At 9:25 a.m., Legal Counsel Byrne advised that the Board would adjourn to closed session to discuss the following:

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

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



**RECONVENE**

The Board reconvened at 10:32 a.m., and Legal Counsel Byrne announced that no reportable action was taken in closed session.

**ADJOURNMENT**

There being no further business to come before the Board, President Tamaribuchi adjourned the meeting at 10:33 a.m.

Respectfully submitted,

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Maribeth Goldsby, Secretary



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

Jointly with the  
**PLANNING & OPERATIONS**  
October 4, 2021 – 8:30 a.m. to 9:50 a.m.

Due to the current state of emergency related to the spread of COVID-19 and pursuant to Government Code Section 54953(e), the meeting was held via the Zoom Webinar application; all Brown Act requirements were complied with.

**Committee:**

Director Yoo Schneider, Chair  
Director Nederhood  
Director Seckel

**Staff:**

Rob Hunter, Heather Baez, Pari Francisco  
Melissa Baum-Haley, Damon Micalizzi  
Maribeth Goldsby, Michelle Decasas,  
Harvey De La Torre, Chris Lingad, Charles  
Busslinger, Rachel Davis, Rachel Waite, Tina  
Dubuque, Beth Fahl, Joe Berg, Alex Heide, Vicki  
Osborn, Tiffany Baca, Bryce Roberto, Janine  
Schunk, Sarah Wilson, Daniel Harrison,  
Kevin Hostert, Hilary Chumpitazi

**Also, Present:**

Director Larry Dick  
Director Bob McVicker  
Director Sat Tamaribuchi  
Linda Ackerman, MWDOC MET Dir.  
Dick Ackerman, Ackerman Consulting  
John Lewis, Lewis Consulting Group  
Jim Atkinson, Mesa WD  
Mike Gaskins, El Toro WD  
Charles Gibson, Santa Margarita WD  
Joseph Bryne, BBK  
Paul Weghorst, Irvine Ranch WD  
Christine Compton, Irvine Ranch WD  
Sherri Seitz, El Toro WD  
Stacy Taylor, Mesa WD  
Frank Ury, Santa Margarita WD  
Charles Gibson, Santa Margarita WD  
Beth Olson, Santa Margarita WD

Jim Leach, Santa Margarita WD  
Donald Froelich, Moulton Niguel WD  
Kathryn Freshley, El Toro WD  
John Kennedy, Orange County WD  
Laura Rocha, Moulton Niguel WD  
Dennis Cafferty, El Toro WD  
Jose Vergara, El Toro WD  
Kay Havens, El Toro WD  
Yarib Dheming, Inside the Outdoors  
Brad Reese, Serrano WD  
Peer Swan, Irvine Ranch WD  
Justin McCusker, Santa Margarita WD  
Sherry Wanninger, Moulton Niguel WD  
Fernando Paludi, Trabuco Canyon WD  
Adam Hutchinson, Orange County WD  
Alicia Dunkin, Orange County WD  
Richard Bell

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

Secretary Goldsby conducted a roll call of the Committee members' attendance with Directors Yoo Schneider, Nederhood, Seckel being present, and Directors Dick, Tamaribuchi, and McVicker also present.

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



**PUBLIC PARTICIPATION**

No comments were received.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were received too late to be agendized.

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

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

**BOARD ACTION ITEM -- CONVENE AS BOARD MEETING (ACTION TO BE TAKEN BY FULL BOARD)**

The Committee meeting adjourned, and President Tamaribuchi convened the full Board for action on the following item:

**CONSIDER ADOPTING A RESOLUTION TO CONTINUE REMOTE MEETINGS  
PURSUANT TO AB 361**

Mr. Harvey De La Torre (MWDOC Assistant General Manager) explained this was a Board Action item to continue the remote meetings according to AB 361 (Robert Rivas, Open meetings: state and local agencies: teleconferences).

Legal Counsel Joe Byrne explained that the Governor's Executive Order allowing for remote Board meetings during the COVID-19 pandemic expired on September 30, 2021. AB 361, signed by the Governor on September 16, 2021, went into effect on October 1, 2021, and allows for the continuation of remote meetings during a proclaimed state of emergency (which currently exists for COVID-19) as long as other conditions are met, and puts the decision in the Board's hands if they wish to continue with remote public meetings. If the Board makes the appropriate findings, they can continue to have remote meetings; these findings include that the State of Emergency must be in effect and that either (1) state or local officials have imposed or recommend measures to promote social distancing, or (2) the legislative body determines that meeting in person would present an imminent risk to the health and safety of attendees. Mr. Byrne's recommendation was to justify both findings even though only one (along with the State of Emergency) is required.

The law requires that the findings be reaffirmed every thirty days, and if the Board desires to have the remote meetings, the item would appear on the Consent Calendar.

Director Nederhood expressed concern with the imminent risk language and suggested the Board adopt the Resolution with the Board promoting measures for social distancing.

Mr. Byrne responded that although he recommends the Board incorporate both findings, one finding would be legal and appropriate.



Upon MOTION by Director Seckel, seconded by Director Nederhood, and carried (6-0), the Board adopted a RESOLUTION NO. 2115 authorizing virtual Board and Committee meetings pursuant to AB 361 by the following roll call vote:

|          |   |
|----------|---|
| AYES:    | Directors Nederhood, Dick, McVicker, Seckel, Tamaribuchi & Yoo<br>Schneider |
| NOES:    | None  |
| ABSENT:  | Director Thomas   |
| ABSTAIN: | None  |

At 8:51 a.m., President Tamaribuchi adjourned the Board meeting, and Chair Yoo Schneider continued the Planning & Operations Committee.

### **ACTION ITEM**

#### **COST-SHARE AGREEMENT BETWEEN MWDOC AND EL TORO WD FOR CONSULTING SERVICES FOR REPLACEMENT OF SOUTH EMERGENCY OPERATIONS CENTER (EOC)**

Mr. Charles Busslinger (Director of Engineering) explained that this item is a Cost Share Agreement between the Municipal Water District of Orange County (MWDOC) and El Toro Water District (ETWD) for consulting services for design and cost estimating to replace the Emergency Operations Center (EOC).

He advised that on April 21, 2021, the MWDOC Board approved proceeding with 1<sup>st</sup>-year design and cost estimating services for a new EOC. The MWDOC worked with ETWD to issue a Request for Proposal (RFP) and the only proposal received was from Brady & Associates. To validate Brady & Associates' proposal costs, MWDOC and ETWD hired ABS Consulting to provide an independent detailed cost estimate of the work required in the RFP. The cost comparisons were comparable, making MWDOC & ETWD comfortable with moving forward with Brady & Associates.

In response to Director Seckel's inquires, Mr. Busslinger explained how the cost distribution of the work was determined and clarified questions regarding the construction schedule.

In response to Director Nederhood's inquires, Mr. Busslinger stated that ETWD would cover any cost exceeding the Brady and Associates' estimate for the Clear Well Demolition & Infiltration/Retention Basin Study and explained what was included in the Construction Administrative Services costs. Director Nederhood also inquired if Brady & Associates would also be doing the construction. Mr. Busslinger explained that this project is a Design-bid-build (a project delivery method in which the agency or owner contracts with separate entities for the design and construction of a project) project. Brady & Associates will not be doing the construction themselves. Jeff Katz Architecture has been hired to design the building.

Upon MOTION by Director Nederhood, seconded by Director Seckel, and carried (3-0), the Committee recommends the Board of Directors authorize the General Manager to enter into a cost-share agreement with El Toro Water District (ETWD) to pay the proportional share of



consultant service costs for the replacement EOC as part of the ETWD Filter Plant Site Use Investigation and Design.

A roll call vote was taken, with Directors Yoo Schneider, Nederhood, and Seckel voting in favor. This item will be presented to the Board on October 20, 2021.

### **EMERGENCY OPERATIONS PLAN UPDATE AND RESOLUTION**

Ms. Vicki Osborn (Director of Emergency Management) and Mr. Daniel Harrison (WEROC Specialist) provide a presentation on the Emergency Operations Plan (EOP) and its proposed updates. The EOP is a flexible, multi-hazard document that addresses Orange County Member Agencies and WEROC Emergency Operations Center (EOC) planned response and short-term recovery to extraordinary emergency/disaster situations associated with natural disasters, technological incidents, and national security emergencies.

Following a brief discussion, and upon MOTION by Director Seckel, seconded by Director Nederhood, and carried (3-0), the Committee recommends that the Board approve and adopt the WEROC EOP resolution.

A roll call vote was taken, with Directors Yoo Schneider, Nederhood, and Seckel voting in favor. This item will be presented to the Board on October 20, 2021.

### **DISCUSSION ITEMS**

#### **UPDATE ON COVID-19 (ORAL REPORT)**

Ms. Vicki Osborn (Director of Emergency Management) provided an update of COVID-19, stating that COVID-19 cases are decreasing, and 80% of Orange County have received at least one COVID-19 shot.

#### **MWDOC LEGISLATIVE POLICY PRINCIPLES ANNUAL UPDATE**

Ms. Heather Baez (Governmental Affairs Manager) shared that this is the annual update of the MWDOC Legislative Policy Principles which was originally introduced at the September Planning and Operations Committee. Ms. Baez let the Committee know that the document includes recommendations received from MWDOC Member Agencies and MWDOC staff. Ms. Baez noted that edits received to date are redlined and she solicited additional input from the Committee.

Director Nederhood, Director Seckel, Director Dick, and President Tamaribuchi provided verbal edits that they agreed to submit in writing to Ms. Baez to update the document.

Ms. Baez inquired if the Committee approved the addition of legislation and/or regulations that enforce against cannabis growers' water theft and/or negative impacts to water quality, which Mesa Water District submitted. Chairperson Yoo Schneider inquired if there was a way to generalize the wording around "water theft and/or negative impacts to water quality." Director Nederhood felt that more generalized language would be beneficial.



Ms. Baez confirmed that the Committee was comfortable with the currently proposed redlines and asked if they would notify her of any changes or additions in writing. The Committee agreed.

This item will return to the Committee in November.

### **INFORMATION ITEMS**

#### **LOCAL LEGISLATIVE ACTIVITIES**

- a. County Legislative Report (Lewis)

President Tamaribuchi requested that John Lewis set up a meeting with the Orange County Board of Supervisors to discuss the WEROC Emergency Operations Center funding. Mr. Lewis said he would do so.

- b. Legal and Regulatory Report (Ackerman)

The Committee received and filed these reports.

#### **OC WATER SUMMIT UPDATE**

The Committee received and filed this report.

#### **SEPTEMBER 30<sup>TH</sup> WATER POLICY DINNER FEATURING METROPOLITAN GM ADEL HAGEKHALIL**

The Committee received and filed this report.

#### **MWDOC CHOICE SCHOOL PROGRAMS UPDATE**

The Committee received and filed this report.

#### **STATUS REPORTS**

- a. Ongoing MWDOC Reliability and Engineering/Planning Projects
- b. WEROC
- c. Water Use Efficiency Projects
- d. Public and Government Affairs

The Committee received and filed these reports.

#### **REVIEW OF ISSUES RELATED TO PLANNING OR ENGINEERING PROJECTS, WEROC, WATER USE EFFICIENCY, FACILITY AND EQUIPMENT MAINTENANCE, WATER STORAGE, WATER QUALITY, CONJUNCTIVE USE PROGRAMS, EDUCATION, PUBLIC AFFAIRS PROGRAMS AND EVENTS, PUBLIC INFORMATION PROJECTS, PUBLIC INFORMATION CONSULTANTS, DISTRICT FACILITIES, and MEMBER-AGENCY RELATIONS**

### **ADJOURNMENT**



There being no further business brought before the Committee, Chairperson Yoo Schneider adjourned the meeting at 9:50 a.m.



MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Jointly with the  
**ADMINISTRATION & FINANCE COMMITTEE**  
October 13, 2021 – 8:30 a.m. to 9:28 a.m.

Due to the current state of emergency related to the spread of COVID-19 and pursuant to Government Code Section 54953(e), the meeting was held via the Zoom Webinar application; all Brown Act requirements were complied with.

**A&F Committee:**

Director Bob McVicker  
Director Larry Dick  
Director Jeff Thomas

**Staff:**

Rob Hunter, Alex Heide, Katie Davanaugh,  
Heather Baez, Hilary Chumpitazi,  
Maribeth Goldsby, Janine Schunk,  
Michelle DeCasas, Joe Berg,  
Melissa Baum-Haley, Harvey De La Torre,  
Vicki Osborn, Pari Francisco,  
Damon Micalizzi, Chris Lingad, Cathy Harris

**Also Present:**

Director Sat Tamaribuchi  
Director Al Nederhood  
Director Karl Seckel  
Director Megan Yoo Schneider  
Dennis Erdman, MWDOC Met Director  
Linda Ackerman, MWDOC Met Director

Dennis Cafferty, El Toro Water District  
Saundra Jacobs, Santa Margarita Water Dist.  
Justin McKusker, Santa Margarita Water Dist.  
Sandra Smith, JPIA Health Benefits  
Mark Monin, El Toro Water District  
Jim Leach, Santa Margarita Water District  
Jose Vergara, El Toro Water District  
Peer Swan, Irvine Ranch Water District  
Chuck Gibson, Santa Margarita Water District  
Paul Weghorst, Irvine Ranch Water District

At 8:30 a.m., Director McVicker called the meeting to order, via the Zoom webinar application.

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

Director McVicker outlined the meeting protocol for participation via Zoom.

**PUBLIC COMMENTS**

No public comments were made.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were presented.



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

A presentation from JPIA (Item No. 6) on changes to retiree health benefits was distributed to the Board and posted to the District's website.

The agenda was reorganized, as listed and presented below.

**HEALTH BENEFIT RATES (Information Item)**

- a. Association of California Water Agencies (ACWA) Joint Powers Insurance Authority (JPIA) Retiree Medical Insurance Plan Changes

Cathy Harris, MWDOC Director of Human Resources and Administration, introduced Sandra Smith, ACWA/JPIA Employee Benefits Manager, who provided an overview of changes to retiree health benefits that will be offered to retirees, commencing January 1, 2022. Ms. Smith provided an overview of the United Healthcare plan, which is a Medicare Advantage Plan. Her presentation reviewed the plan's benefits which include a simpler plan design, streamlined claims administration; reduction of premiums by 29%, a robust plan design; and noted that the plan is a national PPO plan. Ms. Smith also reviewed co-pays, deductibles, value-added services such as house calls, fitness benefits, and others. She also noted that JPIA has taken a proactive approach to notifying participants about the changes in transitioning from the Anthem to the United Health Care; including mailings, webinars; the availability of the UHC call center. JPIA is looking forward to a smooth transition in rolling this plan out to retirees and is committed to assisting the retirees with the transition.

The Committee and General Manager Hunter thanked Ms. Smith for the information and her time with the Committee.

- b. Consumer Driven Health Plans
- c. 2022 Health Insurance Rates and Open Enrollment

Cathy Harris reviewed the staff reports on the Consumer Driven Health plans as well 2022 insurance rates. The reports were received and filed.

**PROPOSED BOARD CONSENT CALENDAR ITEMS****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

The Committee reviewed the Treasurer's Report. Upon MOTION by Director Thomas seconded by Director Dick and carried (3-0), the Committee recommended approval of the Treasurer's Report at the October 20, 2021 Board meeting. The vote was taken via roll call with Directors Thomas, Dick and McVicker all voting in favor.



**FINANCIAL REPORT - Combined Financial Statements and Budget  
Comparative for the Period Ending August 31, 2021**

The Committee reviewed the Financial Report. Upon MOTION by Director Thomas seconded by Director Dick and carried (3-0), the Committee recommended approval of the Financial Report at the October 20, 2021 Board meeting. The vote was taken via roll call with Directors Thomas, Dick and McVicker all voting in favor.

**ACTION ITEMS****AUTHORIZE FY 2021-22 BUDGET REVISIONS**

Upon MOTION by Director Dick seconded by Director Thomas and carried (3-0), the Committee recommended the Board approve the FY 2021-22 Budget Revisions at the October 20, 2021 Board meeting. The vote was taken via roll call with Directors Thomas, Dick and McVicker all voting in favor.

**TEMPORARY ACOUSTIC LEAK DETECTION SURVEYS AND STAFF TRAINING**

Director of Water Use Efficiency Programs, Joe Berg reported that due to a recent resignation of a Water Loss Control staff member, the District would need to secure the services of a consultant for the Water Loss Control program services offered to member agencies. Staff will be recruiting to fill the Water Loss Control Technician. The leak detection services contract is for temporary services as well as training for the incoming staff.

Upon MOTION by Director Thomas seconded by Director Dick and carried (3-0), the Committee recommended approval of the Temporary Acoustic Leak Detection Surveys and Staff Training at the October 20, 2021 Board meeting. The vote was taken via roll call with Directors Thomas, Dick and McVicker all voting in favor.

**CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) PROPOSED  
BYLAWS UPDATE**

Governmental Affairs Manager, Heather Baez reported that CSDA is in the process of updating their bylaws; and that the request before the Committee is to cast the District's vote on the proposed updates.

Upon MOTION by Director Thomas seconded by Director Dick and carried (3-0), the Committee recommended approval of the CSDA Bylaws update at the October 20, 2021 Board meeting. The vote was taken via roll call with Directors Thomas, Dick and McVicker all voting in favor.

**INFORMATION ITEMS****CALPERS ANNUAL VALUATION REPORT AS OF JUNE 30, 2020**

Accounting Manager, Hilary Chumpitazi reviewed the staff report and the actuarial report provided to the District from CalPERS, noting the District's obligation, contribution amounts, and current funding level. Discussion was held on the difficulty of interpreting the written



report from CalPERS; and consideration of the District's funding level.

#### **INDIVIDUAL CHARGES DISCLOSURE REPORT**

The report was received and filed.

#### **DEPARTMENT ACTIVITIES REPORTS**

- a. Administration
- b. Finance and Information Technology

The report was received and filed.

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

The report was received and filed.

#### **OTHER ITEMS**

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

No information was presented.

#### **ADJOURNMENT**

There being no further business brought before the Committee, the meeting was adjourned at 9:28 a.m.



MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
jointly with the  
**EXECUTIVE COMMITTEE**  
October 21, 2021, 8:30 a.m. to 9:33 a.m.  
Zoom Webinar Application

**Committee:**

Director Tamaribuchi, President  
Director Yoo Schneider, Vice President  
Director Dick, Immediate Past President

**Staff:**

R. Hunter, M. Goldsby

**Also Present:**

Director Nederhood  
Director Seckel  
Director McVicker  
Director Thomas (absent)  
Linda Ackerman, MWDOC MET Director  
Peer Swan, IRWD  
Sherry Wanninger, MNWD  
Saundra Jacobs, SMWD  
Justin McCusker, SMWD  
Frank Ury, SMWD  
Jerry Vilander, Serrano WD

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

**PUBLIC PARTICIPATION**

No public comments were made.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were presented.

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

General Manager Hunter advised that the draft agendas for the upcoming month were distributed to the Board and made available to the public.

**EXECUTIVE COMMITTEE REVIEW OF FUTURE AGENDAS**

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



a. MWDOC/OCWD Joint Planning Committee

Following discussion regarding the Governor's Proclamation, and the building Lease agreement, no new items were added to the agenda.

b. Planning & Operations Committee

In response to an inquiry by IRWD Director Peer Swan, discussion ensued regarding the status of IRWD's Strand Ranch Project proposal. The Committee asked that an update regarding the Strand Ranch Project (IRWD) be added to the agenda.

Committee then discussed the Wyland National Mayor's Challenge for Water Conservation pocket park awards to various cities, and asked that staff include an overview of the status of each pocket park awarded through the Wyland Challenge be included in the staff write up.

c. Workshop Board Meeting

Following discussion regarding MET's Integrated Resources Plan (IRP), the need to identify questions regarding the IRP scenarios, and MET's process for implementing the IRP, the Committee asked that an item regarding IRP implementation be added to the agenda.

d. Administration & Finance Committee meeting

No new information was added to the agenda.

**DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE**

General Manager Rob Hunter highlighted the change in meeting schedule for December.

**MEMBER AGENCY RELATIONS**

Responding to an inquiry by Director Seckel, Mr. Hunter reported on the process facilitated by Paul Redvers Brown, noting the process is underway, and interview dates have been scheduled and being held. The Committee asked that interviews with the MWDOC Board members be scheduled.

**GENERAL MANAGER'S REPORTS**

No new information was presented.

**REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES**

No new information was presented.

**ADJOURNMENT**

There being no further business to be brought before the Committee, the meeting adjourned at 9:33 a.m.



**MEETING REPORT**  
**JOINT PLANNING COMMITTEE WITH BOARD OF DIRECTORS**  
**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY and**  
**ORANGE COUNTY WATER DISTRICT**  
October 27, 2021 - 8:30 a.m. – 10:04` a.m.  
Zoom Webinar Application

**MWDOC DIRECTORS**

Al Nederhood  
Larry Dick  
Bob McVicker  
Karl W. Seckel  
Sat Tamaribuchi  
Jeffery M. Thomas  
Megan Yoo Schneider

**MWDOC STAFF**

Rob Hunter  
Maribeth Goldsby  
Harvey De La Torre  
Melissa Baum-Haley  
Alex Heide  
Damon Micalizzi  
Chris Lingad  
Kevin Hostert  
Heather Baez  
Charles Busslinger  
Joe Berg  
Cathy Harris

**ALSO PRESENT**

Linda Ackerman  
Dick Ackerman  
Dave Youngblood  
Dennis Cafferty  
Doug Reinhart  
Peer Swan  
Paul Weghorst  
Paul Shoenberger  
Sherry Wanninger  
Laura Rocha  
Justin McCusker  
Brooke Jones  
Tom Lindsey  
Delia Lugo  
Megan Couch  
Sophia Style

**OCWD DIRECTORS**

Dina Nguyen (absent)  
Denis Bilodeau  
Roger Yoh  
Tri Ta  
Steve Sheldon  
Cathy Green (absent)  
Kelly Rowe  
Nelida Mendoza  
Harry Sidhu (absent)  
Bruce Whitaker

**OCWD STAFF**

Mike Markus  
John Kennedy  
Chris Olsen  
Alicia Dunkin

MWDOC MET Director  
Ackerman Consulting  
East Orange County Water District  
El Toro Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Mesa Water  
Moulton Niguel Water District  
Moulton Niguel Water District  
Santa Margarita Water District  
Yorba Linda Water District  
Yorba Linda Water District  
Yorba Linda Water District  
San Diego County Water Authority  
MRG



MWDOC President Sat Tamaribuchi chaired the meeting. Due to the current state of emergency related to the spread of COVID-19 and pursuant to Government Code Section 54953(e), the meeting was held via the Zoom Webinar application; all Brown Act requirements were complied with.

## **PUBLIC COMMENTS**

No public comments were received.

President Tamaribuchi noted that Items 1 (Imported Water Supply Update and Drought Actions) and Item 5 (Governor Newsom's Drought Proclamation) would be combined. He referenced a recent article in the OC Register regarding the Drought Proclamation, and staff was directed to send the article to both Boards.

## **IMPORTED WATER SUPPLY UPDATE AND DROUGHT ACTIONS**

MWDOC Water Resources Analyst Kevin Hostert updated the Boards on the current imported water supply conditions, highlighting the Northern California accumulated precipitation, 8-station index, Colorado River status, reservoir storage, current Lake Mead storage levels, and the current SWP Table "A" allocation of 5%.

MWDOC Principal Water Resources Analyst Melissa Baum Haley then provided an overview of the Governor's Drought Proclamation, noting it does not call for mandatory conservation efforts, but does ask for a 15% voluntary reduction in water use. She also provided an overview of the Water Shortage Contingency Plans.

Discussion ensued regarding the absorption rate v. runoff, storage and levels of both Lake Mead and Lake Oroville, and outreach and messaging regarding the drought.

## **STATUS OF OCWD GROUNDWATER BASIN**

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

## **METROPOLITAN WATER DISTRICT ISSUES UPDATE**

Dr. Melissa Baum Haley provided an update on MET's Demand Management process and IRP process. Her presentation included information on the Water Stewardship rate discontinuation (and discussions underway regarding a new funding rate for Demand Management activities), noting that MWDOC's position is finding a new funding rate that is fair and equitable to all agencies.

Dr. Baum Haley then provided an overview of the IRP process, noting that a presentation regarding the next steps and process for implementation of the IRP would be provided at MWDOC's November 3, 2021 Workshop Board meeting.

Following discussion, the Committee received and filed the report.



**PFAS UPDATE**

Mr. Chris Olsen (OCWD staff) provided an update on Orange County Groundwater Basin's PFAS issues, including an overview of the treatment system design/construction status at each location.

Following discussion regarding water quality issues, OCWD President Sheldon suggested MWDOC adopt a resolution supporting their efforts with establishing Federal PFAS legislation. President Tamaribuchi asked that staff research and report to a future Executive Committee meeting.

**MWDOC OCWD BUILDING MANAGEMENT COMMITTEE****a. Lease Agreement**

It was reported that the revised Lease Agreement between the two agencies was currently under review by legal counsel from both agencies.

**b. MWDOC Building Improvements**

MWDOC Director of Engineering Charles Busslinger provided a status update on MWDOC's building construction, noting it is in the final phase and it is anticipated to be complete by Thanksgiving.

**c. Perimeter Fence**

Mr. Kennedy advised that the perimeter fencing is 95% complete and could be complete in November.

**NEXT COMMITTEE MEETING: JANUARY 26, 2022**

It was noted that the next MWDOC/OCWD Joint Planning Committee meeting would be held on January 26, 2022 and would be chaired by OCWD.

**ANY FUTURE AGENDA ITEMS**

Director Seckel suggested an update on the MNWD Pilot Storage Program be made at the next meeting.

**ADJOURNMENT**

There being no further business to come before the Committee, the meeting adjourned at 10:04 a.m.



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

**WATER REVENUES**

| <u>Date</u> | <u>From</u>                        | <u>Description</u>              | <u>Amount</u> |
|-------------|------------------------------------|---------------------------------|---------------|
| 10/01/2021  | City of Brea                       | August 2021 Water deliveries    | 157,528.22    |
| 10/01/2021  | City of Seal Beach                 | August 2021 Water deliveries    | 252,321.33    |
| 10/04/2021  | City of Buena Park                 | August 2021 Water deliveries    | 355,651.58    |
| 10/04/2021  | City of Fountain Valley            | August 2021 Water deliveries    | 9,884.77      |
| 10/04/2021  | City of La Habra                   | August 2021 Water deliveries    | 150,667.52    |
| 10/04/2021  | City of La Palma                   | August 2021 Water deliveries    | 67,792.96     |
| 10/08/2021  | City of San Clemente               | August 2021 Water deliveries    | 839,918.33    |
| 10/13/2021  | East Orange Co Water District      | August 2021 Water deliveries    | 1,143,116.79  |
| 10/13/2021  | El Toro Water District             | August 2021 Water deliveries    | 689,400.92    |
| 10/13/2021  | City of Garden Grove               | August 2021 Water deliveries    | 662,087.57    |
| 10/13/2021  | Laguna Beach County Water District | August 2021 Water deliveries    | 375,759.23    |
| 10/13/2021  | Santa Margarita Water District     | August 2021 Water deliveries    | 2,858,477.83  |
| 10/13/2021  | South Coast Water District         | August 2021 Water deliveries    | 552,367.78    |
| 10/14/2021  | City of Orange                     | August 2021 Water deliveries    | 1,629,352.18  |
| 10/14/2021  | Orange County Water District       | August 2021 Water deliveries    | 377,513.21    |
| 10/14/2021  | City of San Juan Capistrano        | August 2021 Water deliveries    | 704,184.05    |
| 10/14/2021  | Trabuco Canyon Water District      | August 2021 Water deliveries    | 111,672.99    |
| 10/14/2021  | City of Westminster                | August 2021 Water deliveries    | 15,667.87     |
| 10/14/2021  | Yorba Linda Water District         | August 2021 Water deliveries    | 2,364,570.02  |
| 10/15/2021  | Golden State Water Company         | August 2021 Water deliveries    | 956,060.86    |
| 10/15/2021  | Irvine Ranch Water District        | August 2021 Water deliveries    | 1,762,893.22  |
| 10/15/2021  | Moulton Niguel Water District      | August 2021 Water deliveries    | 2,739,351.73  |
| 10/22/2021  | City of Brea                       | September 2021 Water deliveries | 47,017.82     |
| 10/22/2021  | City of Huntington Beach           | September 2021 Water deliveries | 406,681.12    |
| 10/25/2021  | City of Fountain Valley            | September 2021 Water deliveries | 9,884.77      |
| 10/25/2021  | City of Newport Beach              | September 2021 Water deliveries | 32,969.67     |
| 10/28/2021  | City of Westminster                | September 2021 Water deliveries | 15,667.87     |
| 10/29/2021  | City of Seal Beach                 | September 2021 Water deliveries | 9,330.93      |

**TOTAL WATER REVENUES \$ 19,297,793.14**



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

**MISCELLANEOUS REVENUES**

| <u>Date</u> | <u>From</u>                   | <u>Description</u>  | <u>Amount</u> |
|-------------|-------------------------------|---|---------------|
| 10/04/2021  | Irvine Ranch Water District   | 9/30/2021 Water Policy dinner                             | 360.00        |
| 10/04/2021  | Rancho Water                  | 9/30/2021 Water Policy dinner                             | 850.00        |
| 10/04/2021  | Square                        | 9/30/2021 Water Policy dinner                             | 87.56         |
| 10/07/2021  | Moulton Niguel Water District | 9/30/2021 Water Policy dinner                             | 360.00        |
| 10/07/2021  | Susan Hinman                  | 9/30/2021 Water Policy dinner                             | 180.00        |
| 10/25/2021  | Metropolitan Water District   | 9/30/2021 Water Policy dinner                             | 850.00        |
| 10/04/2021  | Karl Seckel                   | October 2021 Retiree Health insurance                     | 241.40        |
| 10/04/2021  | Patricia Meszaros             | October 2021 Retiree Health insurance                     | 40.63         |
| 10/14/2021  | Judy Pfister                  | Oct-Dec 2021 Retiree Health insurance                     | 121.89        |
| 10/25/2021  | Stan Sprague                  | November 2021 Retiree Health insurance                    | 241.40        |
| 10/18/2021  | Igoe and Company Inc          | COBRA and Retiree vision insurance                        | 70.98         |
| 10/15/2021  | US Bank Custodial Account     | National Rural Utilities Coop Interest payment            | 416.67        |
| 10/29/2021  | US Bank                       | Monthly Interest payment                                  | 5.29          |
| 10/04/2021  | Moulton Niguel Water District | August 2021 Smartimer rebate program                      | 18,530.61     |
| 10/13/2021  | Irvine Ranch Water District   | August 2021 Smartimer rebate program                      | 4,437.53      |
| 10/08/2021  | City of Brea                  | August 2021 Turf Removal rebate program                   | 111.00        |
| 10/08/2021  | City of Tustin                | August 2021 Turf Removal rebate program                   | 111.00        |
| 10/13/2021  | City of Fountain Valley       | August 2021 Turf Removal rebate program                   | 555.00        |
| 10/18/2021  | City of Buena Park            | August 2021 Turf Removal rebate program                   | 111.00        |
| 10/14/2021  | City of Orange                | August 2021 Turf Removal and Spray to Drip rebate program | 666.00        |
| 10/04/2021  | Moulton Niguel Water District | August 2021 So Cal Watersmart rebate program              | 4,600.00      |
| 10/25/2021  | El Toro Water District        | August 2021 So Cal Watersmart rebate program              | 115.00        |
| 10/29/2021  | City of San Clemente          | August 2021 So Cal Watersmart rebate program              | 375.00        |
| 10/04/2021  | City of Anaheim               | FY 2021-22 Choice Programs Billing Invoice                | 61.78         |
| 10/04/2021  | City of Buena Park            | FY 2021-22 Choice Programs Billing Invoice                | 21,152.15     |
| 10/04/2021  | El Toro Water District        | FY 2021-22 Choice Programs Billing Invoice                | 56,885.43     |
| 10/04/2021  | Yorba Linda Water District    | FY 2021-22 Choice Programs Billing Invoice                | 23,152.89     |
| 10/18/2021  | Irvine Ranch Water District   | FY 2021-22 Choice Programs Billing Invoice                | 127,956.80    |
| 10/25/2021  | City of Newport Beach         | FY 2021-22 Choice Programs Billing Invoice                | 15,848.36     |
| 10/18/2021  | South Coast Water District    | FY 2020-21 & FY 2021-22 AMP Administration Costs          | 262.00        |

**TOTAL MISCELLANEOUS REVENUES \$ 278,757.47**  
**TOTAL REVENUES \$ 19,576,550.61**

  
 Robert J. Hunter, General Manager

  
 Hilary Chumpitazi, Treasurer



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

| Vendor/<br>Invoice                          | Description  | Amount to<br>Pay  |
|---|--|-------------------|
| <b>Core Disbursements:</b>                  |  |                   |
| <b>ABSG Consulting Inc</b>                  |  |                   |
| 5107602                                     | Sept. 2021 Owner's Representative and relocation services for MWDOC office remodel | 15,133.30         |
| ***Total***                                 |  | <b>15,133.30</b>  |
| <b>ACCO Engineered Systems Inc</b>          |  |                   |
| 20178052                                    | Repair air conditioning unit   | 3,582.53          |
| ***Total***                                 |  | <b>3,582.53</b>   |
| <b>Richard C Ackerman</b>                   |  |                   |
| 1317  | October 2021 Legal Consulting on Water Issues                                      | 2,050.00          |
| ***Total***                                 |  | <b>2,050.00</b>   |
| <b>ACWA Joint Powers Ins Auth</b>           |  |                   |
| 100121                                      | 10/1/2021-9/30/22 Auto and General Liability Insurance                             | 108,172.17        |
| ***Total***                                 |  | <b>108,172.17</b> |
| <b>Aleshire &amp; Wynder LLP</b>            |  |                   |
| 64095                                       | Sept. 2021 Legal Services  | 1,309.00          |
| 64579                                       | October 2021 Legal Services  | 563.56            |
| ***Total***                                 |  | <b>1,872.56</b>   |
| <b>American Water Works Assoc</b>           |  |                   |
| 7001959335                                  | 2022 Annual membership renewal   | 1,919.00          |
| ***Total***                                 |  | <b>1,919.00</b>   |
| <b>Assoc of Metropolitan Water Agencies</b> |  |                   |
| 12312022                                    | 2022 Annual membership renewal   | 21,039.00         |
| ***Total***                                 |  | <b>21,039.00</b>  |
| <b>Richard Bell</b>                         |  |                   |
| 093021                                      | July-September 2021 Retiree medical premium  | 986.40            |
| ***Total***                                 |  | <b>986.40</b>     |
| <b>Best Best and Krieger LLP</b>            |  |                   |
| 55401-SEP21                                 | Sept. 2021 Legal Services  | 14,372.90         |
| 917639                                      | Sept. 2021 Services for State legislative advocacy                                 | 8,000.00          |
| ***Total***                                 |  | <b>22,372.90</b>  |
| <b>Cal Desal</b>                            |  |                   |
| Annual Dues                                 | 2021-2022 Annual membership renewal  | 5,000.00          |
| ***Total***                                 |  | <b>5,000.00</b>   |



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

| <b>Vendor/<br/>Invoice</b>                      | <b>Description</b>  | <b>Amount to<br/>Pay</b> |
|---|---|--------------------------|
| <b>California Special Districts Association</b> |   |                          |
| 352-2022  | 2022 Annual membership renewal  | 8,195.00                 |
| ***Total***                                     |   | <u>8,195.00</u>          |
| <b>CDM Smith</b>                                |   |                          |
| 90135782  | August-September 2021 Services for water resource planning                            | 5,254.00                 |
| ***Total***                                     |   | <u>5,254.00</u>          |
| <b>CSU Fullerton ASC</b>                        |   |                          |
| AR171405  | 10/1/21-12/31/21 Center for Demographic Research support                              | 13,797.33                |
| ***Total***                                     |   | <u>13,797.33</u>         |
| <b>Davis Farr LLP</b>                           |   |                          |
| 10678   | Sept. 2021 Financial consulting service   | 5,402.50                 |
| ***Total***                                     |   | <u>5,402.50</u>          |
| <b>Edward G Means III</b>                       |   |                          |
| MWDOC-1098                                      | October 2021 MET issues & strategic guidance to staff                                 | 1,312.50                 |
| MWDOC-1303                                      | October 2021 East Orange County Feeder #2 Emergency Pilot Project Consulting Services | 550.00                   |
| ***Total***                                     |   | <u>1,862.50</u>          |
| <b>Elevated Health Inc</b>                      |   |                          |
| October 2021                                    | Pre-employment physical for three new staff members                                   | 345.00                   |
| ***Total***                                     |   | <u>345.00</u>            |
| <b>GovConnection Inc</b>                        |   |                          |
| 71974635  | Adobe Acrobat and Adobe Creative Cloud renewal licenses for staff                     | 10,984.00                |
| 72044696  | ARCServe UDP backup software annual renewal   | 780.27                   |
| ***Total***                                     |   | <u>11,764.27</u>         |
| <b>Hashtag Pinpoint Corporation</b>             |   |                          |
| 1493  | October 2021 Social Media consultation & service                                      | 7,913.00                 |
| ***Total***                                     |   | <u>7,913.00</u>          |
| <b>IDS Group Inc</b>                            |   |                          |
| 18X093.0-15A                                    | August 2021 Seismic retrofit design and project support MWDOC office remodel          | 558.87                   |
| 18X093.0-16                                     | Sept. 2021 Seismic retrofit design and project support MWDOC office remodel           | 1,397.38                 |
| ***Total***                                     |   | <u>1,956.25</u>          |
| <b>Lawnscape Systems Inc</b>                    |   |                          |
| 422341  | 10/5/21 Landscape Maintenance for Atrium  | 395.00                   |
| 422985  | 10/26/21 Landscape Maintenance for Atrium   | 495.00                   |
| ***Total***                                     |   | <u>890.00</u>            |



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

| <b>Vendor/<br/>Invoice</b>          | <b>Description</b>   | <b>Amount to<br/>Pay</b> |
|-------------------------------------|--|--------------------------|
| <b>Lewis Consulting Group</b>       |  |                          |
| 2021-131                            | October 2021 Consulting services   | 2,375.00                 |
| ***Total***                         |  | <u>2,375.00</u>          |
| <b>Mega Maids Cleaning Service</b>  |  |                          |
| 12105                               | October 2021 Cleaning services for COVID-19 prevention                                 | 480.00                   |
| ***Total***                         |  | <u>480.00</u>            |
| <b>Natural Resource Results LLC</b> |  |                          |
| 3622                                | October 2021 Federal legislative advocacy services                                     | 8,000.00                 |
| ***Total***                         |  | <u>8,000.00</u>          |
| <b>NDS</b>                          |  |                          |
| 792122                              | 10/1/21 & 10/8/21 Board packet delivery service  | 373.00                   |
| 792487                              | 10/15/21 Board packet delivery service   | 186.50                   |
| ***Total***                         |  | <u>559.50</u>            |
| <b>Office Depot Inc</b>             |  |                          |
| 206206026001                        | 10/19/21 Office supplies   | 233.83                   |
| ***Total***                         |  | <u>233.83</u>            |
| <b>Office Solutions</b>             |  |                          |
| I-01927941                          | 10/19/21 Office supplies   | 64.85                    |
| ***Total***                         |  | <u>64.85</u>             |
| <b>Optima RPM Inc</b>               |  |                          |
| 5000428                             | October 2021 Construction services for MWDOC office seismic Improvements and remodel   | 106,142.31               |
| ***Total***                         |  | <u>106,142.31</u>        |
| <b>Orange County Fast Print</b>     |  |                          |
| 59722                               | Business cards for new hire  | 53.88                    |
| ***Total***                         |  | <u>53.88</u>             |
| <b>Orange County Water District</b> |  |                          |
| 23565                               | Sept. 2021 Postage, shared office and maintenance expense                              | 4,834.27                 |
| ***Total***                         |  | <u>4,834.27</u>          |
| <b>Pacific Environmental Co</b>     |  |                          |
| 8305                                | Oct. 5-8, 2021 Services for asbestos abatement air monitoring for MWDOC office remodel | 3,910.00                 |
| ***Total***                         |  | <u>3,910.00</u>          |
| <b>Paul Redvers Brown Inc</b>       |  |                          |
| DOC002                              | Sept.-Oct. 2021 MWDOC Facilitated Member Agency Discussions Project services           | 6,960.00                 |
| ***Total***                         |  | <u>6,960.00</u>          |



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

| <b>Vendor/<br/>Invoice</b>                | <b>Description</b>  | <b>Amount to<br/>Pay</b> |
|---|---|--------------------------|
| <b>Penn Corporate Relocation Services</b> |   |                          |
| 120211098                                 | 9/28/21 Relocate furniture and remove surplus for MWDOC office remodel                          | 2,259.50                 |
| ***Total***                               |   | <u>2,259.50</u>          |
| <b>Karl Seckel</b>                        |   |                          |
| 11012021                                  | November 2021 Retiree medical premium   | 657.60                   |
| ***Total***                               |   | <u>657.60</u>            |
| <b>Joey C Soto</b>                        |   |                          |
| 2021-MWDOC-GA- OCT-47                     | October 2021 Grant Research and Acquisition   | 3,250.00                 |
| ***Total***                               |   | <u>3,250.00</u>          |
| <b>Sunbelt Controls</b>                   |   |                          |
| 51269                                     | October 2021 Services for HVAC Building Automation & Management system for MWDOC office remodel | 2,439.20                 |
| ***Total***                               |   | <u>2,439.20</u>          |
| <b>The Westin South Coast Plaza</b>       |   |                          |
| 84SC7011795                               | Event facility for MWDOC Water Policy Forum & Dinner on 9/30/21                                 | 22,631.69                |
| ***Total***                               |   | <u>22,631.69</u>         |
| <b>USAFact Inc</b>                        |   |                          |
| 1103137                                   | October 2021 Background checks for two new hires  | 122.70                   |
| ***Total***                               |   | <u>122.70</u>            |
| <b>Vasquez and Company LLP</b>            |   |                          |
| 2210929-IN                                | Second progress billing for Fiscal year ended June 30, 2021 Financial Audit                     | 13,000.00                |
| ***Total***                               |   | <u>13,000.00</u>         |
| <b>Water Systems Optimization Inc</b>     |   |                          |
| 2084                                      | October 2021 Technical Assistance Program services for Water Loss Control                       | 640.00                   |
| 2085                                      | October 2021 Services for Water Loss Control Shared Services template development               | 1,380.00                 |
| ***Total***                               |   | <u>2,020.00</u>          |
| <b>Total Core Expenditures</b>            |   | <u>419,502.04</u>        |
| <b>Choice Expenditures:</b>               |   |                          |
| <b>Building Block Entertainment Inc</b>   |   |                          |
| 3465-2                                    | October 2021 Choice Elementary School Program K-2   | 13,325.00                |
| ***Total***                               |   | <u>13,325.00</u>         |



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

| <b>Vendor/<br/>Invoice</b>           | <b>Description</b>  | <b>Amount to<br/>Pay</b> |
|--------------------------------------|---|--------------------------|
| <b>Mission RCD</b>                   |   |                          |
| 3062                                 | October 2021 Field inspection and verification for Water Use Efficiency rebate programs | 4,841.90                 |
| ***Total***                          |   | <u>4,841.90</u>          |
| <b>Orange County Water District</b>  |   |                          |
| 23565                                | Sept. 2021 Postage for Water Use Efficiency rebate programs                             | 16.31                    |
| ***Total***                          |   | <u>16.31</u>             |
| <b>Westerly Meter Service</b>        |   |                          |
| 6931                                 | October 2021 Meter Accuracy Testing for Mesa Water District                             | 2,970.00                 |
| ***Total***                          |   | <u>2,970.00</u>          |
| <b>Total Choice Expenditures</b>     |   | <u>21,153.21</u>         |
| <br><b>Other Funds Expenditures:</b> |   |                          |
| <b>EcoTech Services Inc</b>          |   |                          |
| 2081                                 | October 2021 Landscape Design and Maintenance Assistance programs                       | 3,527.75                 |
| 2082                                 | Aug. - Sept. 2021 Services for Pressure Regulating Valve program                        | 3,280.00                 |
| ***Total***                          |   | <u>6,807.75</u>          |
| <b>Herndon Solutions Group LLC</b>   |   |                          |
| INV-0000001781                       | Sept. 2021 Services to assist with America's Water Infrastructure Act compliance        | 43,930.50                |
| ***Total***                          |   | <u>43,930.50</u>         |
| <b>Large Plumbing</b>                |   |                          |
| 25772                                | October 2021 Services for Pressure Regulating Valve program                             | 4,060.00                 |
| ***Total***                          |   | <u>4,060.00</u>          |
| <b>Mission RCD</b>                   |   |                          |
| 3062                                 | October 2021 Field inspection and verification for Water Use Efficiency rebate programs | 5,025.00                 |
| ***Total***                          |   | <u>5,025.00</u>          |
| <b>County of Orange</b>              |   |                          |
| SC13137                              | 10/1-12/31/21 800 MHz radio operation maintenance and management cost share             | 312.00                   |
| ***Total***                          |   | <u>312.00</u>            |
| <b>The Plant Nerd</b>                |   |                          |
| 6769                                 | Sept. 2021 Landscape Design and Maintenance Assistance programs                         | 18,300.00                |
| 6831                                 | October 2021 Landscape Design and Maintenance Assistance programs                       | 17,970.00                |
| ***Total***                          |   | <u>36,270.00</u>         |



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

| <b>Vendor/<br/>Invoice</b>            | <b>Description</b>  | <b>Amount to<br/>Pay</b> |
|---------------------------------------|---|--------------------------|
| <b>Joey C Soto</b>                    |   |                          |
| 2021-MWDOC-SA-<br>OCT-48              | October 2021 Grant Administration Services for Prop 1 North               | 825.00                   |
| ***Total***                           |   | <u>825.00</u>            |
| <b>TerraWorks Studio</b>              |   |                          |
| MW0011                                | October 2021 Landscape Design and Maintenance Assistance programs         | 2,625.00                 |
| ***Total***                           |   | <u>2,625.00</u>          |
| <b>Water Systems Optimization Inc</b> |   |                          |
| 2084                                  | October 2021 Technical Assistance Program services for Water Loss Control | 22,240.00                |
| ***Total***                           |   | <u>22,240.00</u>         |
| <b>Total Other Funds Expenditures</b> |   | <u>122,095.25</u>        |
| <b>Total Expenditures</b>             |   | <u><u>562,750.50</u></u> |



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

| <b>Name/<br/>Date</b>             | <b>Check/<br/>EFT</b> | <b>Invoice</b> | <b>Description</b>   | <b>Amount</b>   |
|-----------------------------------|-----------------------|----------------|--|-----------------|
| <b>Core Disbursements:</b>        |                       |                |  |                 |
| <b>Harvey De La Torre</b>         |                       |                |  |                 |
| 10/29/2021                        | EFT                   | 100521         | October 2021 Business expense                                | 157.39          |
| <b>***Total***</b>                |                       |                |  | <b>157.39</b>   |
| <b>Larry Dick</b>                 |                       |                |  |                 |
| 10/29/2021                        | EFT                   | 93021          | September 2021 Business expense                              | 11.20           |
| <b>***Total***</b>                |                       |                |  | <b>11.20</b>    |
| <b>Leah Frazier</b>               |                       |                |  |                 |
| 10/15/2021                        | EFT                   | 92321          | September 2021 Business expense                              | 55.17           |
| <b>***Total***</b>                |                       |                |  | <b>55.17</b>    |
| <b>Lina Gunawan</b>               |                       |                |  |                 |
| 10/29/2021                        | EFT                   | 81921          | August 2021 Business expense                                 | 20.00           |
| <b>***Total***</b>                |                       |                |  | <b>20.00</b>    |
| <b>Daniel Harrison</b>            |                       |                |  |                 |
| 10/29/2021                        | EFT                   | 83021          | August 2021 Business expense                                 | 109.83          |
| <b>***Total***</b>                |                       |                |  | <b>109.83</b>   |
| <b>Home Depot Credit Services</b> |                       |                |  |                 |
| 10/15/2021                        | 140494                | 7900289        | Key lock box for main entry door during MWDOC office remodel | 34.45           |
| <b>***Total***</b>                |                       |                |  | <b>34.45</b>    |
| <b>Al Nederhood</b>               |                       |                |  |                 |
| 10/29/2021                        | EFT                   | 93021          | September 2021 Business expense                              | 40.32           |
| <b>***Total***</b>                |                       |                |  | <b>40.32</b>    |
| <b>Ricoh USA Inc</b>              |                       |                |  |                 |
| 10/29/2021                        | EFT                   | 1089538789     | Copier relocation for MWDOC office remodel                   | 252.50          |
| <b>***Total***</b>                |                       |                |  | <b>252.50</b>   |
| <b>Karl Seckel</b>                |                       |                |  |                 |
| 10/29/2021                        | EFT                   | 92921          | September 2021 Business expense                              | 26.44           |
| <b>***Total***</b>                |                       |                |  | <b>26.44</b>    |
| <b>Spectrum Business</b>          |                       |                |  |                 |
| 10/18/2021                        | 140505                | 343564101021   | Oct. 2021 Telephone expense for 1 analog fax line            | 39.99           |
| 10/07/2021                        | 140487                | 375210093021   | October 2021 Telephone and internet expense                  | 1,424.85        |
| <b>***Total***</b>                |                       |                |  | <b>1,464.84</b> |
| <b>Satoru Tamaribuchi</b>         |                       |                |  |                 |
| 10/29/2021                        | EFT                   | 90921          | September 2021 Business expense                              | 33.60           |
| <b>***Total***</b>                |                       |                |  | <b>33.60</b>    |



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

| <b>Name/<br/>Date</b>                | <b>Check/<br/>EFT</b> | <b>Invoice</b>       | <b>Description</b>  | <b>Amount</b>    |
|--------------------------------------|-----------------------|----------------------|---|------------------|
| <b>US Bank</b>                       |                       |                      |   |                  |
| 10/29/2021                           | 140537                | 0208/4192/4279-SEP21 | 8/24/21-9/22/21 Cal Card Charges  | 11,612.64        |
| <b>***Total***</b>                   |                       |                      |   | <b>11,612.64</b> |
| <b>Verizon Wireless</b>              |                       |                      |   |                  |
| 10/07/2021                           | 140488                | 9889127905           | Sept. 2021 4G Mobile broadband unlimited service                              | 114.03           |
| <b>***Total***</b>                   |                       |                      |   | <b>114.03</b>    |
| <b>Total Core Disbursements</b>      |                       |                      |   | <b>13,932.41</b> |
| <b>Choice Disbursements:</b>         |                       |                      |   |                  |
| <b>US Bank</b>                       |                       |                      |   |                  |
| 10/29/2021                           | 140537                | 4192/4279-SEP21      | 8/24/21-9/22/21 Cal Card Charges  | 1,618.18         |
| <b>***Total***</b>                   |                       |                      |   | <b>1,618.18</b>  |
| <b>US Bank Voyager Fleet Systems</b> |                       |                      |   |                  |
| 10/15/2021                           | EFT                   | 8694349932139        | 8/25/21-9/24/21 Fuel and wash for Water Loss Control Shared Services vehicles | 327.02           |
| <b>***Total***</b>                   |                       |                      |   | <b>327.02</b>    |
| <b>Total Choice Disbursements</b>    |                       |                      |   | <b>1,945.20</b>  |
| <b>Other Funds Disbursements:</b>    |                       |                      |   |                  |
| <b>AT&amp;T</b>                      |                       |                      |   |                  |
| 10/15/2021                           | 140489                | 291831812-OCT21      | Oct. 2021 U-Verse internet service for WEROC N. EOC                           | 64.20            |
| <b>***Total***</b>                   |                       |                      |   | <b>64.20</b>     |
| <b>AT&amp;T</b>                      |                       |                      |   |                  |
| 10/15/2021                           | 140490                | 17098863             | Sept. 2021 Telephone expense for WEROC N. & S. EOC                            | 437.36           |
| 10/15/2021                           | 140490                | 17098864             | Sept. 2021 Telephone expense for WEROC N. EOC                                 | 117.03           |
| <b>***Total***</b>                   |                       |                      |   | <b>554.39</b>    |
| <b>Daniel Harrison</b>               |                       |                      |   |                  |
| 10/29/2021                           | EFT                   | 83021                | August 2021 Business expense  | 550.28           |
| <b>***Total***</b>                   |                       |                      |   | <b>550.28</b>    |
| <b>Mesa Water District</b>           |                       |                      |   |                  |
| 10/15/2021                           | EFT                   | 10601                | August 2021 Credit for Local Resources program                                | 90,992.00        |
| <b>***Total***</b>                   |                       |                      |   | <b>90,992.00</b> |



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

| <b>Name/<br/>Date</b>                 | <b>Check/<br/>EFT</b> | <b>Invoice</b>            | <b>Description</b>                           | <b>Amount</b>        |
|---------------------------------------|-----------------------|---------------------------|--|----------------------|
| <b>Metropolitan Water District</b>    |                       |                           |  |                      |
| 10/29/2021                            | WIRE                  | 10533                     | August 2021 Water deliveries                 | 19,605,634.09        |
| <b>***Total***</b>                    |                       |                           |  | <b>19,605,634.09</b> |
| <b>Santa Margarita Water District</b> |                       |                           |  |                      |
| 10/29/2021                            | EFT                   | AUG2021                   | August 2021 SCP Pipeline Operation Surcharge | 32,900.25            |
| <b>***Total***</b>                    |                       |                           |  | <b>32,900.25</b>     |
| <b>Santiago Aqueduct Commission</b>   |                       |                           |  |                      |
| 10/29/2021                            | 140535                | AUG2021                   | August 2021 SAC Pipeline Operation Surcharge | 2,806.88             |
| <b>***Total***</b>                    |                       |                           |  | <b>2,806.88</b>      |
| <b>Spray to Drip Rebate</b>           |                       |                           |  |                      |
| 10/28/2021                            | 140521                | S2D3-R-FV-39950-17725     | R. Patel                                     | 2,500.00             |
| 10/28/2021                            | 140517                | S2D3-R-HB-38700-17506     | S. Nelson                                    | 478.00               |
| 10/28/2021                            | 140522                | S2D4-R-FV-38511-17979     | R. Patel                                     | 1,770.50             |
| 10/28/2021                            | 140509                | S2D4-R-MESA-41966-18055   | H. Gandhi                                    | 153.50               |
| 10/28/2021                            | 140507                | S2D4-R-SM-42053-18071     | L. Fettis                                    | 327.50               |
| 10/28/2021                            | 140530                | S2D4-R-TUST-42016-17971   | C. Wang                                      | 1,113.00             |
| <b>***Total***</b>                    |                       |                           |  | <b>6,342.50</b>      |
| <b>Turf Rebate</b>                    |                       |                           |  |                      |
| 10/28/2021                            | 140518                | TR12-R-HB-38700-37598     | S. Nelson                                    | 2,868.00             |
| 10/28/2021                            | 140523                | TR13-R-FV-39947-38765     | R. Patel                                     | 15,000.00            |
| 10/28/2021                            | 140511                | TR13-R-MESA-39963-38780   | D. Simon                                     | 2,772.00             |
| 10/28/2021                            | 140514                | TR13-R-MNT-39941-38760    | K. Houshang                                  | 404.11               |
| 10/28/2021                            | 140528                | TR13-R-TUST-39220-38093   | E. Tran                                      | 2,376.00             |
| 10/28/2021                            | 140512                | TR14-C-NWPT-4463-41343    | Harbor Hills HOA (Newport Beach)             | 1,482.00             |
| 10/28/2021                            | 140519                | TR14-R-ETWD-42002-40742   | L. Noble                                     | 710.86               |
| 10/28/2021                            | 140524                | TR14-R-FV-38511-40781     | R. Patel                                     | 5,439.00             |
| 10/28/2021                            | 140513                | TR14-R-FV-42412-41124 ADJ | J. Horner                                    | 308.00               |
| 10/28/2021                            | 140532                | TR14-R-HB-42013-40820     | H. Wilson                                    | 1,234.00             |
| 10/28/2021                            | 140506                | TR14-R-HB-42524-41230     | L. Catton                                    | 5,222.00             |
| 10/28/2021                            | 140510                | TR14-R-MESA-41966-40705   | H. Gandhi                                    | 614.00               |
| 10/28/2021                            | 140520                | TR14-R-MNT-41392-40179    | B. Nokes                                     | 620.00               |
| 10/28/2021                            | 140516                | TR14-R-MNT-41475-40262    | E. Maurer                                    | 980.37               |
| 10/28/2021                            | 140508                | TR14-R-SM-42053-40811     | L. Fettis                                    | 430.72               |
| 10/28/2021                            | 140527                | TR14-R-SM-42437-41208     | J. Staff                                     | 796.00               |
| 10/28/2021                            | 140531                | TR14-R-TUST-42016-40768   | C. Wang                                      | 2,698.00             |
| 10/28/2021                            | 140525                | TR14-R-WEST-42218-40948   | S. Simaan                                    | 382.00               |
| 10/28/2021                            | 140529                | TR14-R-YLWD-42057-40799   | B. Vu  | 4,394.00             |
| 10/28/2021                            | 140526                | TR15-R-MNT-13458-41512    | L. Soriano                                   | 5,900.58             |
| 10/28/2021                            | 140515                | TR15-R-MNT-42641-41333    | M. Lavigne                                   | 2,880.00             |
| <b>***Total***</b>                    |                       |                           |  | <b>57,511.64</b>     |



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

| Name/<br>Date                          | Check/<br>EFT | Invoice     | Description                                      | Amount               |
|--|---------------|-------------|--|----------------------|
| <b>US Bank</b>                         |               |             |  |                      |
| 10/29/2021                             | 140537        | 6066-SEPT21 | 8/24/21-9/22/21 Cal Card Charges                 | (43.08)              |
| ***Total***                            |               |             |  | (43.08)              |
| <b>Verizon Wireless</b>                |               |             |  |                      |
| 10/07/2021                             | 140488        | 9889127905  | Sept. 2021 4G Mobile broadband unlimited service | 76.02                |
| ***Total***                            |               |             |  | 76.02                |
| <b>Total Other Funds Disbursements</b> |               |             |  | <b>19,797,389.17</b> |
| <b>Total Disbursements</b>             |               |             |  | <b>19,813,266.78</b> |

Robert J. Hunter, General Manager

Hilary Chumpitazi, Treasurer



**Cal Card Charges**  
**Statement Date: September 22, 2021**  
**Payment Date: October 29, 2021**

| Date                   | Description  | Amount           |
|------------------------|--|------------------|
| <b>R. Hunter Card:</b> |  |                  |
| 9/07/2021              | R. Hunter business lunch meeting   | 96.48            |
| 9/10/2021              | R. Hunter business breakfast and lunch meeting   | 346.14           |
| 9/14/2021              | AMWA Executive Management conference in Denver, CO from October 3-5, 2021 - Airfare for R. Hunter  | 222.40           |
| <b>Total:</b>          |  | <b>665.02</b>    |
| <b>C. Harris Card:</b> |  |                  |
| 8/17/2021              | Refund duplicate charge for WaterSmart Innovations conference - Accommodations for R. Waite  | (84.75)          |
| 8/17/2021              | Refund cancellation for WaterSmart Innovations conference - Accommodations for R. Waite  | (84.75)          |
| 8/17/2021              | ESRI licenses annual renewal for WEROC and Water Loss Control  | 1,800.00         |
| 8/21/2021              | UPS delivery charge on August 11, 2021   | 6.01             |
| 8/24/2021              | 7/25/21-8/24/21 Web hosting service for MWDOC website  | 15.65            |
| 8/31/2021              | 16" screen laptop with 3 year protection plan for District Secretary   | 1,638.35         |
| 9/01/2021              | ACWA Fall Conference in Pasadena, CA from Nov. 30 - Dec. 2, 2021- Registration for Director Seckel, Director Tamaribuchi, Director Nederhood, R. Hunter, H. De La Torre, V. Osborn and H. Baez | 5,075.00         |
| 9/01/2021              | ACWA Fall Conference-Virtual from Nov. 30 - Dec. 2, 2021- Registration for C. Harris, Director Thomas, Director Yoo Schneider, and D. Micalizzi  | 1,540.00         |
| 9/03/2021              | 5 year anniversary gift card for C. Busslinger   | 25.00            |
| 9/07/2021              | Refund duplicate payment for Financial Analyst/Database Analyst recruitment job post   | (275.00)         |
| 9/07/2021              | 2021 Board Secretary & Clerk Conference in Anaheim, CA from October 25-27, 2021 - Registration for M. Goldsby  | 525.00           |
| 9/09/2021              | Colorado River Water Users Association annual conference in Las Vegas, NV from December 14-16, 2021 - Registration for H. Del La Torre and M. Baum-Haley                                       | 1,010.00         |
| 9/13/2021              | WaterSmart Innovations conference in Las Vegas, NV from Oct. 6-7, 2021 - Airfare for R. Davis  | 115.96           |
| 9/13/2021              | Sept. 2021 Pre-work Screen subscription - Covid-19 Prevention  | 175.56           |
| 9/13/2021              | Toll Road charge for Water Loss Control Shared Services vehicles   | 100.00           |
| 9/20/2021              | AWWA Acoustic Leak Detection Applications training webinar on September 22, 2021 - Registration for R. Davis and J. Thorsell   | 50.00            |
| 9/20/2021              | WaterSmart Innovations conference in Las Vegas, NV from October 6-7, 2021 - Airfare for S. Fetter  | 110.96           |
| <b>Total:</b>          |  | <b>11,742.99</b> |



**Cal Card Charges**  
**Statement Date: September 22, 2021**  
**Payment Date: October 29, 2021**

| <b>Date</b>                 | <b>Description</b>  | <b>Amount</b>  |
|-----------------------------|---|----------------|
| <b>Public Affairs Card:</b> |   |                |
| 8/24/2021                   | Graphic Design class at Saddleback College during Fall 2021 - Registration for K. Vincent | 160.00         |
| 8/27/2021                   | USPS on 8/27/21 to ship Ricky Puppets to School Program vendor                            | 8.55           |
| 8/31/2021                   | Vinyl banner for 9112 Prop 1 North Signage  | 59.09          |
| 9/01/2021                   | Vinyl banner for 9113 Prop 1 South Signage  | 59.09          |
| 9/02/2021                   | 9/2/21-10/1/21 Zoom Video Communications monthly fee with audio licenses                  | 124.95         |
| 9/03/2021                   | Sept. 2021 Public Storage Unit for Public Affairs   | 294.00         |
| 9/14/2021                   | Burte PowerPoint Template for campaign distribution                                       | 15.00          |
| 9/15/2021                   | Public Affairs team building lunch on 9/15/21   | 52.13          |
| 9/17/2021                   | Speaker gift at Water Policy Forum and Dinner on 9/30/21 for A. Hagekhalil                | 50.00          |
| <b>Total:</b>               |   | <b>822.81</b>  |
| <b>WEROC Card:</b>          |   |                |
| 8/25/2021                   | WEROC office supplies   | 280.14         |
| 8/28/2021                   | Return credit for 8/19/21 office supplies purchase  | (323.22)       |
| <b>Total:</b>               |   | <b>(43.08)</b> |



**Municipal Water District of Orange County**  
**GM Approved Disbursement Report <sup>(1)</sup>**  
**For the Month of October 2021**

| Name/<br>Date                     | Check/<br>EFT | Invoice        | Description  | Amount                 |
|-----------------------------------|---------------|----------------|--|------------------------|
| <b>Core Disbursements:</b>        |               |                |  |                        |
| PeopleSpace                       |               |                |  |                        |
| 10/08/2021                        | EFT           | DEPSO1035033.1 | 40% Payment upon shipment on purchase of furniture for Phase 2 & 3 of MWDOC office remodel | 2,389.80               |
| ***Total***                       |               |                |  | <u>2,389.80</u>        |
| Total Core Disbursements          |               |                |  | <u>2,389.80</u>        |
| <b>Choice Disbursements:</b>      |               |                |  |                        |
| Total Choice Disbursements        |               |                |  | <u>-</u>               |
| <b>Other Funds Disbursements:</b> |               |                |  |                        |
| Total Other Funds Disbursements   |               |                |  | <u>-</u>               |
| Total Disbursements               |               |                |  | <u><u>2,389.80</u></u> |



Robert J. Hunter, General Manager



Hilary Chumitazi, Treasurer

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





**Municipal Water District of Orange County**  
**Consolidated Summary of Cash and Investment**  
 September 30, 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](http://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 |
|----------------------------------|---------------------|----------------|
| <b>Designated Reserves</b>       |                     |                |
| General Operations               | \$3,738,505         | 19.16%         |
| Grant & Project Cash Flow        | 1,500,000           | 7.69%          |
| Election Expense                 | 1,333,000           | 6.83%          |
| Building Repair                  | 436,542             | 2.24%          |
| OPEB                             | 297,147             | 1.52%          |
| <b>Total Designated Reserves</b> | <b>7,305,194</b>    | <b>37.44%</b>  |
| General Fund                     | 9,458,288           | 48.46%         |
| Water Fund                       | 1,997,176           | 10.23%         |
| Conservation Fund                | (671,297)           | (3.44%)        |
| WEROC Fund                       | 1,407,901           | 7.21%          |
| Trustee Activities               | 18,904              | 0.10%          |
| <b>Total</b>                     | <b>\$19,516,166</b> | <b>100.00%</b> |

The funds are invested as follows:

| Term of Investment        | % of Portfolio | Book Value          | Market Value        |
|---------------------------|----------------|---------------------|---------------------|
| Cash                      | 0.57%          | \$110,378           | \$110,378           |
| Short-term investment     |                |                     |                     |
| • LAIF                    | 27.17%         | 5,301,719           | 5,301,719           |
| • OCIP                    | 56.38%         | 11,003,866          | 11,003,866          |
| Long-term investment      |                |                     |                     |
| • US Government Issues    | 1.28%          | 249,892             | 249,125             |
| • Corporate Bond          | 7.17%          | 1,400,311           | 1,384,308           |
| • Certificates of Deposit | 7.43%          | 1,450,000           | 1,506,276           |
| <b>Total</b>              | <b>100.00%</b> | <b>\$19,516,166</b> | <b>\$19,555,672</b> |

The average number of days to maturity/call as of September 30, 2021 equaled 90 and the average yield to maturity is 0.631%. During the month, the District's average daily balance was \$31,454,085.07. 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 September 2021.

The \$39,506 difference between the book value and the market value on September 30, 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 September 30, 2021

| 9/30/2021                         | Par Value            | Market Value         | Book Value           | % of Portfolio | Days to Mat/Call | YTM @ Cost   |
|-----------------------------------|----------------------|----------------------|----------------------|----------------|------------------|--------------|
| Negotiable Certificate Of Deposit | 1,450,000.00         | 1,506,275.50         | 1,450,000.00         | 7.47           | 891              | 2.440        |
| Corporate Bond                    | 1,400,000.00         | 1,384,308.50         | 1,400,310.32         | 7.22           | 301              | 1.341        |
| US Government Issues              | 250,000.00           | 249,125.00           | 249,892.25           | 1.29           | 57               | 0.860        |
| Local Agency Investment Funds     | 5,301,718.58         | 5,301,718.58         | 5,301,718.58         | 27.32          | 1                | 0.201        |
| Orange County Investment Pool     | 11,003,866.24        | 11,003,866.24        | 11,003,866.24        | 56.70          | 1                | 0.504        |
| <b>Total Investments</b>          | <b>19,405,584.82</b> | <b>19,445,293.82</b> | <b>19,405,787.39</b> | <b>100.00</b>  | <b>90</b>        | <b>0.631</b> |

|                                   |                      |                      |                      |  |           |              |
|-----------------------------------|----------------------|----------------------|----------------------|--|-----------|--------------|
| <b>Cash</b>                       |                      |                      |                      |  |           |              |
| Cash                              | 110,378.37           | 110,378.37           | 110,378.37           |  | 1         | 0.00         |
| <b>Total Cash and Investments</b> | <b>19,515,963.19</b> | <b>19,555,672.19</b> | <b>19,516,165.76</b> |  | <b>90</b> | <b>0.631</b> |

| Total Earnings           | Month Ending September | Fiscal Year to Date |
|--------------------------|------------------------|---------------------|
| Current Year             | 13,001.93              | 36,261.19           |
| Average Daily Balance    | 31,454,085.07          |                     |
| Effective Rate of Return | 0.631%                 |                     |

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

  
Robert J. Hunter, General Manager

11-4-21  
Date

  
Hilary Chumplitazi, Treasurer

11/04/2021  
Date



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**Portfolio Management**  
**Long-Term Portfolio Details - Investments**  
**September 30, 2021**

| Issuer                                   | CUSIP/Ticker | Settlement Date               | Par Value           | Market Value               | Book Value          | Coupon Rate  | YTM @ Cost   | Days To Call/Maturity | Maturity Date |
|--|--------------|-------------------------------|---------------------|----------------------------|---------------------|--------------|--------------|-----------------------|---------------|
| <b>Negotiable Certificate Of Deposit</b> |              |                               |                     |                            |                     |              |              |                       |               |
| Barclays Bank                            | 06740KKY2    | 9/27/2017                     | 250,000.00          | 255,327.50                 | 250,000.00          | 2.250        | 2.250        | 362                   | 9/27/2022     |
| Capital One Bank                         | 14042TBO9    | 8/7/2019                      | 250,000.00          | 261,627.50                 | 250,000.00          | 2.250        | 2.250        | 1,042                 | 8/7/2024      |
| Capital One NA                           | 14042RMJ7    | 7/24/2019                     | 250,000.00          | 261,200.00                 | 250,000.00          | 2.200        | 2.200        | 1,028                 | 7/24/2024     |
| Discover Bank                            | 254673RV0    | 7/25/2018                     | 250,000.00          | 263,560.00                 | 250,000.00          | 3.300        | 3.300        | 663                   | 7/25/2023     |
| Goldman Sachs Bank                       | 38148PT98    | 8/8/2018                      | 250,000.00          | 264,032.50                 | 250,000.00          | 3.350        | 3.350        | 677                   | 8/8/2023      |
| Sallie Mae Bank                          | 7954507A7    | 7/14/2021                     | 200,000.00          | 200,528.00                 | 200,000.00          | 1.000        | 1.000        | 1,748                 | 7/14/2026     |
| <b>Sub Total</b>                         |              |                               | <b>1,450,000.00</b> | <b>1,506,275.50</b>        | <b>1,450,000.00</b> | <b>2.440</b> | <b>2.440</b> | <b>891</b>            |               |
| <b>US Government Issues</b>              |              |                               |                     |                            |                     |              |              |                       |               |
| FHLB                                     | 3130ALGR9    | 3/1/2021                      | 250,000.00          | 249,125.00                 | 249,892.25          | 0.850        | 0.860        | 57                    | 2/26/2026     |
| <b>Sub Total</b>                         |              |                               | <b>250,000.00</b>   | <b>249,125.00</b>          | <b>249,892.25</b>   | <b>0.850</b> | <b>0.860</b> | <b>57</b>             |               |
| <b>Corporate Bond</b>                    |              |                               |                     |                            |                     |              |              |                       |               |
| Bank of America Corp                     | 06048WK41    | 12/7/2020                     | 250,000.00          | 245,170.00                 | 250,000.00          | 0.650        | 0.800        | 56                    | 11/25/2025    |
| Citigroup Global Markets                 | 17328WVZ6    | 9/16/2020                     | 250,000.00          | 244,145.00                 | 250,000.00          | 1.000        | 1.000        | 77                    | 9/16/2025     |
| JP Morgan Chase                          | 48128GV56    | 8/18/2020                     | 250,000.00          | 242,500.00                 | 250,000.00          | 0.800        | 0.800        | 1,053                 | 8/18/2025     |
| National Rural Util Coop                 | 63743FE51    | 7/27/2017                     | 200,000.00          | 202,316.00                 | 200,000.00          | 2.500        | 2.500        | 288                   | 7/15/2022     |
| Societe Generale                         | 83369MD25    | 8/19/2020                     | 250,000.00          | 246,757.50                 | 250,000.00          | 1.000        | 1.088        | 50                    | 8/19/2025     |
| Westpac Banking Corp                     | 961214DQ3    | 7/25/2017                     | 200,000.00          | 203,420.00                 | 200,310.32          | 2.500        | 2.278        | 271                   | 6/28/2022     |
| <b>Sub Total</b>                         |              |                               | <b>1,400,000.00</b> | <b>1,384,308.50</b>        | <b>1,400,310.32</b> | <b>1.330</b> | <b>1.341</b> | <b>301</b>            |               |
| <b>Total Investments</b>                 |              |                               | <b>3,100,000.00</b> | <b>3,139,709.00</b>        | <b>3,100,202.57</b> | <b>1.810</b> | <b>1.816</b> | <b>557</b>            |               |
| <b>Total Earnings</b>                    |              |                               |                     |                            |                     |              |              |                       |               |
| Current Year                             |              | <b>Month Ending September</b> | <b>4,546.74</b>     | <b>Fiscal Year To Date</b> | <b>14,103.50</b>    |              |              |                       |               |



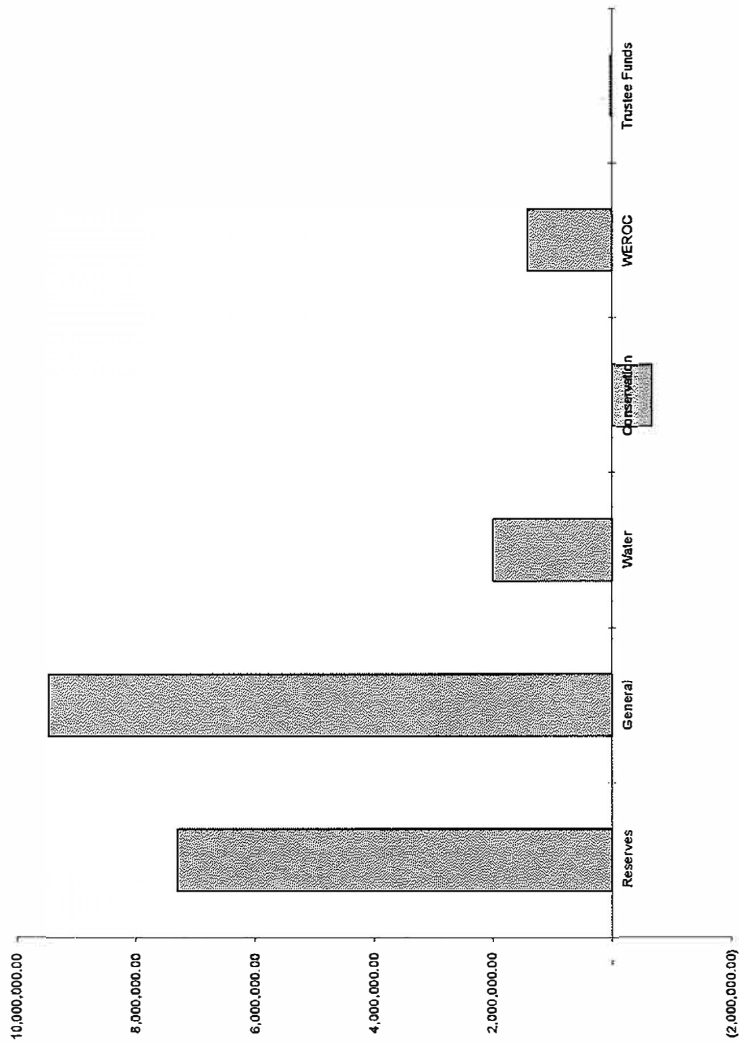
**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**Portfolio Management**  
**Short-Term Portfolio Details - Cash and Investments**  
**September 30, 2021**

| Investments                          | CUSIP/Ticker | Settlement Date | Par Value     | Market Value  | Book Value    | Coupon Rate | YTM @ Cost | Days To Call/Maturity | Maturity Date |
|--------------------------------------|--------------|-----------------|---------------|---------------|---------------|-------------|------------|-----------------------|---------------|
| <b>Local Agency Investment Funds</b> |              |                 |               |               |               |             |            |                       |               |
| LAIF LGIP                            | LAIF         | 6/30/2010       | 5,301,718.58  | 5,301,718.58  | 5,301,718.58  | 0.201       | 0.201      | 1                     | N/A           |
| Sub Total                            |              |                 | 5,301,718.58  | 5,301,718.58  | 5,301,718.58  | 0.201       | 0.201      | 1                     |               |
| <b>Orange County Investment Pool</b> |              |                 |               |               |               |             |            |                       |               |
| County of Orange LGIP                | OCIP         | 6/29/2005       | 11,003,866.24 | 11,003,866.24 | 11,003,866.24 | 0.504       | 0.504      | 1                     | N/A           |
| Sub Total                            |              |                 | 11,003,866.24 | 11,003,866.24 | 11,003,866.24 | 0.504       | 0.504      | 1                     |               |
| Total Investments                    |              |                 | 16,305,584.82 | 16,305,584.82 | 16,305,584.82 | 0.405       | 0.405      |                       |               |
| <b>Cash</b>                          |              |                 |               |               |               |             |            |                       |               |
| 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       | 109,878.37    | 109,878.37    | 109,878.37    | 0.000       | 0.000      | 1                     | N/A           |
| Total Cash                           |              |                 | 110,378.37    | 110,378.37    | 110,378.37    | 0.000       | 0.000      | 1                     |               |
| Total Cash and Investments           |              |                 | 16,415,963.19 | 16,415,963.19 | 16,415,963.19 | 0.405       | 0.405      | 1                     |               |
| <b>Total Earnings</b>                |              |                 |               |               |               |             |            |                       |               |
| Current Year                         |              |                 | 8,455.19      |               | 22,157.69     |             |            |                       |               |



**Municipal Water District of Orange County  
Cash and Investments at September 30, 2021**

| ALLOCATION                          | AMOUNT               | %              |
|-------------------------------------|----------------------|----------------|
| <b>MWDOC</b>                        |                      |                |
| Designated Reserves                 |                      |                |
| General                             | \$ 3,738,505         | 19.16%         |
| Grant & Project Cash Flow           | 1,500,000            | 7.69%          |
| Election Expense                    | 1,333,000            | 6.83%          |
| Building Repair                     | 436,542              | 2.24%          |
| OPEB                                | 297,147              | 1.52%          |
| Total Designated Reserves           | 7,305,194            | 37.44%         |
| General                             | 9,458,288            | 48.46%         |
| Water                               | 1,997,176            | 10.23%         |
| Conservation                        | (671,297)            | -3.44%         |
| WEROC                               | 1,407,901            | 7.21%          |
| <b>TOTAL MWDOC</b>                  | <b>\$ 19,497,262</b> | <b>99.90%</b>  |
| <b>TRUSTEE ACTIVITIES</b>           |                      |                |
| AMP Sales Admin                     | \$ 18,904            | 0.10%          |
| <b>TOTAL TRUSTEE ACTIVITIES</b>     | <b>\$ 18,904</b>     | <b>0.10%</b>   |
| <b>TOTAL CASH &amp; INVESTMENTS</b> | <b>\$ 19,516,166</b> | <b>100.00%</b> |





**MUNICIPAL WATER DIST OF ORANGE COUNTY**  
**PARS Post-Employment Benefits Trust****Account Report for the Period**  
**9/1/2021 to 9/30/2021**Rob Hunter  
General Manager  
Municipal Water Dist of Orange County  
18700 Ward Street  
Fountain Valley, CA 92708**Account Summary**

| Source        | Balance as of<br>9/1/2021 | Contributions | Earnings             | Expenses          | Distributions | Transfers     | Balance as of<br>9/30/2021 |
|---------------|---------------------------|---------------|----------------------|-------------------|---------------|---------------|----------------------------|
| OPEB          | \$2,824,864.01            | \$0.00        | -\$76,913.79         | \$1,385.00        | \$0.00        | \$0.00        | \$2,746,565.22             |
| PENSION       | \$994,087.77              | \$0.00        | -\$27,066.45         | \$428.70          | \$0.00        | \$0.00        | \$966,592.62               |
| <b>Totals</b> | <b>\$3,818,951.78</b>     | <b>\$0.00</b> | <b>-\$103,980.24</b> | <b>\$1,813.70</b> | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$3,713,157.84</b>      |

**Investment Selection**

| Source  |                               |
|---------|-------------------------------|
| OPEB    | <b>Moderate HighMark PLUS</b> |
| PENSION | <b>Moderate HighMark PLUS</b> |

**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    | -2.72%  | -1.09%   | 15.76% | 9.36%             | 8.87%   | 8.48%    | 10/26/2011            |
| PENSION | -2.72%  | -1.12%   | 15.72% | 9.33%             | -       | -        | 7/31/2018             |

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

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

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

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



# NET PERFORMANCE FEE ANALYSIS

As of September 30, 2021

## Over 1 Year

| PARS/HIGHMARK  |               |
|--|---------------|
| <b>Moderate</b><br>(50% Fixed Income/Cash)           | 15.94%        |
| minus weighted PARS<br>administration fee            | (-) 0.25%     |
| minus weighted HighMark<br>investment management fee | (-) 0.35%     |
| <b>1-Year Net Return</b>                             | <b>15.34%</b> |
| CALPERS CERBT  |               |
| <b>Strategy 2</b><br>(48% Fixed Income/Cash)         | 14.76%        |
| minus fees   | (-) 0.10%     |
| <b>1-Year Net Return</b>                             | <b>14.66%</b> |

## Over 3 Years

| PARS/HIGHMARK  |              |
|--|--------------|
| <b>Moderate</b><br>(50% Fixed Income/Cash)           | 9.54%        |
| minus weighted PARS<br>administration fee            | (-) 0.25%    |
| minus weighted HighMark<br>investment management fee | (-) 0.35%    |
| <b>3-Year Net Return</b>                             | <b>8.94%</b> |
| CALPERS CERBT  |              |
| <b>Strategy 2</b><br>(48% Fixed Income/Cash)         | 10.02%       |
| minus fees   | (-) 0.10%    |
| <b>3-Year Net Return</b>                             | <b>9.93%</b> |

## Over 5 Years

| PARS/HIGHMARK  |              |
|--|--------------|
| <b>Moderate</b><br>(50% Fixed Income/Cash)           | 8.93%        |
| minus weighted PARS<br>administration fee            | (-) 0.25%    |
| minus weighted HighMark<br>investment management fee | (-) 0.35%    |
| <b>5-Year Net Return</b>                             | <b>8.33%</b> |
| CALPERS CERBT  |              |
| <b>Strategy 2</b><br>(48% Fixed Income/Cash)         | 8.39%        |
| minus fees   | (-) 0.10%    |
| <b>5-Year Net Return</b>                             | <b>8.30%</b> |

\* Subject to change due to rebalancing; fees are based on assets under \$5 million.  
Past performance does not guarantee future results.



## PARS DIVERSIFIED PORTFOLIOS MODERATE

Q3 2021

### WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

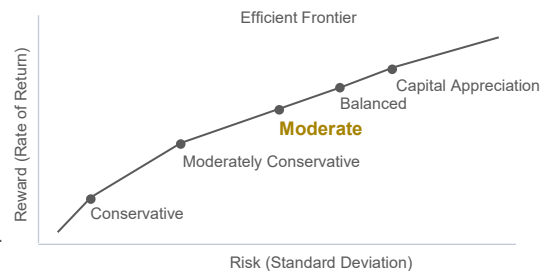
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



### ASSET ALLOCATION — MODERATE PORTFOLIO

|              | Strategic Range | Policy | Tactical |
|--------------|-----------------|--------|----------|
| Equity       | 40 - 60%        | 50%    | 53%      |
| Fixed Income | 40 - 60%        | 45%    | 46%      |
| Cash         | 0 - 20%         | 5%     | 1%       |

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

|                       |        |
|-----------------------|--------|
| Current Quarter*      | -1.05% |
| Blended Benchmark*,** | -0.41% |
| Year To Date*         | 6.00%  |
| Blended Benchmark*,** | 6.22%  |
| 1 Year                | 15.94% |
| Blended Benchmark**   | 15.32% |
| 3 Year                | 9.54%  |
| Blended Benchmark**   | 9.40%  |
| 5 Year                | 8.93%  |
| Blended Benchmark**   | 8.73%  |
| 10 Year               | 8.72%  |
| Blended Benchmark**   | 8.63%  |

#### Index Plus Composite (Passive)

|                       |        |
|-----------------------|--------|
| Current Quarter*      | -0.54% |
| Blended Benchmark*,** | -0.41% |
| Year To Date*         | 6.19%  |
| Blended Benchmark*,** | 6.22%  |
| 1 Year                | 14.77% |
| Blended Benchmark**   | 15.32% |
| 3 Year                | 9.10%  |
| Blended Benchmark**   | 9.40%  |
| 5 Year                | 8.34%  |
| Blended Benchmark**   | 8.73%  |
| 10 Year               | 8.35%  |
| Blended Benchmark**   | 8.63%  |

\* Returns less than one year are not annualized. \*\*Breakdown for Blended Benchmark: From 10/1/2012 – Present: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM (net), 6% MSCI EAFE (net), 33.50% Bloomberg US Agg, 10% ICE BofA 1-3 Yr US Corp/Govt, 1.50% ICE BofA US High Yield Master II, 1.75% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 43% S&P 500, 2% Russell 2000, 5% MSCI EAFE (net), 15% ICE BofA 1-3 Year Corp/Govt, 30% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 50% S&P 500, 15% ICE BofA 1-3Yr Corp/Govt, 30% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

### ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus Composite (Active)

|      |         |
|------|---------|
| 2008 | -22.88% |
| 2009 | 21.47%  |
| 2010 | 12.42%  |
| 2011 | 0.55%   |
| 2012 | 12.25%  |
| 2013 | 13.06%  |
| 2014 | 4.84%   |
| 2015 | 0.14%   |
| 2016 | 6.45%   |
| 2017 | 13.19%  |
| 2018 | -4.03%  |
| 2019 | 17.71%  |
| 2020 | 12.92%  |

#### Index Plus Composite (Passive)

|      |         |
|------|---------|
| 2008 | -18.14% |
| 2009 | 16.05%  |
| 2010 | 11.77%  |
| 2011 | 2.29%   |
| 2012 | 10.91%  |
| 2013 | 12.79%  |
| 2014 | 5.72%   |
| 2015 | -0.52%  |
| 2016 | 7.23%   |
| 2017 | 11.59%  |
| 2018 | -4.03%  |
| 2019 | 17.52%  |
| 2020 | 11.23%  |

### PORTFOLIO FACTS

#### HighMark Plus (Active)

|                             |         |
|-----------------------------|---------|
| Composite Inception Date    | 10/2004 |
| No of Holdings in Portfolio | 20      |

#### Index Plus (Passive)

|                             |         |
|-----------------------------|---------|
| Composite Inception Date    | 05/2006 |
| No of Holdings in Portfolio | 13      |



## HOLDINGS

### HighMark Plus (Active)

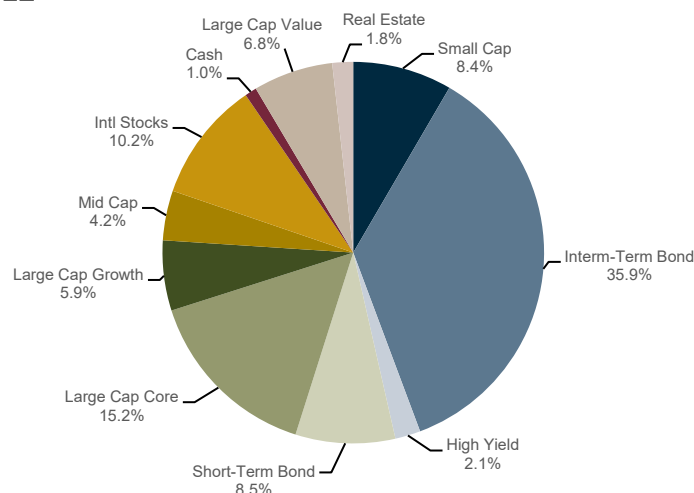
Columbia Contrarian Core I3  
Vanguard Growth & Income Adm  
Dodge & Cox Stock Fund  
iShares S&P 500 Value ETF  
Harbor Capital Appreciation - Retirement  
T. Rowe Price Growth Stock - I  
iShares Russell Mid-Cap ETF  
Vanguard Real Estate ETF  
Undiscovered Managers Behavioral Value-R6  
Victory RS Small Cap Growth - R6  
DFA Large Cap International Portfolio  
Dodge & Cox International Stock  
MFS International Growth - R6  
Hartford Schroders Emerging Markets Eq  
Vanguard Short-Term Invest-Grade Adm  
PIMCO High Yield Instl  
PIMCO Total Return Fund - Inst  
PGIM Total Return Bond - R6  
DoubleLine Core Fixed Income - I  
First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
iShares S&P 500 Value ETF  
iShares S&P 500 Growth ETF  
iShares Russell Mid-Cap ETF  
Vanguard Real Estate ETF  
iShares Russell 2000 Value ETF  
iShares Russell 2000 Growth ETF  
iShares Core MSCI EAFE ETF  
Vanguard FTSE Emerging Markets ETF  
Vanguard Short-Term Invest-Grade Adm  
iShares Core U.S. Aggregate  
Vanguard High-Yield Corp Adm  
First American Government Obligations Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Moderate active and passive objectives.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT Index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

## HIGHMARK CAPITAL MANAGEMENT

350 California Street  
Suite 1600  
San Francisco, CA 94104  
800-582-4734

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has 100 years (including predecessor organizations) of institutional money management experience with \$9.4 billion in assets under management and \$9.6 billion in assets under advisement\*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

Senior Portfolio Manager  
Investment Experience: since 1994  
HighMark Tenure: since 1997  
Education: MBA, University of Southern California; BA, University of Southern California

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager  
Investment Experience: since 2004  
HighMark Tenure: since 2014  
Education: BA, Colgate University

#### J. Keith Stribling, CFA®

Senior Portfolio Manager  
Investment Experience: since 1985  
HighMark Tenure: since 1995  
Education: BA, Stetson University

#### Christiane Tsuda

Senior Portfolio Manager  
Investment Experience: since 1987  
HighMark Tenure: since 2010  
Education: BA, International Christian University, Tokyo

#### Anne Wimmer, CFA®

Senior Portfolio Manager  
Investment Experience: since 1987  
HighMark Tenure: since 2007  
Education: BA, University of California, Santa Barbara

#### Randy Yurchak, CFA®

Senior Portfolio Manager  
Investment Experience: since 2002  
HighMark Tenure: since 2017  
Education: MBA, Arizona State University; BS, University of Washington

### Asset Allocation Committee

Number of Members: 17  
Average Years of Experience: 26  
Average Tenure (Years): 14

### Manager Review Group

Number of Members: 8  
Average Years of Experience: 20  
Average Tenure (Years): 9

\*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
COMBINED FINANCIAL STATEMENTS  
AND  
BUDGET COMPARATIVE  
JULY 1, 2021 THRU SEPTEMBER 30, 2021**



**Municipal Water District of Orange County  
Combined Balance Sheet  
As of September 30, 2021**

|   | <u><b>Amount</b></u>               |
|---|------------------------------------|
| <b><u>ASSETS</u></b>                          |                                    |
| Cash in Bank                                  | 110,378.37                         |
| Investments                                   | 19,405,787.39                      |
| Accounts Receivable                           | 38,976,659.18                      |
| Accounts Receivable - Other                   | 114,969.11                         |
| Accrued Interest Receivable                   | 32,605.89                          |
| Prepays/Deposits                              | 412,330.91                         |
| Leasehold Improvements                        | 6,059,805.67                       |
| Furniture, Fixtures & Equipment               | 780,261.60                         |
| Less: Accumulated Depreciation                | <u>(3,496,763.45)</u>              |
| <b>TOTAL ASSETS</b>                           | <b><u><u>62,396,034.67</u></u></b> |
| <b><u>LIABILITIES AND FUND BALANCES</u></b>   |                                    |
| <b><u>LIABILITIES</u></b>                     |                                    |
| Accounts Payable                              | 38,376,429.18                      |
| Accounts Payable - Other                      | 64.82                              |
| Accrued Salaries and Benefits Payable         | 677,786.50                         |
| Other Liabilities                             | 2,406,429.00                       |
| Unearned Revenue                              | <u>443,410.26</u>                  |
| <b>TOTAL LIABILITIES</b>                      | <b><u><u>41,904,119.76</u></u></b> |
| <b><u>FUND BALANCES</u></b>                   |                                    |
| <b><u>Restricted Fund Balances</u></b>        |                                    |
| Water Fund - T2C                              | <u>1,034,174.05</u>                |
| Total Restricted Fund Balances                | <u>1,034,174.05</u>                |
| <b><u>Unrestricted Fund Balances</u></b>      |                                    |
| <b><u>Designated Reserves</u></b>             |                                    |
| 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>               |
| <b><u>Excess Revenue over Expenditure</u></b> |                                    |
| Operating Fund                                | 7,099,450.01                       |
| Other Funds                                   | <u>116,438.96</u>                  |
| <b>TOTAL FUND BALANCES</b>                    | <b><u><u>20,491,914.91</u></u></b> |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b>    | <b><u><u>62,396,034.67</u></u></b> |



**Municipal Water District of Orange County**  
**Revenues and Expenditures Budget Comparative Report**  
**General Fund**  
**July 1, 2021 thru September 30, 2021**

|                              | <u>Month to Date</u> | <u>Year to Date</u> | <u>Annual Budget</u> | <u>% Used</u>  | <u>Encumbrance</u> | <u>Budget<br/>Remaining</u> |
|------------------------------|----------------------|---------------------|----------------------|----------------|--------------------|-----------------------------|
| <b><u>REVENUES</u></b>       |                      |                     |                      |                |                    |                             |
| 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                        |
| <b>Water Rate Revenues</b>   | <b>0.00</b>          | <b>8,692,617.00</b> | <b>8,692,617.00</b>  | <b>100.00%</b> | <b>0.00</b>        | <b>0.00</b>                 |
| Interest Revenue             | 12,898.05            | 35,913.25           | 220,000.00           | 16.32%         | 0.00               | 184,086.75                  |
| <b>Subtotal</b>              | <b>12,898.05</b>     | <b>8,728,530.25</b> | <b>8,912,617.00</b>  | <b>97.93%</b>  | <b>0.00</b>        | <b>184,086.75</b>           |
| Choice Programs              | 4,751.86             | 1,231,474.77        | 1,515,775.00         | 81.24%         | 0.00               | 284,300.23                  |
| Miscellaneous Income         | 395.28               | 511.28              | 3,000.00             | 17.04%         | 0.00               | 2,488.72                    |
| Revenue - Other              | 0.00                 | 1,360.00            | 0.00                 | 0.00%          | 0.00               | (1,360.00)                  |
| School Contracts             | 927.00               | 927.00              | 120,895.00           | 0.77%          | 0.00               | 119,968.00                  |
| Transfer-In from Reserve     | 0.00                 | 0.00                | 95,745.00            | 0.00%          | 0.00               | 95,745.00                   |
| <b>Subtotal</b>              | <b>6,074.14</b>      | <b>1,234,273.05</b> | <b>1,735,415.00</b>  | <b>71.12%</b>  | <b>0.00</b>        | <b>501,141.95</b>           |
| <b>TOTAL REVENUES</b>        | <b>18,972.19</b>     | <b>9,962,803.30</b> | <b>10,648,032.00</b> | <b>93.56%</b>  | <b>0.00</b>        | <b>685,228.70</b>           |



**Municipal Water District of Orange County**  
**Revenues and Expenditures Budget Comparative Report**  
**General Fund**  
**July 1, 2021 thru September 30, 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> |
|---|----------------------|---------------------|----------------------|---------------|-----------------------|-------------------------|
| <b>EXPENSES</b>                         |                      |                     |                      |               |                       |                         |
| Salaries & Wages                        | 351,275.36           | 1,052,831.59        | 4,178,542.00         | 25.20%        | 0.00                  | 3,125,710.41            |
| Salaries & Wages - Grant Recovery       | (6,304.44)           | (6,304.44)          | (18,665.00)          | (33.78)%      | 0.00                  | (12,360.56)             |
| Director's Compensation                 | 22,592.67            | 65,158.57           | 288,800.00           | 22.56%        | 0.00                  | 223,641.43              |
| MWD Representation                      | 13,097.20            | 33,725.29           | 165,029.00           | 20.44%        | 0.00                  | 131,303.71              |
| Employee Benefits                       | 115,874.40           | 324,362.00          | 1,356,730.00         | 23.91%        | 0.00                  | 1,032,368.00            |
| Employee Benefits - Grant Recovery      | (1,569.28)           | (1,569.28)          | 0.00                 | 0.00%         | 0.00                  | 1,569.28                |
| CalPers Unfunded Liability Contribution | 0.00                 | 207,000.00          | 207,000.00           | 100.00%       | 0.00                  | 0.00                    |
| Director's Benefits                     | 9,623.28             | 28,036.43           | 161,248.00           | 17.39%        | 0.00                  | 133,211.57              |
| Health Insurance for Retirees           | 9,740.51             | 22,473.63           | 101,099.00           | 22.23%        | 0.00                  | 78,625.37               |
| Training Expense                        | 735.00               | 3,459.00            | 52,000.00            | 6.65%         | 8,895.60              | 39,645.40               |
| 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                |
| <b>Personnel Expenses</b>               | <b>515,064.70</b>    | <b>1,729,172.79</b> | <b>6,501,783.00</b>  | <b>26.60%</b> | <b>8,895.60</b>       | <b>4,763,714.61</b>     |
| Engineering Expense                     | 2,250.00             | 26,709.50           | 380,000.00           | 7.03%         | 445,238.55            | (91,948.05)             |
| Legal Expense                           | 15,681.90            | 58,986.14           | 225,000.00           | 26.22%        | 166,013.86            | 0.00                    |
| Audit Expense                           | 0.00                 | 5,000.00            | 30,220.00            | 16.55%        | 20,220.00             | 5,000.00                |
| Professional Services                   | 56,548.04            | 144,473.24          | 1,475,640.00         | 9.79%         | 958,145.18            | 373,021.58              |
| <b>Professional Fees</b>                | <b>74,479.94</b>     | <b>235,168.88</b>   | <b>2,110,860.00</b>  | <b>11.14%</b> | <b>1,589,617.59</b>   | <b>286,073.53</b>       |
| Conference - Staff                      | 4,680.00             | 5,365.00            | 44,560.00            | 12.04%        | 0.00                  | 39,195.00               |
| Conference - Directors                  | 2,945.00             | 3,595.00            | 16,845.00            | 21.34%        | 0.00                  | 13,250.00               |
| Travel & Accom. - Staff                 | 279.82               | 1,018.98            | 69,825.00            | 1.46%         | 0.00                  | 68,806.02               |
| Travel & Accom. - Directors             | 26.44                | 26.44               | 21,250.00            | 0.12%         | 0.00                  | 21,223.56               |
| <b>Travel &amp; Conference</b>          | <b>7,931.26</b>      | <b>10,005.42</b>    | <b>152,480.00</b>    | <b>6.56%</b>  | <b>0.00</b>           | <b>142,474.58</b>       |
| Membership/Sponsorship                  | 0.00                 | 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               |
| <b>Dues &amp; Memberships</b>           | <b>0.00</b>          | <b>59,853.53</b>    | <b>208,290.00</b>    | <b>28.74%</b> | <b>41,391.98</b>      | <b>107,044.49</b>       |
| Business Expense                        | 442.62               | 485.45              | 2,500.00             | 19.42%        | 0.00                  | 2,014.55                |
| Office Maintenance                      | 7,090.45             | 23,758.37           | 147,400.00           | 16.12%        | 111,927.11            | 11,714.52               |
| Building Repair & Maintenance           | 4,885.14             | 7,625.89            | 15,000.00            | 50.84%        | 10,859.64             | (3,485.53)              |
| Storage Rental & Equipment Lease        | 108.89               | 213.39              | 1,800.00             | 11.86%        | 586.61                | 1,000.00                |
| Office Supplies                         | 1,945.47             | 2,870.92            | 35,000.00            | 8.20%         | 2,963.46              | 29,165.62               |
| Supplies - Water Loss Control           | 0.00                 | 98.50               | 4,000.00             | 2.46%         | 0.00                  | 3,901.50                |
| Postage/Mail Delivery                   | 591.01               | 2,191.45            | 9,243.00             | 23.71%        | 1,910.25              | 5,141.30                |
| Subscriptions & Books                   | 0.00                 | 0.00                | 1,000.00             | 0.00%         | 0.00                  | 1,000.00                |
| Reproduction Expense                    | 30.46                | 756.27              | 82,700.00            | 0.91%         | 5,443.73              | 76,500.00               |
| Maintenance - Computers                 | 140.78               | 1,805.63            | 8,000.00             | 22.57%        | 1.08                  | 6,193.29                |
| Software Purchase                       | 5,271.81             | 6,221.71            | 36,040.00            | 17.26%        | 11,358.85             | 18,459.44               |
| Software Support                        | 786.00               | 15,860.89           | 48,640.00            | 32.61%        | 0.00                  | 32,779.11               |
| Computers and Equipment                 | 1,638.35             | 6,366.74            | 23,450.00            | 27.15%        | 4,525.53              | 12,557.73               |
| Maintenance Expense                     | 0.00                 | 0.00                | 6,000.00             | 0.00%         | 2,580.49              | 3,419.51                |
| Automotive Expense                      | 140.29               | 179.94              | 16,000.00            | 1.12%         | 0.00                  | 15,820.06               |
| Vehicle Expense                         | 327.02               | 1,035.29            | 5,800.00             | 17.85%        | 0.00                  | 4,764.71                |
| Toll Road Charges                       | 100.00               | 100.00              | 1,250.00             | 8.00%         | 0.00                  | 1,150.00                |
| Insurance Expense                       | 12,006.69            | 35,973.40           | 130,000.00           | 27.67%        | 0.00                  | 94,026.60               |
| Utilities - Telephone                   | 2,905.56             | 8,724.18            | 42,840.00            | 20.36%        | 1,026.27              | 33,089.55               |
| Bank Fees                               | 0.00                 | 653.35              | 3,200.00             | 20.42%        | 0.00                  | 2,546.65                |
| Miscellaneous Expense                   | 445.13               | 10,966.10           | 85,181.00            | 12.87%        | 4,102.32              | 70,112.58               |
| MWDOC's Contrb. to WEROC                | 21,695.50            | 65,086.50           | 260,346.00           | 25.00%        | 0.00                  | 195,259.50              |
| Depreciation Expense                    | 5,860.66             | 17,581.92           | 0.00                 | 0.00%         | 0.00                  | (17,581.92)             |
| <b>Other Expenses</b>                   | <b>66,411.83</b>     | <b>208,555.89</b>   | <b>965,390.00</b>    | <b>21.60%</b> | <b>157,285.34</b>     | <b>599,548.77</b>       |
| Capital Aquisition                      | 87,911.20            | 186,900.71          | 267,256.00           | 69.93%        | 160,578.88            | (80,223.59)             |
| Building Expense                        | 136,686.98           | 433,696.07          | 441,973.00           | 98.13%        | 461,821.60            | (453,544.67)            |
| <b>TOTAL EXPENSES</b>                   | <b>888,485.91</b>    | <b>2,863,353.29</b> | <b>10,648,032.00</b> | <b>26.89%</b> | <b>2,419,590.99</b>   | <b>5,365,087.72</b>     |
| <b>NET INCOME (LOSS)</b>                | <b>(869,513.72)</b>  | <b>7,099,450.01</b> | <b>0.00</b>          | <b>0.00%</b>  | <b>(2,419,590.99)</b> | <b>(4,679,859.02)</b>   |



**Municipal Water District of Orange County**  
**Revenues and Expenditures Budget Comparative Report**  
**Water Fund**  
**July 1, 2021 thru September 30, 2021**

|   | <u>Month to Date</u> | <u>Year to Date</u>  | <u>Annual Budget</u>  | <u>% Used</u> | <u>Budget<br/>Remaining</u> |
|---|----------------------|----------------------|-----------------------|---------------|-----------------------------|
| <b><u>WATER REVENUES</u></b>                  |                      |                      |                       |               |                             |
| Water Sales                                   | 16,514,020.40        | 54,035,035.70        | 155,126,337.00        | 34.83%        | 101,091,301.30              |
| Readiness to Serve Charge                     | 926,009.00           | 2,778,027.03         | 11,142,354.00         | 24.93%        | 8,364,326.97                |
| Capacity Charge CCF                           | 394,384.17           | 1,183,152.51         | 4,732,610.00          | 25.00%        | 3,549,457.49                |
| SCP/SAC Pipeline Surcharge                    | 32,122.86            | 102,861.36           | 315,000.00            | 32.65%        | 212,138.64                  |
| Interest Revenue                              | 326.35               | 947.22               | 10,500.00             | 9.02%         | 9,552.78                    |
| <b>TOTAL WATER REVENUES</b>                   | <b>17,866,862.78</b> | <b>58,100,023.82</b> | <b>171,326,801.00</b> | <b>33.91%</b> | <b>113,226,777.18</b>       |
| <b><u>WATER PURCHASES</u></b>                 |                      |                      |                       |               |                             |
| Water Sales                                   | 16,514,020.40        | 54,035,035.70        | 155,126,337.00        | 34.83%        | 101,091,301.30              |
| Readiness to Serve Charge                     | 926,009.00           | 2,778,027.03         | 11,142,354.00         | 24.93%        | 8,364,326.97                |
| Capacity Charge CCF                           | 394,384.17           | 1,183,152.51         | 4,732,610.00          | 25.00%        | 3,549,457.49                |
| SCP/SAC Pipeline Surcharge                    | 32,122.86            | 102,861.36           | 315,000.00            | 32.65%        | 212,138.64                  |
| <b>TOTAL WATER PURCHASES</b>                  | <b>17,866,536.43</b> | <b>58,099,076.60</b> | <b>171,316,301.00</b> | <b>33.91%</b> | <b>113,217,224.40</b>       |
| <b>EXCESS OF REVENUE OVER<br/>EXPENDITURE</b> | <b>326.35</b>        | <b>947.22</b>        | <b>10,500.00</b>      | <b>9.02%</b>  | <b>9,552.78</b>             |



**Municipal Water District of Orange County  
Revenues and Expenditures Budget Comparative Report  
Water Use Efficiency  
July 1, 2021 thru September 30, 2021**

|   | <u>Year to Date Actual</u> | <u>Annual Budget</u> | <u>% Used</u> |
|---|----------------------------|----------------------|---------------|
| <b>Spray To Drip Conversion</b>             |                            |                      |               |
| Revenues                                    | 5,547.68                   | 117,480.00           | 4.72%         |
| Expenses                                    | 11,292.44                  | 117,480.00           | 9.61%         |
| Excess of Revenues over Expenditures        | (5,744.76)                 | 0.00                 |               |
| <b>Member Agency Administered Pass-Thru</b> |                            |                      |               |
| Revenues                                    | 49,247.00                  | 573,201.00           | 8.59%         |
| Expenses                                    | 47,022.00                  | 573,201.00           | 8.20%         |
| Excess of Revenues over Expenditures        | 2,225.00                   | 0.00                 |               |
| <b>ULFT Rebate Program</b>                  |                            |                      |               |
| Revenues                                    | 110.00                     | 2,000.00             | 5.50%         |
| Expenses                                    | 110.00                     | 2,000.00             | 5.50%         |
| Excess of Revenues over Expenditures        | 0.00                       | 0.00                 |               |
| <b>HECW Rebate Program</b>                  |                            |                      |               |
| Revenues                                    | 16,467.85                  | 84,300.00            | 19.53%        |
| Expenses                                    | 16,465.00                  | 84,300.00            | 19.53%        |
| Excess of Revenues over Expenditures        | 2.85                       | 0.00                 |               |
| <b>CII Rebate Program</b>                   |                            |                      |               |
| Revenues                                    | 0.00                       | 6,500.00             | 0.00%         |
| Expenses                                    | 0.00                       | 6,500.00             | 0.00%         |
| Excess of Revenues over Expenditures        | 0.00                       | 0.00                 |               |
| <b>Turf Removal Program</b>                 |                            |                      |               |
| Revenues                                    | 157,275.66                 | 993,924.00           | 15.82%        |
| Expenses                                    | 178,156.54                 | 993,924.00           | 17.92%        |
| Excess of Revenues over Expenditures        | (20,880.88)                | 0.00                 |               |
| <b>Comprehensive Landscape (CLWUE)</b>      |                            |                      |               |
| Revenues                                    | 83,958.64                  | 303,100.00           | 27.70%        |
| Expenses                                    | 110,697.68                 | 303,100.00           | 36.52%        |
| Excess of Revenues over Expenditures        | (26,739.04)                | 0.00                 |               |
| <b>Recycled Water Program</b>               |                            |                      |               |
| Revenues                                    | 0.00                       | 40,000.00            | 0.00%         |
| Expenses                                    | 0.00                       | 40,000.00            | 0.00%         |
| Excess of Revenues over Expenditures        | 0.00                       | 0.00                 |               |
| <b>WSIP - Industrial Program</b>            |                            |                      |               |
| Revenues                                    | 0.00                       | 45,000.00            | 0.00%         |
| Expenses                                    | 0.00                       | 45,000.00            | 0.00%         |
| Excess of Revenues over Expenditures        | 0.00                       | 0.00                 |               |
| <b>Land Design Program</b>                  |                            |                      |               |
| Revenues                                    | 15,623.00                  | 297,330.00           | 5.25%         |
| Expenses                                    | 53,177.00                  | 297,330.00           | 17.88%        |
| Excess of Revenues over Expenditures        | (37,554.00)                | 0.00                 |               |
| <b>Total WUE Projects</b>                   |                            |                      |               |
| Revenues                                    | 328,229.83                 | 2,462,835.00         | 13.33%        |
| Expenses                                    | 416,920.66                 | 2,462,835.00         | 16.93%        |
| Excess of Revenues over Expenditures        | (88,690.83)                | 0.00                 |               |
| <b>WEROC</b>                                |                            |                      |               |
| Revenues                                    | 325,432.50                 | 520,692.00           | 62.50%        |
| Expenses                                    | 132,779.87                 | 520,692.00           | 25.50%        |
| Excess of Revenues over Expenditures        | 192,652.63                 | 0.00                 |               |





## Memorandum

**DATE:** November 10, 2021

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

**FROM:** Robert Hunter

**SUBJECT:** Quarter ending September 2021 Fiscal YTD Financials Actual versus Budget

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The following reports are attached:

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



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget Summary Report  
Fiscal Year to Date ending September 2021 (Unaudited)  
( \$000 Omitted )  
General Fund and Reserve Fund

GENERAL FUND

|   | <u>YTD Actual</u>   | <u>Annual Budget</u> | <u>% Used</u>        |
|---|---------------------|----------------------|----------------------|
| <u>REVENUES</u>   |                     |                      |                      |
| Water Rate revenues:  |                     |                      |                      |
| Retail Connection Charge  | 8,357               | 8,357                | 100.00%              |
| Ground Water Customer Charge  | 336                 | 336                  | 100.00%              |
| Subtotal  | <u>8,693</u>        | <u>8,693</u>         | <u>100.00%</u>       |
| Other Revenues:   |                     |                      |                      |
| Interest Income <sup>(1)</sup>                                      | 36                  | 220                  | 16.32%               |
| Choice Programs <sup>(2)</sup>                                      | 1,231               | 1,516                | 81.24%               |
| School Contracts <sup>(3)</sup>                                     | 1                   | 121                  | 0.77%                |
| Other Income <sup>(4)</sup>   | 2                   | 3                    | 62.37%               |
| Transfer in from Reserve <sup>(5)</sup>                             | 0                   | 95                   | 0.00%                |
| Subtotal  | <u>1,270</u>        | <u>1,955</u>         | <u>64.97%</u>        |
| <b>TOTAL REVENUES</b>   | <u><u>9,963</u></u> | <u><u>10,648</u></u> | <u><u>93.57%</u></u> |
| <u>EXPENSES</u>   |                     |                      |                      |
| Personnel Expenses (incl. Dir.)                                     | 1,729               | 6,502                | 26.60%               |
| Professional Services <sup>(6)</sup>                                | 149                 | 1,506                | 9.93%                |
| Outside Engineering <sup>(7)</sup>                                  | 27                  | 380                  | 7.03%                |
| Legal Expense   | 59                  | 225                  | 26.22%               |
| Travel & Conference <sup>(8)</sup>                                  | 10                  | 153                  | 6.56%                |
| Dues and Memberships  | 60                  | 208                  | 28.74%               |
| General & Admin Expense   | 208                 | 965                  | 21.55%               |
| Building Repair & Expense <sup>(9)</sup>                            | 434                 | 442                  | 98.13%               |
| Capital Acquisition (not including building repairs) <sup>(9)</sup> | 187                 | 267                  | 69.93%               |
| <b>TOTAL EXPENSES</b>   | <u><u>2,863</u></u> | <u><u>10,648</u></u> | <u><u>26.89%</u></u> |
| <b>EXCESS OF REVENUES OVER EXPENSES</b>                             | <u><u>7,100</u></u> |                      |                      |

RESERVE FUND

|  |                     |
|--|---------------------|
| Beginning Balance                              | 6,767               |
| Nov 2020 - excess from FY 2019-20 General Fund | 538                 |
| <b>TOTAL RESERVE FUND</b>                      | <u><u>7,305</u></u> |

- (1) Interest rates continue to drop due to pandemic  
(2) Choice Programs are paid in the beginning of the fiscal year  
(3) School Contracts begin in September  
(4) Other Income - JPIA Wellness Grant and CalCard Rebate  
(5) Transfer in from Reserves is moved at year-end  
(6) Professional Services - Projects in process  
(7) Outside Engineering projects to begin through out the fiscal year  
(8) Travel was suspended due to COVID-19  
(9) Remodel is in final phase to be completed in November



Municipal Water District of Orange County  
Revenues and Expenditures Actual vs Budget Line Item Report  
Fiscal Year to Date ending September 2021 (Unaudited)  
General Fund

|                              | YTD ACTUAL       | ANNUAL BUDGET     | % Used         |
|------------------------------|------------------|-------------------|----------------|
| <b>REVENUES</b>              |                  |                   |                |
| Retail Connection Charge     | 8,357,232        | 8,357,232         | 100.00%        |
| Ground Water Customer Charge | 335,385          | 335,385           | 100.00%        |
| <b>Water Rate Revenues</b>   | <b>8,692,617</b> | <b>8,692,617</b>  | <b>100.00%</b> |
| Choice Programs              | 1,231,475        | 1,515,775         | 81.25%         |
| Interest Revenue             | 35,913           | 220,000           | 16.32%         |
| Miscellaneous Income         | 1,871            | 3,000             | 62.37%         |
| School Contracts             | 927              | 120,895           | 0.77%          |
| Transfer in from Reserve     | 0                | 95,745            | 0.00%          |
| <b>Other Revenues</b>        | <b>1,270,186</b> | <b>1,955,415</b>  | <b>64.96%</b>  |
| <b>TOTAL REVENUES</b>        | <b>9,962,803</b> | <b>10,648,032</b> | <b>93.56%</b>  |

|   |                  |                  |               |
|---|------------------|------------------|---------------|
| <b>OPERATING EXPENSES</b>               |                  |                  |               |
| Salaries & Wages                        | 1,052,832        | 4,178,542        | 25.20%        |
| less Recovery's                         | (6,304)          | (18,665)         | 33.78%        |
| Directors' Compensation                 | 65,159           | 288,800          | 22.56%        |
| MWD Representation                      | 33,725           | 165,029          | 20.44%        |
| Employee Benefits                       | 324,362          | 1,356,730        | 23.91%        |
| less Recovery's                         | (1,569)          | 0                | 0.00%         |
| CALPERS Unfunded Liability Contribution | 207,000          | 207,000          | 100.00%       |
| Directors Benefits                      | 28,036           | 161,248          | 17.39%        |
| Health Insurances for Retirees          | 22,474           | 101,099          | 22.23%        |
| Training Expense                        | 3,459            | 52,000           | 6.65%         |
| Tuition Reimbursement                   | 0                | 5,000            | 0.00%         |
| Temporary Help Expense                  | 0                | 5,000            | 0.00%         |
| <b>Personnel Expenses</b>               | <b>1,729,173</b> | <b>6,501,783</b> | <b>26.60%</b> |
| Engineering Expense                     | 26,710           | 380,000          | 7.03%         |
| Legal Expense                           | 58,986           | 225,000          | 26.22%        |
| Audit Expense                           | 5,000            | 30,220           | 16.55%        |
| Professional Services                   | 144,473          | 1,475,640        | 9.79%         |
| <b>Professional Fees</b>                | <b>235,169</b>   | <b>2,110,860</b> | <b>11.14%</b> |
| Conference-Staff                        | 5,365            | 44,560           | 12.04%        |
| Conference-Directors                    | 3,595            | 16,845           | 21.34%        |
| Travel & Accom.-Staff                   | 1,019            | 69,825           | 1.46%         |
| Travel & Accom.-Directors               | 26               | 21,250           | 0.12%         |
| <b>Travel &amp; Conference</b>          | <b>10,005</b>    | <b>152,480</b>   | <b>6.56%</b>  |
| Membership/Sponsorship                  | 46,056           | 143,041          | 32.20%        |
| CDR Support                             | 13,797           | 65,249           | 21.15%        |
| <b>Dues &amp; Memberships</b>           | <b>59,854</b>    | <b>208,290</b>   | <b>28.74%</b> |



Municipal Water District of Orange County  
Revenues and Expenditures Actual vs Budget Line Item Report  
Fiscal Year to Date ending September 2021 (Unaudited)  
General Fund

|   | YTD ACTUAL       | ANNUAL BUDGET     | % Used        |
|---|------------------|-------------------|---------------|
| Business Expense                        | 485              | 2,500             | 19.40%        |
| Maintenance Office                      | 23,758           | 147,400           | 16.12%        |
| Building Repair & Maintenance           | 7,626            | 15,000            | 50.84%        |
| Storage Rental & Equipment Lease        | 213              | 1,800             | 11.83%        |
| Office Supplies                         | 2,871            | 35,000            | 8.20%         |
| Supplies - Water Loss Control           | 99               | 4,000             | 2.48%         |
| Postage/Mail Delivery                   | 2,191            | 9,243             | 23.70%        |
| Subscriptions & Books                   | 0                | 1,000             | 0.00%         |
| Reproduction Expense                    | 756              | 82,700            | 0.91%         |
| Maintenance-Computers                   | 1,806            | 8,000             | 22.58%        |
| Software Purchase                       | 6,222            | 36,040            | 17.26%        |
| Software Support                        | 15,861           | 48,640            | 32.61%        |
| Computers and Equipment                 | 6,367            | 23,450            | 27.15%        |
| Maintenance Expense                     | 0                | 6,000             | 0.00%         |
| Automotive Expense                      | 180              | 16,000            | 1.13%         |
| Vehicle Expense                         | 1,035            | 5,800             | 17.84%        |
| Toll Road Charges                       | 100              | 1,250             | 8.00%         |
| Insurance Expense                       | 35,973           | 130,000           | 27.67%        |
| Utilities - Telephone                   | 8,724            | 42,840            | 20.36%        |
| Bank Fees                               | 653              | 3,200             | 20.41%        |
| Miscellaneous Expense                   | 10,966           | 85,181            | 12.87%        |
| MWDOC's Contribution to WEROC           | 65,087           | 260,346           | 25.00%        |
| Depreciation Expense                    | 17,582           | 0                 | 0.00%         |
| MWDOC Building Expense                  | 433,696          | 441,973           | 98.13%        |
| Capital Acquisition                     | 186,901          | 267,256           | 69.93%        |
| <b>Other Expenses</b>                   | <b>829,152</b>   | <b>1,674,619</b>  | <b>49.51%</b> |
| <b>TOTAL EXPENSES</b>                   | <b>2,863,353</b> | <b>10,648,032</b> | <b>26.89%</b> |
| <b>EXCESS OF REVENUES OVER EXPENSES</b> | <b>7,099,450</b> | <b>0</b>          |               |



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Statement of Revenues and Expenditures  
Fiscal Year to Date ending September 2021 (Unaudited)  
Water Funds

|   | <u>YTD Actual</u> | <u>Annual Budget</u> | <u>Balance</u>       |
|---|-------------------|----------------------|----------------------|
| <b><u>Water Revenues</u></b>            |                   |                      |                      |
| Water Sales                             | 54,035,036        | 155,126,337          | (101,091,301)        |
| Readiness to Serve Charge               | 2,778,027         | 11,142,354           | (8,364,327)          |
| Capacity Charge CCF                     | 1,183,153         | 4,732,610            | (3,549,457)          |
| SCP/SAC Pipeline Surcharge              | 102,861           | 315,000              | (212,139)            |
| Interest                                | 947               | 10,500               | (9,553)              |
| Total Water Revenues                    | <u>58,100,024</u> | <u>171,326,801</u>   | <u>(113,226,777)</u> |
| <br><b><u>Water Purchases</u></b>       |                   |                      |                      |
| Water Sales                             | 54,035,036        | 155,126,337          | (101,091,301)        |
| Ready to Serve Charge                   | 2,778,027         | 11,142,354           | (8,364,327)          |
| Capacity Charge                         | 1,183,153         | 4,732,610            | (3,549,457)          |
| SCP/SAC Pipeline Surcharge              | 102,861           | 315,000              | (212,139)            |
| Total Water Purchases                   | <u>58,099,077</u> | <u>171,316,301</u>   | <u>(113,217,224)</u> |
| EXCESS OF REVENUES OVER<br>EXPENDITURES | <u>947</u>        | <u>10,500</u>        | <u>(9,553)</u>       |



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending September 2021 (Unaudited)  
Other Funds

|                                      | <u>YTD Actual</u> | <u>Annual Budget</u> | <u>Balance</u> |
|--------------------------------------|-------------------|----------------------|----------------|
| <b><u>WEROC</u></b>                  |                   |                      |                |
| Revenues                             | 325,433           | 520,692              | (195,259)      |
| Expenditures                         | 132,780           | 520,692              | (387,912)      |
| Excess of Revenues over Expenditures | <u>192,653</u>    | <u>0</u>             | <u>192,653</u> |

**WUE Projects (details on next page)**

|                                      |                 |           |                 |
|--------------------------------------|-----------------|-----------|-----------------|
| Revenues                             | 328,230         | 2,462,835 | (2,134,605)     |
| Expenditures                         | 416,921         | 2,462,835 | (2,045,914)     |
| Excess of Revenues over Expenditures | <u>(88,691)</u> | <u>0</u>  | <u>(88,691)</u> |

Footnote:

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



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending September 2021 (Unaudited)  
Water Use Efficiency Projects

|  | <u>Actual</u> | <u>Variance %</u> | <u>Fiscal Year<br/>Budget</u> | <u>% of<br/>Budget</u> | <u>Projected Final<br/>FY Budget</u> |
|--|---------------|-------------------|-------------------------------|------------------------|--------------------------------------|
| <b><u>Spray to Drip Conversion</u></b> |               |                   |                               |                        |                                      |
| Revenues                               | 5,548         |                   | 117,480                       | 4.72%                  | 117,480                              |
| Expenditures                           | 11,292        |                   | 117,480                       | 9.61%                  | 117,480                              |
| Excess of Revenues over Expenditures   | (5,745)       | -104%             |                               |                        |                                      |

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

Budget Variance: Stated budget number is a yearly number, Actual number is out ahead of Budgeted number due to increase in activity from property owners.

**Member Agency Administered Pass thru**

|                                      |        |    |         |       |         |
|--------------------------------------|--------|----|---------|-------|---------|
| Revenues                             | 49,247 |    | 573,201 | 8.59% | 573,201 |
| Expenditures                         | 47,022 |    | 573,201 | 8.20% | 573,201 |
| Excess of Revenues over Expenditures | 2,225  | 5% |         |       |         |

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

Budget Variance: Stated budget number is a yearly number. It is anticipated Agencies will begin their projects soon.

**ULFT Rebate Program**

|                                      |     |    |       |       |       |
|--------------------------------------|-----|----|-------|-------|-------|
| Revenues                             | 110 |    | 2,000 | 5.50% | 2,000 |
| Expenditures                         | 110 |    | 2,000 | 5.50% | 2,000 |
| Excess of Revenues over Expenditures | 0   | 0% |       |       |       |

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

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

**HECW Rebate Program**

|                                      |        |    |        |        |        |
|--------------------------------------|--------|----|--------|--------|--------|
| Revenues                             | 16,468 |    | 84,300 | 19.53% | 84,300 |
| Expenditures                         | 16,465 |    | 84,300 | 19.53% | 84,300 |
| Excess of Revenues over Expenditures | 3      | 0% |        |        |        |

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

Budget Variance: Stated budget number is a yearly number, actual number is for the third quarter. Final year-end will be an increase over the Budget.

**CII Rebate Program**

|                                      |   |    |       |       |       |
|--------------------------------------|---|----|-------|-------|-------|
| Revenues                             | 0 |    | 6,500 | 0.00% | 6,500 |
| Expenditures                         | 0 |    | 6,500 | 0.00% | 6,500 |
| Excess of Revenues over Expenditures | 0 | 0% |       |       |       |

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

Budget Variance: Agencies have yet to provide their stated funding. It is expected they won't be participating.

Notes:

- 1) Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.
- 2) Fiscal year budget versus Actual
- 3) With each quarterly report the projected fiscal year end budget may be re-adjusted.



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending September 2021 (Unaudited)  
Water Use Efficiency Projects

|                                      | <u>Actual</u> | <u>Variance %</u> | <u>Fiscal Year<br/>Budget</u> | <u>% of<br/>Budget</u> | <u>Projected Final<br/>FY Budget</u> |
|--------------------------------------|---------------|-------------------|-------------------------------|------------------------|--------------------------------------|
| <b><u>Turf Removal Program</u></b>   |               |                   |                               |                        |                                      |
| Revenues                             | 157,276       |                   | 993,924                       | 15.82%                 | 993,924                              |
| Expenditures                         | 178,157       |                   | 993,924                       | 17.92%                 | 993,924                              |
| Excess of Revenues over Expenditures | (20,881)      | -13%              |                               |                        |                                      |

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

Budget Variance: By the end of the fiscal year, Actual Budget will exceed the Budget due to increase property owner activity in our programs.

**Comprehensive Landscape (CLWUE)**

|                                      |          |      |         |        |         |
|--------------------------------------|----------|------|---------|--------|---------|
| Revenues                             | 83,959   |      | 303,100 | 27.70% | 303,100 |
| Expenditures                         | 110,698  |      | 303,100 | 36.52% | 303,100 |
| Excess of Revenues over Expenditures | (26,739) | -32% |         |        |         |

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

Budget Variance: By the end of the fiscal year, Actual Budget will exceed the Budget due to increase activity in our programs.

**Recycled Water Program**

|                                      |   |    |        |       |        |
|--------------------------------------|---|----|--------|-------|--------|
| Revenues                             | 0 |    | 40,000 | 0.00% | 40,000 |
| Expenditures                         | 0 |    | 40,000 | 0.00% | 40,000 |
| Excess of Revenues over Expenditures | 0 | 0% |        |       |        |

Actual Variance: Payments did occur for this program. Funding is from State grants which are notoriously slow to reimburse. All reporting is current.

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

**WSIP - Industrial Program**

|                                      |   |    |        |       |        |
|--------------------------------------|---|----|--------|-------|--------|
| Revenues                             | 0 |    | 45,000 | 0.00% | 45,000 |
| Expenditures                         | 0 |    | 45,000 | 0.00% | 45,000 |
| Excess of Revenues over Expenditures | 0 | 0% |        |       |        |

Actual Variance: Payments did occur for this program. Funding is from State grants which are notoriously slow to reimburse. All reporting is current.

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

**Land Design Program**

|                                      |          |       |         |        |         |
|--------------------------------------|----------|-------|---------|--------|---------|
| Revenues                             | 15,623   |       | 297,330 | 5.25%  | 297,330 |
| Expenditures                         | 53,177   |       | 297,330 | 17.88% | 297,330 |
| Excess of Revenues over Expenditures | (37,554) | -240% |         |        |         |

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

Budget Variance: Stated budget number is a yearly number, actual number is for the third quarter. By fiscal year end, it is anticipated Actual Budget versus year-end program activity will come in less than the Budget.

Notes:

- 1) Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.
- 2) Fiscal year budget versus Actual
- 3) With each quarterly report the projected fiscal year end budget may be re-adjusted.



A large rock formation with several tall, dark evergreen trees growing on top. The rock is situated in the ocean, with waves crashing against its base. The sky is a mix of light blue and orange, suggesting a sunset or sunrise. The entire scene is reflected in the calm water in the foreground.

# **FINANCIAL REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2021**



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An aerial photograph of a river winding through a dense forest. The river has a vibrant turquoise color, contrasting with the dark, autumnal foliage of the surrounding trees. The banks are rocky and uneven, with some areas showing small waterfalls or rapids. The overall scene is serene and natural.

# **INDEPENDENT AUDITOR'S REPORT**



## **Independent Auditor's Report**

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

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Municipal Water District of Orange County (the District) which comprise the statement of net position as of June 30, 2021, the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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





## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2021 and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited the District's 2020 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated November 2, 2020. In our audit opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it was derived.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of OPEB Contributions, Schedule of the District's Proportionate Share of the Net Pension Liability and Schedule of Contributions for the Cost Sharing Retirement Plan on pages 3 through 9 and 37 through 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Glendale, California  
November 4, 2021





# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**(Unaudited)**



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
JUNE 30, 2021**

The following is a brief discussion of the Municipal Water District of Orange County's (District) activities and financial performance for the year ended June 30, 2021. Please read it in conjunction with the District's basic financial statements and accompanying notes which follow this section.

**FINANCIAL HIGHLIGHTS**

- The District's revenues were \$167.1 million in FY 2020-21, compared to \$174.2 million in the prior fiscal year, a 4.1% decrease.
- The District's expenses were \$167.9 million in FY 2020-21, compared to \$172.9 million in the prior fiscal year, a 2.9% decrease.
- The District's assets at June 30, 2021 were \$52.9 million, a 5.5% increase compared to total assets of \$50.2 million at June 30, 2020.
- The District's liabilities at June 30, 2021 were \$42.3 million, an 8.5% increase compared to total liabilities of \$39.0 million at June 30, 2020.
- The District's net position at June 30, 2021 was \$11.0 million, a 7.0% decrease compared to net position of \$11.8 million at June 30, 2020.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

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

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



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(CONTINUED)  
JUNE 30, 2021**

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

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

**FINANCIAL ANALYSIS OF THE DISTRICT**

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



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(CONTINUED)  
JUNE 30, 2021**

**STATEMENT OF NET POSITION**

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

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

|  | <b>FY 2021</b>   | <b>PY<br/>FY 2020</b> | <b>Variance</b> | <b>Total<br/>Percent<br/>Change</b> |
|--|------------------|-----------------------|-----------------|-------------------------------------|
| Current Restricted Assets                                    | \$ 2,985         | \$ 3,377              | \$ (392)        | (11.6%)                             |
| Current Unrestricted Assets                                  | 46,494           | 45,182                | 1,312           | 2.9%                                |
| Capital Assets   | 3,362            | 1,630                 | 1,732           | 106.3%                              |
| Other Assets   | 89               | -                     | 89              | -                                   |
| <b>Total Assets</b>  | <b>52,930</b>    | <b>50,189</b>         | <b>2,741</b>    | <b>5.5%</b>                         |
| <b>Deferred Outflows of Resources</b>                        | <b>898</b>       | <b>965</b>            | <b>(67)</b>     | <b>(6.9%)</b>                       |
| Current Liabilities Payable from<br>Restricted Assets        | 852              | 1,098                 | (246)           | (22.4%)                             |
| Current Liabilities Payable from<br>Unrestricted Liabilities | 38,649           | 35,113                | 3,536           | 10.1%                               |
| Noncurrent Unrestricted Liabilities                          | 2,845            | 2,832                 | 13              | 0.5%                                |
| <b>Total Liabilities</b>                                     | <b>42,346</b>    | <b>39,043</b>         | <b>3,303</b>    | <b>8.5%</b>                         |
| <b>Deferred Inflows of Resources</b>                         | <b>519</b>       | <b>324</b>            | <b>195</b>      | <b>60.2%</b>                        |
| <b>Net Position:</b>   |                  |                       |                 |                                     |
| Investment in Capital Assets,<br>Net of Related Debt         | 3,362            | 1,630                 | 1,732           | 106.3%                              |
| Restricted for Trustee Activities                            | 2,132            | 2,279                 | (147)           | (6.5%)                              |
| Unrestricted   | 5,468            | 7,877                 | (2,409)         | (30.6%)                             |
| <b>Total Net Position</b>                                    | <b>\$ 10,962</b> | <b>\$ 11,786</b>      | <b>\$ (824)</b> | <b>(7.0%)</b>                       |

- Total Assets increased by \$2.7 million due to a \$3.5 million increase in Accounts Receivable for June Water Sales; the addition of capital assets for \$1.7 million, which are explained in Table 3 and an OPEB asset of 89 thousand. These are offset by Restricted Assets decrease of \$500 thousand due to less conservation credits from MET in May and June; a decrease in cash of \$1.9 million due to spending our carryover funds for the District's remodel/retrofit and a decrease of \$600 thousand in WEROC's AWIA project as they finish phase 3.
- Total Liabilities increased by \$3.3 million due to higher Water Sales in June for \$3.5 million and lower current liabilities from restricted assets of \$245 thousand due to spending unearned revenue throughout the year for conservation rebates.



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(CONTINUED)  
JUNE 30, 2021**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

While the Statement of Net Position shows the financial position at year-end, the Statement of Revenues, Expenses and Changes in Net Position provides information as to the results of operations of the District during the year. The District reported a decrease in net position of \$(824) thousand for the year ended June 30, 2021, as compared to an increase of \$1.3 million for the year ended June 30, 2020. The following is a summary of the change in the District's net position.

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

|                               | <b>FY 2021</b>   | <b>FY 2020</b>   | <b>Variance</b> | <b>Total<br/>Percent<br/>Change</b> |
|-------------------------------|------------------|------------------|-----------------|-------------------------------------|
| Water Sales                   | \$ 164,209       | \$ 170,997       | \$ (6,788)      | (4.0%)                              |
| Special Project Revenues      | 2,757            | 2,529            | 228             | 9.0%                                |
| Non-operating Revenues        | 90               | 696              | (606)           | (87.1%)                             |
| <b>Total Revenues</b>         | <b>167,056</b>   | <b>174,222</b>   | <b>(7,166)</b>  | <b>(4.1%)</b>                       |
| Operating Expenses            | 164,895          | 170,180          | (5,285)         | (3.1%)                              |
| Special Projects Expenses     | 2,756            | 2,529            | 227             | 9.0%                                |
| Depreciation Expense          | 229              | 196              | 33              | 16.8%                               |
| <b>Total Expenses</b>         | <b>167,880</b>   | <b>172,905</b>   | <b>(5,025)</b>  | <b>(2.9%)</b>                       |
| <b>Change in Net Position</b> | <b>(824)</b>     | <b>1,317</b>     | <b>(2,141)</b>  | <b>(162.6%)</b>                     |
| <b>Beginning Net Position</b> | <b>11,786</b>    | <b>10,469</b>    | <b>1,317</b>    | <b>12.6%</b>                        |
| <b>Ending Net Position</b>    | <b>\$ 10,962</b> | <b>\$ 11,786</b> | <b>\$ (824)</b> | <b>(7.0%)</b>                       |

The sources of change in net position are the following:

- Water Sales Revenues and Operating Expenses are lower due to lower water sales for the year.
- Special Projects Revenue and Expense are higher due to increased conservation and Federal Grant activity in conservation rebates.
- Non-operating Revenues are lower due to a decrease in interest revenue.
- Net position decreased due to capital and building expense projects being expensed as we enter the final phase of our office remodel/retrofit.



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(CONTINUED)  
JUNE 30, 2021**

**CAPITAL ASSETS**

The following is a summary of the District's capital assets at June 30, 2021 and June 30, 2020.

**TABLE 3  
Capital Assets  
(In thousands of dollars)**

|   | <b>FY 2021</b>  | <b>FY 2020</b>  | <b>Variance</b> | <b>Total<br/>Percent<br/>Change</b> |
|---|-----------------|-----------------|-----------------|-------------------------------------|
| Leasehold Improvements                    | \$ 6,060        | \$ 4,284        | \$ 1,776        | 41.5%                               |
| Furniture, Equipment & Computer Equipment | 780             | 650             | 130             | 20.0%                               |
| <b>Subtotal</b>                           | <b>6,840</b>    | <b>4,934</b>    | <b>1,906</b>    | <b>38.6%</b>                        |
| <b>Less Accumulated Depreciation</b>      | <b>(3,478)</b>  | <b>(3,304)</b>  | <b>(174)</b>    | <b>5.3%</b>                         |
| <b>Net Capital Assets</b>                 | <b>\$ 3,362</b> | <b>\$ 1,630</b> | <b>\$ 1,732</b> | <b>106.3%</b>                       |

The District is continuing with the office remodel and retrofit in which phase one has been completed and purchased new financial software. Additional information regarding capital assets can be found in Notes 1 and 4 of the notes to the financial statements.

**DEBT ADMINISTRATION**

The District had no debt outstanding as of June 30, 2021. No new long-term debt was incurred in the year ended June 30, 2021, and the District does not plan to issue new debt in the year ending June 30, 2022.



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(CONTINUED)  
JUNE 30, 2021**

**BUDGETARY HIGHLIGHTS**

The District is governed by a Board of Directors consisting of seven elected members. The Board adopts an annual appropriated budget prior to the start of the fiscal year. The Budget may be revised by Board action during the fiscal year. All amendments to the budget, or transfers of operating budget appropriations to or from reserve accounts, require Board notification. The General Manager is authorized to transfer budget amounts within programs and cost centers. The legal level of budgetary control is at the total fund level. An actual vs. budget comparison schedule for FY 2020-21 is presented in Table 4 to demonstrate compliance with the adopted budget.

**TABLE 4  
FY 2021 Actual vs FY 2021 Budget  
(In thousands of dollars)**

|                             | <b>Actual</b>   | <b>Budget</b>   | <b>Variance</b> | <b>Total<br/>Percent<br/>Change</b> |
|-----------------------------|-----------------|-----------------|-----------------|-------------------------------------|
| <b>Revenues:</b>            |                 |                 |                 |                                     |
| From Operations             | \$ 166,966      | \$ 236,026      | \$ (69,060)     | (29.3%)                             |
| Non-operating Revenues      | 90              | 483             | (393)           | (81.4%)                             |
| <b>Total Revenues</b>       | <b>167,056</b>  | <b>236,509</b>  | <b>(69,453)</b> | <b>(29.4%)</b>                      |
| <b>Expenses:</b>            |                 |                 |                 |                                     |
| From Operations             |                 |                 |                 |                                     |
| Cost of Water               | 154,405         | 224,198         | 69,793          | 31.1%                               |
| Other Operating             | 13,246          | 12,387          | (859)           | (6.9%)                              |
| Depreciation                | 229             | 191             | (38)            | (19.9%)                             |
| <b>Total Expenses</b>       | <b>167,880</b>  | <b>236,776</b>  | <b>68,896</b>   | <b>29.1%</b>                        |
| <b>Change In Net Assets</b> | <b>\$ (824)</b> | <b>\$ (267)</b> | <b>\$ (557)</b> | <b>208.6%</b>                       |

The variances on the budget to actual are as follows:

- Revenues from Operations were \$69.0 million less than budget due to actual water sales being lower than expected.
- Non-Operating Revenues are lower due to a decrease in the fair value of investments.
- Expenses from Cost of Water purchased were \$69.8 million lower than budget due to actual water sales being lower than expected.
- Other Operating Expenses were \$859 thousand higher due to the election expense that is being covered by the reserve account.
- Depreciation is higher due to the addition of capital assets.



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(CONTINUED)  
JUNE 30, 2021**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**


The District's Board of Directors and management considered many factors during the preparation and approval of the annual budget for FY 2021-22. The budgeted operating expenses total \$181.7 million and operating and non-operating revenues total \$181.9 million.

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

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is intended to provide the Board of Directors, customers, taxpayers, creditors, and other interested parties with a general overview of the District's financial operations and condition as of and for the year ended June 30, 2021, and to demonstrate the District's accountability for the funds it receives. If you have questions about this report or need additional information, you may contact the Municipal Water District of Orange County, Finance Dept., at 18700 Ward Street, Fountain Valley, CA 92708, (714) 963-3058, [www.mwdoc.com](http://www.mwdoc.com).





# **BASIC FINANCIAL STATEMENTS**

**Statements of Net Position**

**Statements of Revenues**

**Expenses and Changes in Net Position**

**Statements of Cash Flows**



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

Statement of Net Position

June 30, 2021

(with comparative data as of June 30, 2020)

|  | <u>2021</u>       | <u>2020</u>       |
|--|-------------------|-------------------|
| <b><u>ASSETS</u></b>                                     |                   |                   |
| <b>Current Assets:</b>                                   |                   |                   |
| <b>Restricted Assets (Note 3):</b>                       |                   |                   |
| Cash and Cash Equivalents (Note 2)                       | \$ 1,871,973      | \$ 1,817,311      |
| Accounts Receivable Other                                | 1,112,402         | 1,557,816         |
| Accrued Interest Receivable                              | 540               | 2,058             |
| Total Restricted Assets                                  | <u>2,984,915</u>  | <u>3,377,185</u>  |
| <b>Unrestricted Assets:</b>                              |                   |                   |
| Cash and Cash Equivalents (Note 2)                       | 9,219,011         | 11,477,712        |
| Investments (Note 2)                                     | 3,144,568         | 2,714,282         |
| Accounts Receivable:                                     |                   |                   |
| Water Sales  | 33,665,658        | 29,851,130        |
| Other  | 230,826           | 849,348           |
| Accrued Interest Receivable                              | 40,561            | 80,804            |
| Deposits and Prepaid Expenses                            | 193,053           | 208,462           |
| Total Unrestricted Assets                                | <u>46,493,677</u> | <u>45,181,738</u> |
| Total Current Assets                                     | <u>49,478,592</u> | <u>48,558,923</u> |
| <b>Noncurrent Assets:</b>                                |                   |                   |
| <b>Unrestricted Assets:</b>                              |                   |                   |
| Capital Assets, Net (Note 4)                             | 3,362,201         | 1,630,237         |
| Net Other Post Employment Benefits (OPEB) Asset (Note 8) | 89,196            | -                 |
| Total Noncurrent Assets                                  | <u>3,451,397</u>  | <u>1,630,237</u>  |
| <b>TOTAL ASSETS</b>                                      | <u>52,929,989</u> | <u>50,189,160</u> |
| <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>             |                   |                   |
| Deferred Amount Related to Pensions (Note 7)             | 865,988           | 856,104           |
| Deferred Amount Related to OPEB (Note 8)                 | 31,791            | 108,419           |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>              | <u>897,779</u>    | <u>964,523</u>    |



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

Statement of Net Position (Continued)

June 30, 2021

(with comparative data as of June 30, 2020)

|  | <u><b>2021</b></u>   | <u><b>2020</b></u>   |
|--|----------------------|----------------------|
| <b><u>LIABILITIES</u></b>  |                      |                      |
| <b>Current Liabilities:</b>  |                      |                      |
| <b>Payable from Restricted Assets</b>                                |                      |                      |
| Accrued Liabilities  | \$ 440,453           | \$ 439,878           |
| Advances from Participants   | 412,042              | 658,092              |
| Total Payable from Restricted Assets                                 | <u>852,495</u>       | <u>1,097,970</u>     |
| <b>Unrestricted Liabilities:</b>                                     |                      |                      |
| Accounts Payable, Metropolitan Water District of Southern California | 34,290,284           | 31,154,917           |
| Accrued Liabilities  | 4,359,106            | 3,957,879            |
| Total Unrestricted Liabilities                                       | <u>38,649,390</u>    | <u>35,112,796</u>    |
| Total Current Liabilities  | <u>39,501,885</u>    | <u>36,210,766</u>    |
| <b>Noncurrent Liabilities:</b>                                       |                      |                      |
| <b>Unrestricted Liabilities:</b>                                     |                      |                      |
| Net Pension Liability (Note 7)                                       | 2,844,833            | 2,516,221            |
| Net OPEB Liability (Note 8)  | -                    | 316,000              |
| Total Noncurrent Liabilities   | <u>2,844,833</u>     | <u>2,832,221</u>     |
| <b>TOTAL LIABILITIES</b>   | <u>42,346,718</u>    | <u>39,042,987</u>    |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>                          |                      |                      |
| Deferred Amount Related to Pensions (Note 7)                         | 237,042              | 267,799              |
| Deferred Amount Related to OPEB (Note 8)                             | 281,591              | 56,477               |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                           | <u>518,633</u>       | <u>324,276</u>       |
| <b><u>NET POSITION</u></b>   |                      |                      |
| Net Investment in Capital Assets                                     | 3,362,201            | 1,630,237            |
| Restricted   | 2,132,420            | 2,279,215            |
| Unrestricted   | 5,467,796            | 7,876,968            |
| <b>TOTAL NET POSITION</b>  | <u>\$ 10,962,417</u> | <u>\$ 11,786,420</u> |



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

Statement of Revenues, Expenses and

Changes in Net Position

For the Fiscal Year Ended June 30, 2021

(with comparative data as of June 30, 2020)

|   | <u><b>2021</b></u>          | <u><b>2020</b></u>          |
|---|-----------------------------|-----------------------------|
| <b>Operating Revenues:</b>              |                             |                             |
| Water Sales                             | \$ 164,209,371              | \$ 170,997,486              |
| Special Projects Revenue                | 1,819,848                   | 1,703,203                   |
| Federal Grant Revenue                   | 314,942                     | 178,610                     |
| State Grant Revenue                     | 621,614                     | 647,196                     |
| Total Operating Revenues                | <u>166,965,775</u>          | <u>173,526,495</u>          |
| <b>Operating Expenses:</b>              |                             |                             |
| Cost of Water Sold                      | 154,404,997                 | 161,112,594                 |
| Salaries and Employee Benefits          | 6,609,558                   | 6,089,438                   |
| General and Administrative              | 3,880,352                   | 2,978,151                   |
| Special Project Expenses                | 2,756,404                   | 2,529,009                   |
| Depreciation                            | 228,688                     | 195,898                     |
| Total Operating Expenses                | <u>167,879,999</u>          | <u>172,905,090</u>          |
| Operating Income                        | <u>(914,224)</u>            | <u>621,405</u>              |
| <b>Nonoperating Revenues:</b>           |                             |                             |
| Investment Income                       | 75,669                      | 648,678                     |
| Other Income                            | 14,552                      | 47,410                      |
| Total Nonoperating Revenues             | <u>90,221</u>               | <u>696,088</u>              |
| <b>Change in Net Position</b>           | <u>(824,003)</u>            | <u>1,317,493</u>            |
| <b>NET POSITION - BEGINNING OF YEAR</b> | <u>11,786,420</u>           | <u>10,468,927</u>           |
| <b>NET POSITION - END OF YEAR</b>       | <u><u>\$ 10,962,417</u></u> | <u><u>\$ 11,786,420</u></u> |



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2021

(with comparative data for the Year Ended June 30, 2020)

|   | <u>2021</u>    | <u>2020</u>    |
|---|----------------|----------------|
| <b>Cash Flows from Operating Activities:</b>                          |                |                |
| Cash received from member agencies-water deliveries                   | \$ 160,394,843 | \$ 159,166,335 |
| Cash (payments) to Metropolitan Water District of Southern California | (151,269,630)  | (150,392,380)  |
| Cash (payments) for salaries and employee benefits                    | (6,425,041)    | (5,744,797)    |
| Cash (payments) for general and administrative expenses               | (2,845,194)    | (1,157,522)    |
| Cash received from special projects                                   | 3,202,393      | 2,763,611      |
| Cash (payments) for special projects                                  | (3,002,454)    | (2,670,868)    |
| Other income  | 14,552         | 47,410         |
|   | <hr/>          | <hr/>          |
| Net Cash Provided by Operating Activities                             | 69,469         | 2,011,789      |
|   | <hr/>          | <hr/>          |
| <b>Cash Flows from Capital and Related Financing Activity:</b>        |                |                |
| Acquisition of capital assets   | (1,960,652)    | (537,657)      |
|   | <hr/>          | <hr/>          |
| Cash Used by Capital and Related Financing Activity                   | (1,960,652)    | (537,657)      |
|   | <hr/>          | <hr/>          |
| <b>Cash Flows from Investment Activities:</b>                         |                |                |
| Investment income   | 75,669         | 648,678        |
| Investments matured/(purchased)                                       | (388,525)      | 443,480        |
|   | <hr/>          | <hr/>          |
| Cash Provided (Used) by Investment Activities                         | (312,856)      | 1,092,158      |
|   | <hr/>          | <hr/>          |
| Net increase (decrease) in cash and cash equivalents                  | (2,204,039)    | 2,566,290      |
| Cash and Cash equivalents at beginning of year                        | 13,295,023     | 10,728,733     |
|   | <hr/>          | <hr/>          |
| Cash and Cash Equivalents at End of Year                              | \$ 11,090,984  | \$ 13,295,023  |
|   | <hr/>          | <hr/>          |
| <b>Financial Statement Presentation:</b>                              |                |                |
| Cash and Cash Equivalents (Restricted)                                | \$ 1,871,973   | \$ 1,817,311   |
| Cash and Cash Equivalents (Unrestricted)                              | 9,219,011      | 11,477,712     |
|   | <hr/>          | <hr/>          |
| Totals  | \$ 11,090,984  | \$ 13,295,023  |
|   | <hr/>          | <hr/>          |



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

Statement of Cash Flows (Continued)

For the Fiscal Year Ended June 30, 2021

(with comparative data for the Year Ended June 30, 2020)

|   | <u>2021</u>         | <u>2020</u>         |
|---|---------------------|---------------------|
| <b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>         |                     |                     |
| Operating Income (Loss)   | \$ (914,224)        | \$ 621,405          |
| Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities: |                     |                     |
| Depreciation  | 228,688             | 195,898             |
| Other Income  | 14,552              | 47,410              |
| Changes in Assets and Liabilities:  |                     |                     |
| (Increase)/Decrease in Accounts Receivable - Water Sales  | (3,814,528)         | (11,831,151)        |
| (Increase)/Decrease in Accounts Receivable - Other  | 618,522             | (775,258)           |
| (Increase) in Deposits and Prepaid Expenses   | 15,409              | (21,316)            |
| (Increase)/Decrease in Accounts Receivable - Special Projects   | 445,414             | (125,010)           |
| (Increase)/Decrease in Deferred Outflows - Pension/OPEB Related                                       | 66,744              | (112,109)           |
| Increase/(Decrease) in Accrued and Other Liabilities  | 401,227             | 2,617,203           |
| Increase/(Decrease) in Restricted Accrued Liabilities   | 575                 | 359,612             |
| (Decrease) in Advances from Participants  | (246,050)           | (141,859)           |
| Increase/(Decrease) in Accounts Payable to  |                     |                     |
| Metropolitan Water District of Southern California  | 3,135,367           | 10,720,214          |
| Increase/(Decrease) in Net Pension and OPEB Liability   | 12,612              | 351,109             |
| Increase in Deferred Inflows - Pension/OPEB Related   | 194,357             | 105,641             |
| Total Adjustments   | <u>983,693</u>      | <u>1,390,384</u>    |
| Net Cash Provided by Operating Activities   | <u>\$ 69,469</u>    | <u>\$ 2,011,789</u> |
| Noncash investing activity:   |                     |                     |
| Unrealized gain/(loss) on investments*  | \$ (130,536)        | \$ 154,032          |
| Total noncash investing activity  | <u>\$ (130,536)</u> | <u>\$ 154,032</u>   |

\*Per GASB 31 adjusted investments and cash equivalent to fair value for FY 2020-21





# **NOTES TO BASIC FINANCIAL STATEMENTS**



## **Municipal Water District of Orange County**

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

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### **(1) Organization and Summary of Significant Accounting Policies**

#### **Reporting Entity**

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

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

The District's reporting entity includes the accounts of the District and the Municipal Water District of Orange County Water Facilities Corporation (WFC). Formed as a separate California nonprofit corporation on April 20, 1978 to assist in the financing of the Allen-McColloch Pipeline (AMP) and the Flow Augmentation Project (FAP), the WFC has no employees. The WFC is governed by a seven-member board comprised of the District's board members. The WFC had no activity or balances for the year ended June 30, 2021 and is kept active for potential future financing arrangements. WFC is a blended component unit of the District and the District has operational responsibility for WFC.

#### **Basic Financial Statements**

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

#### **Basis of Presentation**

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

The District's basic financial statements have been prepared on the accrual basis of accounting, and are presented on an economic measurement focus reporting all economic resources and obligations as of and for the year ended June 30, 2021.



## **Municipal Water District of Orange County**

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

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

#### **Net Position**

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

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

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

#### **Operating and Nonoperating Revenues and Expenses**

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

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

#### **Water Sales and Cost of Water Sold**

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

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



## **Municipal Water District of Orange County**

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

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

#### **Investments**

##### **Fair Value Measurements**

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

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

#### **Cash and Cash Equivalents**

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

#### **Accounts Receivable**

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

#### **Capital Assets**

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

#### **Deposits and Prepaid Expenses**

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

#### **Deferred Outflows and Inflows of Resources**

The District reported deferred outflows and inflows of resources related to pensions and OPEB. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net position by the district that is applicable to a future period. Refer to Note 7 and 8 for items identified as deferred inflows and outflows of resources as of June 30, 2021.



## **Municipal Water District of Orange County**

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

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

#### **Compensated Absences**

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

#### **Unearned Revenue / Advances from Participants**

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

#### **Pensions**

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

#### **Postemployment Benefits Other Than Pensions (OPEB)**

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

#### **Estimates**

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

#### **Prior Year Data**

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



## Municipal Water District of Orange County

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

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

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

### (2) Cash and Investments

Cash and investments at June 30, 2021, are classified in the accompanying financial statements as follows:

Statement of net position:

|  |                             |
|--|-----------------------------|
| Cash and cash equivalents (restricted)   | \$ 1,871,973                |
| Cash and cash equivalents (unrestricted) | 9,219,011                   |
| Investments (unrestricted)               | <u>3,144,568</u>            |
| Total Cash and Investments               | <u><u>\$ 14,235,552</u></u> |

Cash and investments as of June 30, 2021 consist of the following:

|                                      |                             |
|--------------------------------------|-----------------------------|
| Cash on hand                         | \$ 500                      |
| Deposits with financial institutions | 424,545                     |
| Investments                          | <u>13,810,507</u>           |
| Total Cash and Investments           | <u><u>\$ 14,235,552</u></u> |

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

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



# Municipal Water District of Orange County

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

## (2) Cash and Investments (Continued)

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

## Disclosures Relating to Interest Rate Risk

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

| Investment Type                    | Total                | Remaining Maturity (in Months) |                   |                     |
|------------------------------------|----------------------|--------------------------------|-------------------|---------------------|
|                                    |                      | 12 Months or Less              | 13 to 24 Months   | 25-60 Months        |
| Negotiable Certificate of Deposits | \$ 1,518,161         | \$ 200,174                     | \$ 256,615        | \$ 1,061,372        |
| Corporate Securities               | 1,377,247            | 204,496                        | 203,464           | 969,287             |
| US Government Issues               | 249,160              | -                              | -                 | 249,160             |
| Orange County Investment Pool      | 9,279,986            | 9,279,986                      | -                 | -                   |
| State Investment Pool              | 1,385,953            | 1,385,953                      | -                 | -                   |
|                                    | <u>\$ 13,810,507</u> | <u>\$ 11,070,609</u>           | <u>\$ 460,079</u> | <u>\$ 2,279,819</u> |



# Municipal Water District of Orange County

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

## (2) Cash and Investments (Continued)

### Disclosures Relating to Credit Risk

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

| Investment Type                    | Total               | Minimum<br>Legal<br>Rating | Ratings as of Year End |                  |                  |                  |                  |                     |
|------------------------------------|---------------------|----------------------------|------------------------|------------------|------------------|------------------|------------------|---------------------|
|                                    |                     |                            | AA+                    | A                | A-               | AA-              | BBB+             | Not Rated           |
| Negotiable Certificate of Deposits | \$ 1,518,161        | N/A                        | \$ -                   | \$ -             | \$ -             | \$ -             | \$ -             | \$ 1,518,161        |
| Corporate Securities               | 1,377,247           | A                          | -                      | 243,403          | 686,098          | 204,496          | 243,250          | -                   |
| US Government Issues               | 249,160             | A                          | 249,160                | -                | -                | -                | -                | -                   |
| Orange County Investment Pool      | 9,279,986           | N/A                        | -                      | -                | -                | -                | -                | 9,279,986           |
| State Investment Pool              | 1,385,953           | N/A                        | -                      | -                | -                | -                | -                | 1,385,953           |
|                                    | <u>\$13,810,507</u> |                            | <u>\$249,160</u>       | <u>\$243,403</u> | <u>\$686,098</u> | <u>\$204,496</u> | <u>\$243,250</u> | <u>\$12,184,100</u> |

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

### Disclosures Relating to Fair Value Measurement and Application

Fair value measurements are categorized based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments categorized as Level 2 are valued using a market approach using quoted market prices. Values are determined using pricing models and discounted cash flow models and includes management judgement and estimation. Uncategorized investments include investments in a non 2a-7 like pool, such as the Local Agency Investment Fund (LAIF) and the Orange County Investment Pool (OCIP). These investments do not have a legally binding guarantee for its share price and cannot have a measured amortized cost.

The District had the following recurring fair value measurements as of June 30, 2021:

| Investment Type                    |                     | Fair Value Application |                    |             |                      |
|------------------------------------|---------------------|------------------------|--------------------|-------------|----------------------|
|                                    |                     | 1                      | 2                  | 3           | Uncategorized        |
| Negotiable Certificate of Deposits | \$ 1,518,161        | \$ -                   | \$1,518,161        | \$ -        | \$ -                 |
| Corporate Securities               | 1,377,247           | -                      | 1,377,247          | -           | -                    |
| US Government Issues               | 249,160             | -                      | 249,160            | -           | -                    |
| Orange County Investment Pool      | 9,279,986           | -                      | -                  | -           | 9,279,986            |
| State Investment Pool              | 1,385,953           | -                      | -                  | -           | 1,385,953            |
|                                    | <u>\$13,810,507</u> | <u>\$ -</u>            | <u>\$3,144,568</u> | <u>\$ -</u> | <u>\$ 10,665,939</u> |

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



## **Municipal Water District of Orange County**

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

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### **(2) Cash and Investments (Continued)**

#### **Concentration of Credit Risk**

The District's investment policy contains limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. At June 30, 2021, the District did not have investments in more than one issuer (other than U.S. Treasury securities, mutual funds, external investment pools) that represented 5% or more of total District investments.

#### **Custodial Credit Risk**

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

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. The Government Code also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2021 the District's deposits with financial institutions are covered by the Federal Deposit Insurance Corporation up to \$250,000, the remaining amounts of \$354,802 were collateralized as described above.

#### **Investment in State and County Investment Pool**

The District is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California, and in the OCIP under the oversight of the Orange County Treasurer. The fair market value of the District's investment in these pools are reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair market value provided by LAIF and OCIP for the entire LAIF and OCIP portfolios (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF and OCIP, which are recorded on an amortized cost basis.

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

The District is a participant in OCIP. The OCIP is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The County Treasury Oversight Committee conducts OCIP oversight. Cash on deposit in OCIP at June 30, 2021, is stated at fair value. The OCIP values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end.



## Municipal Water District of Orange County

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

### (2) Cash and Investments (Continued)

For further information regarding OCIP, refer to the County of Orange Comprehensive Annual Financial Report.

### (3) Restricted Assets

Restricted assets are monies held in restricted funds or accounts by the District for the benefit of member agencies, including a rate stabilization fund. As of June 30, 2021, \$2,984,915 was reported as restricted assets related to member agency activities.

### (4) Capital Assets

The following is a summary of capital assets at June 30, 2021 with changes therein:

|                                   | 2020                | Additions           | Deletions         | 2021                |
|-----------------------------------|---------------------|---------------------|-------------------|---------------------|
| Furniture, Fixtures and Equipment | \$ 649,774          | \$ 182,070          | \$ (51,582)       | \$ 780,262          |
| Leasehold Improvements            | 4,284,127           | 1,784,748           | (9,069)           | 6,059,806           |
|                                   | <u>4,933,901</u>    | <u>1,966,818</u>    | <u>(60,651)</u>   | <u>6,840,068</u>    |
| Less Accumulated Depreciation:    |                     |                     |                   |                     |
| Furniture, Fixtures and Equipment | (466,247)           | (59,070)            | 50,858            | (474,459)           |
| Leasehold Improvements            | <u>(2,837,417)</u>  | <u>(169,618)</u>    | <u>3,627</u>      | <u>(3,003,408)</u>  |
|                                   | <u>(3,303,664)</u>  | <u>(228,688)</u>    | <u>54,485</u>     | <u>(3,477,867)</u>  |
| Net Capital Assets                | <u>\$ 1,630,237</u> | <u>\$ 1,738,130</u> | <u>\$ (6,166)</u> | <u>\$ 3,362,201</u> |

### (5) Deferred Pension Plan

The District sponsors a Money Purchase Pension Plan (the Pension Plan), a defined contribution plan, under Internal Revenue Code Section 401(a). Currently the MWDOC Board of Directors, MWDOC MET Directors and the General Manager actively participate in the Pension Plan. In accordance with section 3401(c) of the Internal Revenue Code, the term employee includes officers, whether elected or appointed. The Directors contribute 7.5 percent of their covered compensation to the Pension Plan, in lieu of contributing to Social Security. The Directors' contributions to the Pension Plan totaled \$28,314 for the year ended June 30, 2021. Participants become vested in the Pension Plan at a rate of 20% per year of service until they are fully vested after five (5) years.

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



## **Municipal Water District of Orange County**

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

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### **(6) Risk Management**

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

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

At June 30, 2021, the District participated in the self-insurance programs as follows:

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

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

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

**Cyber Liability** – The Insurance Authority has a coverage limit of \$5 million aggregate with a \$75,000 to \$100,000 deductible.

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

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



## Municipal Water District of Orange County

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

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

#### General Information about the Pension Plan

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

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

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

|   | Miscellaneous               |                                |
|---|-----------------------------|--------------------------------|
|   | Prior to<br>January 1, 2013 | On or after<br>January 1, 2013 |
| Hire Date                                 |                             |                                |
| Formula                                   | 2.0% @55                    | 2.0% @62                       |
| Benefit vesting schedule                  | 5 years of service          | 5 years of service             |
| Benefit payments                          | monthly for life            | monthly for life               |
| Retirement age                            | 50-63                       | 52-67                          |
| Monthly benefits, as a % of annual salary | 1.426% to 2.418%            | 1.0% to 2.5%                   |
| Required employee contribution rates      | 7%                          | 6.750%                         |
| Required employer contribution rates      | 11.031%                     | 7.732%                         |
| Pensionable Compensation Cap*             | No Cap                      | \$153,671                      |

\* Will increase to reflect changes in the Consumer Price Index

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

Contributions recognized by the Plans from the employer for the year ended June 30, 2021 were \$413,399. The District has phased out contributions paid on behalf of employees as of July 2018.



## Municipal Water District of Orange County

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

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

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

As of June 30, 2021, the District's proportionate share of the net pension liability of the Plan is as follows:

|               | Proportionate<br>Share<br>of Net Pension<br>Liability |
|---------------|---|
| Miscellaneous | <u>\$ 2,844,833</u>                                   |

The District's net pension liability was measured as the proportionate share of the net pension liability of the collective cost-sharing plan. The District's net pension liability was measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 were as follows:

|                              | Miscellaneous   |
|------------------------------|-----------------|
| Proportion - June 30, 2019   | <u>0.06283%</u> |
| Proportion - June 30, 2020   | <u>0.06744%</u> |
| Change - Increase (Decrease) | <u>0.00461%</u> |

For the year ended June 30, 2021, the District recognized pension expense of \$702,598.



## Municipal Water District of Orange County

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

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

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between Expected<br>and Actual Experience                                   | \$ 146,603                           | \$ -                                |
| Changes of Assumptions  | -                                    | 20,290                              |
| Differences between Projected<br>and Actual Investment Earnings                         | 84,510                               | -                                   |
| Change in Employer's Proportion   | 221,476                              | -                                   |
| Differences between Employers Contributions<br>and Proportionate Share of Contributions | -                                    | 216,752                             |
| Pension Contributions Made<br>Subsequent to Measurement Date                            | 413,399                              | -                                   |
| Total   | <u>\$ 865,988</u>                    | <u>\$ 237,042</u>                   |

The amount of \$413,399 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year ending<br>June 30, |                   |
|-------------------------|-------------------|
| 2022                    | \$ 40,686         |
| 2023                    | 73,733            |
| 2024                    | 60,594            |
| 2025                    | 40,534            |
|                         | <u>\$ 215,547</u> |



## Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2021

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

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2019 actuarial valuation were determined using the following actuarial assumptions.

|                                   | Miscellaneous  |
|-----------------------------------|--|
| Valuation Date                    | June 30, 2019  |
| Measurement Date                  | June 30, 2020  |
| Actuarial Cost Method             | Entry-Age Normal Cost Method   |
| Actuarial Assumptions:            |  |
| Investment Rate of Return         | 7.15%  |
| Inflation                         | 2.50%  |
| Salary Increases                  | Varies by Entry Age and Service  |
| Mortality Rate Table <sup>1</sup> | Derived using CalPERS' Membership Data for all Funds   |
| Post Retirement Benefit Increase  | The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter |

<sup>1</sup> The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

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

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

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



# Municipal Water District of Orange County

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

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

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

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

<sup>1</sup> In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup> An expected inflation of 2.00% used for this period.

<sup>3</sup> An expected inflation of 2.92% used for this period.

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

|  | 1% Decrease<br>(6.15%) | Discount Rate<br>(7.15%) | 1% Increase<br>(8.15%) |
|--|------------------------|--------------------------|------------------------|
| District's Net Pension Liability/(Asset) | \$ 4,779,044           | \$ 2,844,833             | \$ 1,246,655           |

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

### Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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



## Municipal Water District of Orange County

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

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

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

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

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

#### Plan Description:

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

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

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

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

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



## Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2021

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

Plan membership. At June 30, 2021, membership consisted of the following:

|   |           |
|---|-----------|
| Inactive plan members or beneficiaries currently receiving benefit payments | 12        |
| Active plan members   | 13        |
| Total   | <u>25</u> |

#### Funding Policy:

The contribution requirements of Health Plan members and the District are established, and may be amended, by the District's Board of Directors. The District has fully funded the OPEB obligation with the addition of an OPEB Designated Reserve account.

#### Net OPEB Liability/(Asset):

The District's Net OPEB Liability/(Asset) was measured as of June 30, 2021 and the Total OPEB Liability/(Asset) used to calculate the Net OPEB Liability/(Asset) was determined by an actuarial valuation as of July 1, 2020. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

#### Actuarial assumptions:

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

|                            |   |
|----------------------------|---|
| Salary increases           | 3.00%   |
| Inflation rate             | 3.00%   |
| Investment rate of return  | 6.00%, net of OPEB plan investment expense  |
| Healthcare cost trend rate | 5.90% for 2021; 5.80% for 2022; 5.60% for 2023; and decreasing 0.10% per year to an ultimate rate of 5.00% for 2030 and later years |
| Pre-retirement Mortality   | RP-2014 Employee Mortality Table, without projection  |
| Post-Retirement Mortality  | RP-2014 Health Annuitant Mortality Table, without projection  |

Actuarial assumptions used in the July 1, 2020 valuation were based on a review of plan experience during the period July 1, 2018 to June 30, 2020.

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



# Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2021

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

| Asset Class       | Assumed Asset<br>Allocation | Real Rate<br>of Return |
|-------------------|-----------------------------|------------------------|
| Broad U.S. Equity | 50%                         | 4.4%                   |
| U.S. Fixed        | 50%                         | 1.5%                   |

### Discount rate:

GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

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

|   |               |               |
|---|---------------|---------------|
| Reporting Date                                | June 30, 2021 | June 30, 2020 |
| Measurement Date                              | June 30, 2021 | June 30, 2020 |
| Long-Term Expected Return of Plan Investments | 6.00%         | 6.00%         |
| Fidelity GO AA 20-Year Municipal Index        | 1.92%         | 2.45%         |
| Discount Rate                                 | 6.00%         | 6.00%         |

The components of the net OPEB liability/(asset) at June 30, 2021, were as follows:

|   |                    |
|---|--------------------|
| Total OPEB liability  | \$ 2,691,904       |
| Plan fiduciary net position   | 2,781,100          |
| Net OPEB liability/(asset)  | <u>\$ (89,196)</u> |
| Measurement date  | June 30, 2021      |
| Reporting date  | June 30, 2021      |
| Covered payroll   | \$ 1,889,365       |
| Net OPEB liability/(asset) as a percentage of covered payroll           | -4.72%             |
| Plan fiduciary net position as a percentage of the total OPEB liability | 103.31%            |



# Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2021

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

Schedule of Changes in Net OPEB Liability/(Asset) (June 30, 2020 to June 30, 2021):

|  | Increase (Decrease)     |                                |                       |
|--|-------------------------|--------------------------------|-----------------------|
|  | Total OPEB<br>Liability | Plan Fiduciary<br>Net Position | Net OPEB<br>Liability |
| Balances at June 30, 2020                          | \$ 2,602,083            | \$ 2,286,083                   | \$ 316,000            |
| Changes for the year:                              |                         |                                |                       |
| Service Cost                                       | 32,103                  | -                              | 32,103                |
| Interest   | 155,170                 | -                              | 155,170               |
| Differences between expected and actual experience | -                       | -                              | -                     |
| Change in assumptions                              | -                       | -                              | -                     |
| Net investment income                              | -                       | 509,846                        | (509,846)             |
| Contributions                                      |                         |                                |                       |
| Employer - cash subsidy                            | -                       | 97,452                         | (97,452)              |
| Benefit payments, including implicit subsidy       | (97,452)                | (97,452)                       | -                     |
| Administrative expense                             | -                       | (14,829)                       | 14,829                |
| <b>Net changes</b>                                 | <b>89,821</b>           | <b>495,017</b>                 | <b>(405,196)</b>      |
| <b>Balances at June 30, 2021</b>                   | <b>\$ 2,691,904</b>     | <b>\$ 2,781,100</b>            | <b>\$ (89,196)</b>    |

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

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

|                            | 1% Decrease<br>(5.00%) | Discount Rate<br>(6.00%) | 1% Increase<br>(7.00%) |
|----------------------------|------------------------|--------------------------|------------------------|
| Net OPEB liability (asset) | \$285,663              | \$(89,196)               | \$(396,384)            |

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

The following presents the net OPEB liability/(asset), as well as what the net OPEB liability/(asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.90% decreasing to 4.00%) or 1-percentage-point higher (6.90% decreasing to 6.00%) than the current healthcare cost trend rates:

|                            | 1% Decrease<br>(4.90% decreasing<br>to 4.00%) | Trend Rate<br>(5.90% decreasing<br>to 5.00%) | 1% Increase<br>(6.90% decreasing<br>to 6.00%) |
|----------------------------|---|--|---|
| Net OPEB liability (asset) | \$(411,909)                                   | \$(89,196)                                   | \$305,045                                     |



## Municipal Water District of Orange County

Notes to Basic Financial Statements  
For the Year Ended June 30, 2021

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

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

For the year ended June 30, 2021, the District made a total contribution of \$76,809, which represent actual health care costs for its retirees and their covered dependents. Total contribution inclusive of implicit subsidy amounted to \$97,452.

#### OPEB Expense

For the year ended June 30, 2021, the District's OPEB expense was \$(6,002).

|   |                   |
|---|-------------------|
| Service Cost  | \$ 32,103         |
| Interest  | 155,170           |
| Expected Return on Assets                           | (137,165)         |
| Recognition of Deferred Outflows and Inflows        |                   |
| Difference between expected and actual experience   | (29,724)          |
| Change of assumptions                               | 35,323            |
| Difference between projected and actual investments | (61,709)          |
| Total   | (56,110)          |
| Net OPEB Expense June 30, 2020 to June 30, 2021     | <u>\$ (6,002)</u> |

#### Actuarially Determined Contribution

The following shows the actuarially determined contribution from the most recent actuarial valuation:

|  |              |
|--|--------------|
| Actuarially Determined Contribution for year ending June 30, 2021 <sup>1</sup> | \$ 50,448    |
| Actuarially Determined Contribution for year ending June 30, 2022 <sup>1</sup> | 51,962       |
| Valuation Date   | July 1, 2020 |
| Discount Rate  | 6.00%        |
| Salary Increases   | 3.00%        |

<sup>1</sup> For purposes of reporting the comparison between actual employer OPEB contributions and the actuarially determined contribution, we recommend adjusting actual employer OPEB contributions for any associated implicit subsidy: Adding \$20,643 for the year ended June 30, 2021 and \$27,552 for year ending June 30, 2022.



## Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2021

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

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

At June 30, 2021, the District's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources are:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Net difference between projected and actual earnings<br>on plan investments | \$ -                              | \$ 254,838                       |
| Differences between expected and actual experience                          | -                                 | 26,753                           |
| Changes in assumptions  | 31,791                            | -                                |
| Total   | <u>\$ 31,791</u>                  | <u>\$ 281,591</u>                |

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

| <u>Fiscal Year ending June 30:</u> | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|------------------------------------|-----------------------------------|----------------------------------|
| 2022                               | \$ 31,791                         | \$ (88,463)                      |
| 2023                               | -                                 | (61,762)                         |
| 2024                               | -                                 | (59,794)                         |
| 2025                               | -                                 | (71,572)                         |
|                                    | <u>\$ 31,791</u>                  | <u>\$ (281,591)</u>              |

#### Investments

For the year ended June 30, 2021 the annual money-weighted rate of return on investments, net of investment expense, was 22.35%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

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

| <u>Asset Class</u> | <u>Strategic Asset Allocation Ranges</u> |
|--------------------|--|
| Equity             | 40-60%                                   |
| Fixed income       | 40-60%                                   |
| Cash               | 0-20%                                    |



## **Municipal Water District of Orange County**

Notes to Basic Financial Statements

For the Year Ended June 30, 2021

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### **(9) Commitments and Contingencies**

The District is involved in various litigation from time to time arising from the normal course of business. In the opinion of management and legal counsel, the District is not involved in any litigation that is expected to have a material adverse effect on the overall financial position of the District at June 30, 2021.


### **(10) Impact of Coronavirus on the District's Operations**

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

### **(11) Subsequent Events**

No events have occurred subsequent to the balance sheet date through November 10, 2021, the date on which the financial statements were available to be issued, that require adjustment to, or disclosure in, the financial statements.





# **REQUIRED SUPPLEMENTARY INFORMATION**

**(Unaudited)**



**Municipal Water District of Orange County**  
Required Supplementary Information (Unaudited)  
For the Year Ended June 30, 2021

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

| Measurement Period  | 2021         | 2020         | 2019         | 2018         |
|---|--------------|--------------|--------------|--------------|
| <b>Total OPEB Liability</b>   |              |              |              |              |
| Service cost  | \$ 32,103    | \$ 30,118    | \$ 34,408    | \$ 33,406    |
| Interest on the total OPEB liability                                    | 155,170      | 148,417      | 140,392      | 134,254      |
| Actual and expected experience difference                               | -            | (86,201)     | -            | -            |
| Changes in assumptions  | -            | 102,437      | -            | -            |
| Changes in benefit terms  | -            | -            | -            | -            |
| Benefit Payments  | (97,452)     | (71,334)     | (71,021)     | (59,870)     |
| Net change in total OPEB liability                                      | 89,821       | 123,437      | 103,779      | 107,790      |
| Total OPEB liability - beginning  | 2,602,083    | 2,478,646    | 2,374,867    | 2,267,077    |
| Total OPEB liability - ending (a)                                       | 2,691,904    | 2,602,083    | 2,478,646    | 2,374,867    |
| <b>Plan Fiduciary Net Position</b>                                      |              |              |              |              |
| Contribution - employer   | 97,452       | 71,334       | 71,021       | 59,870       |
| Net investment income   | 509,846      | 85,732       | 140,186      | 128,809      |
| Benefit payments  | (97,452)     | (71,334)     | (71,021)     | (59,870)     |
| Administrative expense  | (14,829)     | (11,886)     | (5,669)      | (11,456)     |
| Net change in plan fiduciary net position                               | 495,017      | 73,846       | 134,517      | 117,353      |
| Plan fiduciary net position - beginning                                 | 2,286,083    | 2,212,237    | 2,077,720    | 1,960,367    |
| Plan fiduciary net position - ending (b)                                | 2,781,100    | 2,286,083    | 2,212,237    | 2,077,720    |
| Net OPEB liability/(asset) - ending (a)-(b)                             | \$ (89,196)  | \$ 316,000   | \$ 266,409   | \$ 297,147   |
| Plan fiduciary net position as a percentage of the total OPEB liability | 103.31%      | 87.86%       | 89.25%       | 87.49%       |
| Covered-employee payroll  | \$ 1,889,365 | \$ 1,975,686 | \$ 1,956,477 | \$ 1,933,612 |
| Net OPEB liability as a percentage of covered-employee payroll          | -4.72%       | 15.99%       | 13.62%       | 15.37%       |

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



**Municipal Water District of Orange County**  
Required Supplementary Information (Unaudited)  
For the Year Ended June 30, 2021

**Schedule of OPEB Contributions  
Last Ten Fiscal Years\***

| Fiscal Year Ended June 30                                 | 2021               | 2020               | 2019               | 2018               |
|---|--------------------|--------------------|--------------------|--------------------|
| Actuarially Determined Contribution (ADC)                 | \$ 50,448          | \$ 46,537          | \$ 49,847          | \$ 48,878          |
| Contributions in relation to the ADC                      | (97,452)           | (71,334)           | (71,021)           | (59,870)           |
| Contribution deficiency (excess)                          | <u>\$ (47,004)</u> | <u>\$ (24,797)</u> | <u>\$ (21,174)</u> | <u>\$ (10,992)</u> |
| Covered-employee payroll                                  | \$ 1,889,365       | \$ 1,975,686       | \$ 1,956,477       | \$ 1,933,612       |
| Contributions as a percentage of covered-employee payroll | 5.16%              | 3.61%              | 3.63%              | 3.10%              |

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

**Notes to Schedule:**

The District's Net OPEB Liability was measured as of June 30, 2021 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2020 (June 30, 2020). Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

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

|   |   |
|---|---|
| Actuarial Cost Method                                     | Entry Age, Level Percent of Pay   |
| Valuation of fiduciary net position                       | Fair Value of Assets  |
| Recognition of deferred inflows and outflows of resources | Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB                      |
| Salary increases  | 3.00%   |
| Inflation Rate  | 3.00%   |
| Investment Rate of Return                                 | 6.00%, net of OPEB plan investment expense  |
| Healthcare cost trend rates                               | 5.90% for 2021; 5.80% for 2022; 5.60% for 2023; and decreasing 0.10% per year to an ultimate rate of 5.00% for 2030 and later years |
| Pre-Retirement Mortality                                  | RP-2014 Employee Mortality Table, without projection  |
| Post-Retirement Mortality                                 | RP-2014 Health Annuitant Mortality Table, without projection  |

Actuarial assumptions used in the July 1, 2020 valuation were based on a review of plan experience during the period July 1, 2018 to June 30, 2020.



**Municipal Water District of Orange County**  
**Required Supplementary Information (Unaudited)**  
**For the Year Ended June 30, 2021**

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

|   | 2021        | 2020        | 2019        | 2018        | 2017        | 2016        | 2015        |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Proportion of the net pension liability   | 0.06744%    | 0.06283%    | 0.05877%    | 0.05774%    | 0.05387%    | 0.05019%    | 0.02186%    |
| Proportionate share of the net pension liability                                    | \$2,844,833 | \$2,516,221 | \$2,214,703 | \$2,276,032 | \$1,871,472 | \$1,376,955 | \$1,360,017 |
| Covered Payroll   | \$3,792,545 | \$3,482,913 | \$3,295,260 | \$3,022,872 | \$2,748,796 | \$2,640,576 | \$2,601,571 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 75.01%      | 72.24%      | 67.21%      | 75.29%      | 68.08%      | 52.15%      | 52.28%      |
| Plan fiduciary net position as a percentage of the total pension liability          | 75.10%      | 75.26%      | 75.26%      | 73.31%      | 75.87%      | 78.40%      | 79.82%      |

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

**Notes to Schedule:**

|                  |           |           |           |           |           |           |           |
|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fiscal Year End: | 6/30/2021 | 6/30/2020 | 6/30/2019 | 6/30/2018 | 6/30/2017 | 6/30/2016 | 6/30/2015 |
| Valuation Date:  | 6/30/2019 | 6/30/2018 | 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 | 6/30/2013 |

**Methods and assumptions used to determine contribution rates:**

|                           | Entry Age Normal   | Entry Age Normal   | Entry Age Normal   | Entry Age Normal   | Entry Age Normal   | Entry Age Normal   | Entry Age Normal   |
|---------------------------|--|--|--|--|--|--|--|
| Actuarial Cost Method     | Level Percent of Payroll   | Level Percent of Payroll   | Level Percent of Payroll   | Level Percent of Payroll   | Level Percent of Payroll   | Level Percent of Payroll   | Level Percent of Payroll   |
| Asset Valuation Method    | Fair Value   | Market Value   | Market Value   | Market Value   | Market Value   | Market Value   | Market Value   |
| Discount Rate             | 7.15%  | 7.15%  | 7.15%  | 7.15%  | 7.65%  | 7.65%  | 7.50%  |
| Projected Salary Increase | Varies, based on Entry Age and Service   | Varies, based on Entry Age and Service   | Varies, based on Entry Age and Service   | Varies, based on Entry Age and Service   | Varies, based on Entry Age and Service   | Varies, based on Entry Age and Service   | Varies, based on Entry Age and Service   |
| Inflation                 | 2.50%  | 2.50%  | 2.75%  | 2.75%  | 2.75%  | 2.75%  | 2.75%  |
| Payroll Growth            | 2.75%  | 2.75%  | 3.25%  | 3.00%  | 3.00%  | 3.00%  | 3.00%  |
| Individual Salary Growth  | A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%. | A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%. | A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%. | A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%. | A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%. | A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%. | A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%. |



**Municipal Water District of Orange County**  
Required Supplementary Information (Unaudited)  
For the Year Ended June 30, 2021

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

**Summary of Changes of Benefits or Assumptions**

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

**Changes of Assumptions and Methods:** The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses as well as a five-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.



**Municipal Water District of Orange County**  
Required Supplementary Information (Unaudited)  
For the Year Ended June 30, 2021

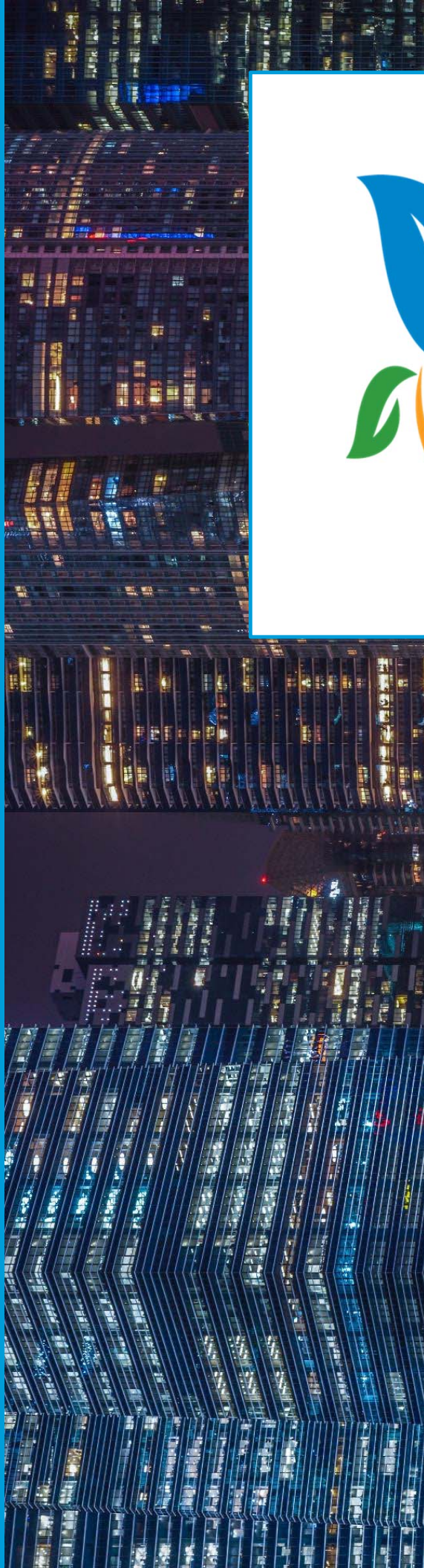
**Cost Sharing Retirement Plan  
Schedule of Contributions  
Last Ten Years\***

|   | <u>2021</u>      | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      | <u>2017</u>      | <u>2016</u>              | <u>2015</u>              |
|---|------------------|------------------|------------------|------------------|------------------|--------------------------|--------------------------|
| Actuarially determined contributions                                    | \$ 413,399       | \$ 349,145       | \$ 302,458       | \$ 273,125       | \$ 252,815       | \$ 220,517               | \$ 288,065               |
| Contributions in relation to the<br>actuarially determined contribution | <u>(413,399)</u> | <u>(349,145)</u> | <u>(302,458)</u> | <u>(273,125)</u> | <u>(252,815)</u> | <u>(220,517)</u>         | <u>(288,065)</u>         |
| Contribution deficiency (excess)  | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>              | <u>\$ -</u>              |
| Covered Payroll   | \$4,204,889      | \$3,792,545      | \$3,482,913      | \$3,295,260      | \$3,022,872      | \$2,748,796 <sup>1</sup> | \$2,640,576 <sup>1</sup> |
| Contributions as a percentage<br>of covered-employee payroll            | 9.83%            | 9.21%            | 8.68%            | 8.29%            | 8.36%            | 8.02%                    | 10.91%                   |

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

<sup>1</sup> Restated Covered Payroll





# REPORT TO THE BOARD OF DIRECTORS

November 10, 2021







# INTRODUCTION

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

We are pleased to present this report related to our audit of the financial statements of Municipal Water District of Orange County (the District) as of and for the year ended June 30, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process, as well as other matters that we believe may be of interest to you. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

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



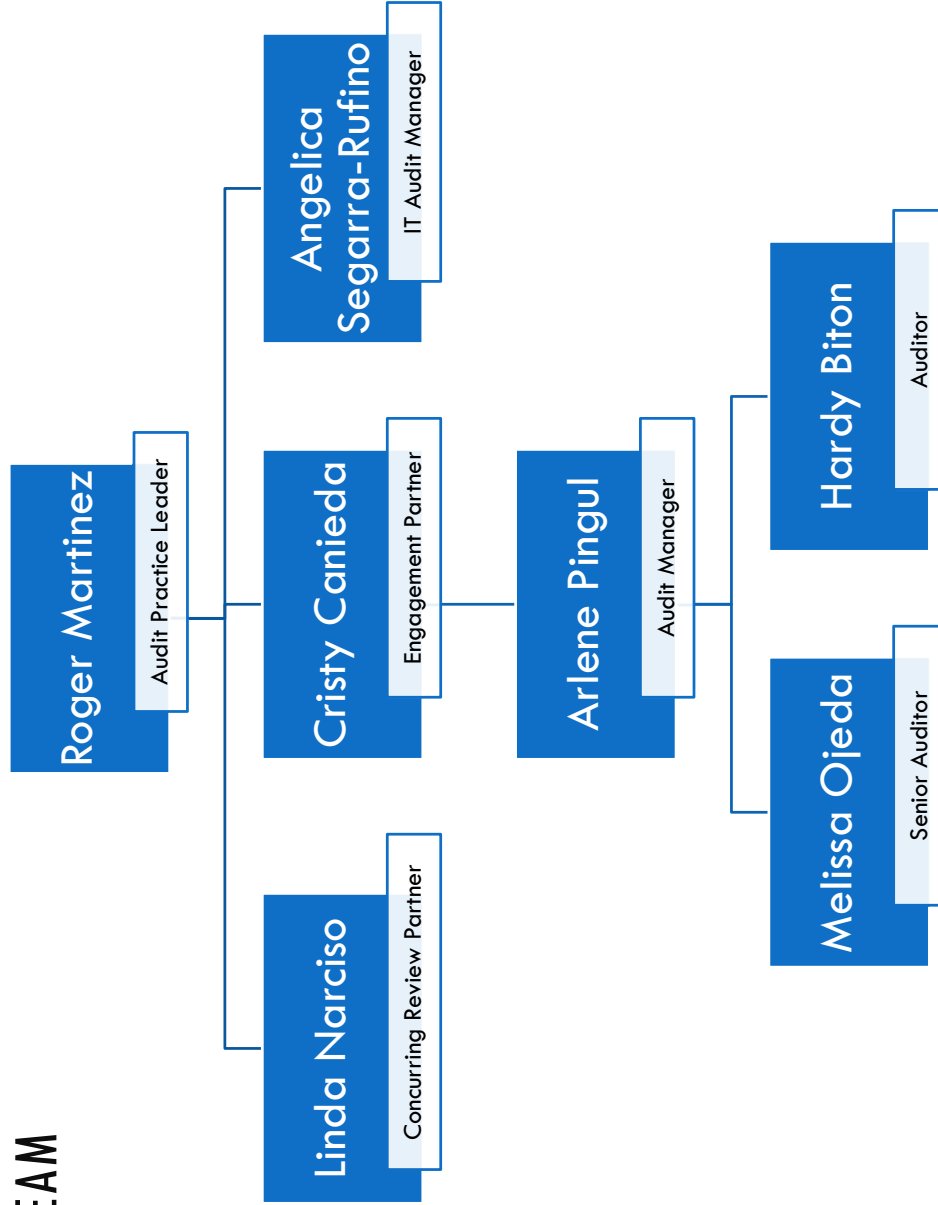


# AGENDA

- ☐ The Engagement Team
- ☐ Levels of Assurance
- ☐ Audit Strategy
- ☐ Summary of Audit Results
  - Financial Audit
  - SAS 115
  - Uniform Guidance
  - AU-C 260 Required Communications
- ☐ New Accounting Pronouncements – GASB Implementation
- ☐ Questions
- ☐ Contact Information

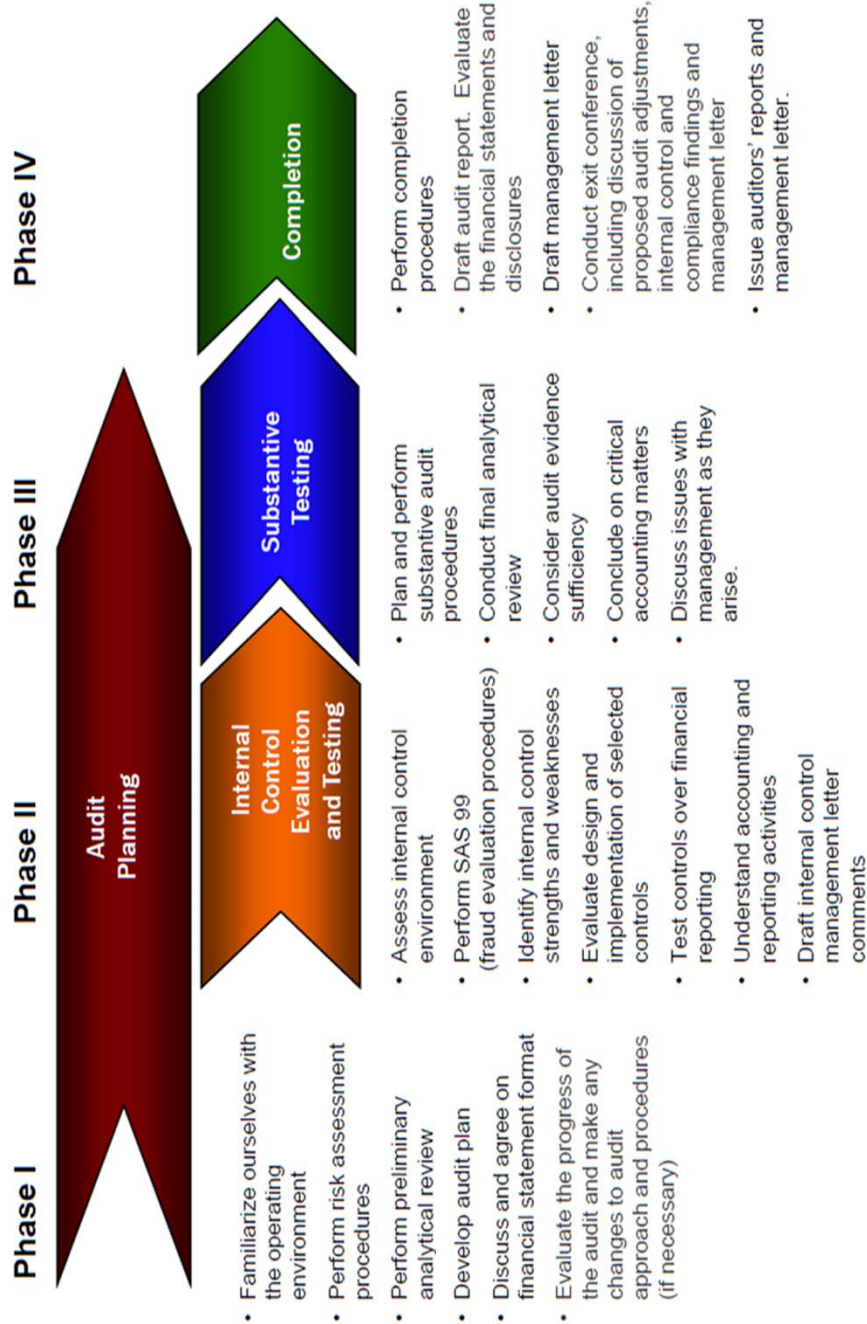


## THE ENGAGEMENT TEAM





# AUDIT STRATEGY





## AUDIT FOCUS AREAS

| Audit Area  | Focus   |
|---|---|
| Cash and Investments                                    | The fair values reported in the statements of net position are fairly stated with no inaccurate, incomplete, or missing disclosures related to investment securities.                     |
| Receivables and related allowance for doubtful accounts | Receivables are recorded correctly and are properly valued as to collectability.  |
| Capital Assets  | Capital assets, capital expenditures and related depreciation are monitored and fairly stated in the financial statements.  |
| Pension and OPEB liabilities                            | Pension and OPEB liabilities are properly valued and disclosed in the financial statements.   |
| Revenues  | Billings to agency participants are reasonably stated and reported in proper periods.   |
| Expenditures/Payroll                                    | Expenditures are incurred in compliance with budgetary constraints and procurement policies. Payroll costs are correctly allocated and are supported by documentation of hours and rates. |



## AUDIT RISKS

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



## IDEA ANALYSIS



We performed data analytics to test disbursements and general ledger transactions for unusual events, such as:

- Gaps in check sequence
- Transactions posting outside of business hours
- Transactions/payments with even dollar amounts
- Unusually large dollar payments

All potential issues were investigated and resolved satisfactorily



# SUMMARY OF AUDIT RESULTS



# INDEPENDENT AUDITORS REPORT

## UNMODIFIED OPINION



Audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*

Report on Internal Control over Financial Reporting and on Compliance

- *No material weaknesses, significant deficiencies, and material noncompliance noted.*

The financial statements fairly present, in all material respects, Municipal Water District of Orange County's:

- *Financial position*
- *Results of operations*
- *Changes in net assets*
- *Cash flows*



# AUDITOR'S REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE (AU-C 260)



## REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE

|                                 |  |
|---------------------------------|--|
| Management's Responsibility     | Management has primary responsibility for the accounting principles used, including their consistency, application, clarity and completeness.                                    |
| Significant Accounting Policies | MWDOC's significant accounting policies are appropriate, and management has applied its policies consistently with prior periods in all material respects.                       |
| Controversial issues            | No significant or unusual transactions or accounting policies in controversial or emerging areas for which there is lack of authoritative guidance or consensus were identified. |
| Basis of Accounting             | The financial statements were prepared on the assumption that the District will continue as a going concern.   |



## REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE

Continued

|                                      |  |
|--------------------------------------|--|
| Audit Adjustments                    | There were no material audit adjustments made during the year.   |
| Disagreements with Management        | We encountered no disagreements with management on financial accounting and reporting matters as it relates to the current year financial statements |
| Consultations with Other Accountants | We are not aware of any consultations management had with other accountants about accounting and auditing matters.                                   |
| Conditions of Retention              | No significant issues were discussed, or subject to correspondence, with management prior to retention.  |



## REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE

Continued

|  |   |
|--|---|
| Difficulties with Management                 | We did not encounter any difficulties with management while performing our audit procedures that require the attention of the Administration and Finance Committee and the Board. |
| Material Weakness and Significant Deficiency | No significant deficiencies or material weaknesses in internal controls were identified.  |
| Irregularities, Fraud or Illegal Acts        | No irregularities, fraud or illegal acts or that would cause a material misstatement of the financial statements, came to our attention as a result of our audit procedures.      |
| Management Representations                   | MWDOC will provide us with a signed copy of the management representation letter at the end of the audit and prior to our issuance of the financial statements                    |



## INDEPENDENCE

- ☐ There are no relationships between any of our representatives and MWDOC that in our professional judgment may reasonably be thought to bear on independence.
- ☐ We confirm that we are independent of MWDOC within the meaning of the independence, integrity and objectivity rules, regulations, interpretations, and rulings of the AICPA, *Government Auditing Standards* (Yellow Book), the State of California Board of Accountancy, and other regulatory agencies.



## CURRENT YEAR RECOMMENDATIONS



- 1 Ensure timely termination of user access of resigned/ terminated employees
- 2 Establish and document formal IT policies and procedures
- 3 Assess and consider segregation of test and production environment for Accufund System
- 4 Conduct regular security awareness training throughout the Organization



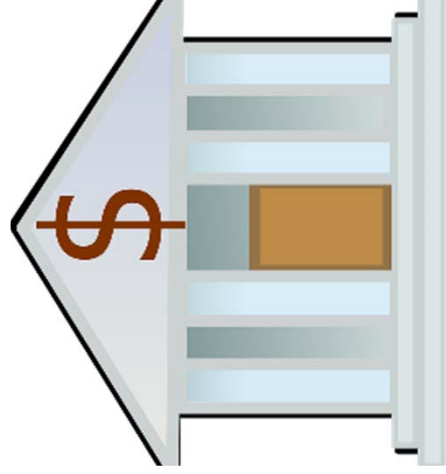
# NEW ACCOUNTING PRONOUNCEMENTS - GASB IMPLEMENTATION

## **To be implemented in 2022**

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

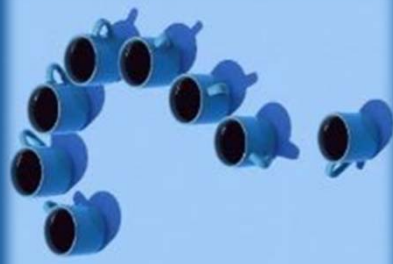
## **To be implemented in 2023**

- GASB 91** – Conduit Debt
- GASB 94** – Public-Private Partnerships
- GASB 96** – Subscription-Based Information Technology Arrangements
- GASB 97** – Certain Component Unit Criteria – An amendment of GASB 14 and 84
- GASB 98** – The Annual Comprehensive Financial Report





# QUESTIONS





THANK YOU FOR YOUR TIME  
AND ATTENTION





# CONTACT INFORMATION

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**CONSENT CALENDAR ITEM**

November 17, 2021

**TO:** Board of Directors

**FROM:** **Planning & Operations Committee**  
(Directors Yoo Schneider, Nederhood, Seckel)

Robert Hunter, General Manager

Staff Contact: Janine Schunk  
Vicki Osborn

**SUBJECT: Authorization for Staff to enter into Agreement with the County of Orange for the Utilization of AlertOC, Everbridge Mass Notification System**

**STAFF RECOMMENDATION**

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It is recommended that the Board of Directors authorize the MWD OC General Manager and/or the WEROC Director of Emergency Management to execute the Memorandum of Understanding (MOU) between Municipal Water District of Orange County and the County of Orange for the continued use of the County's Countywide Mass Notification System, AlertOC.

**COMMITTEE RECOMMENDATION**

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Committee concurred with staff recommendation.

**SUMMARY**

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Approval of the Memorandum of Understanding with County of Orange will allow the Municipal Water District of Orange County to continue using the County's Countywide Mass Notification System, AlertOC.

**BACKGROUND INFORMATION**

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AlertOC since its inception in 2008, has been used to contact hundreds of thousands of Orange County residents in times of emergency. Public safety agencies have employed AlertOC for a wide range of notifications, including missing children, tornado warnings, severe weather warnings, COVID-19, and many evacuations.

|  |                  |         |           |
|--|------------------|---------|-----------|
| Budgeted (Y/N): N                      | Budgeted amount: | Core __ | Choice __ |
| Action item amount: \$0                | Line item:       |         |           |
| Fiscal Impact (explain if unbudgeted): |                  |         |           |



On July 22, 2008, the County Board of Supervisors extended use of the AlertOC system regionally by approving a Memorandum of Understanding (MOU) with Orange County municipalities and public universities, which are responsible for protecting a resident population and maintaining a dedicated public safety answering point. The MOUs allow these entities to use the County's Countywide Mass Notification System under the terms and conditions of the County's Countywide Mass Notification System Operating Guidelines and vendor provider agreements.

Initially AlertOC was only available as a tool to the County and the Cities within Orange County. This meant that only the cities and the County were able to send emergency messages to the public. Additionally the system provides a component for internal employee notifications. If the water utilities needed to send a message to the public, they would have had to either contract for this service separately or to request this to be done by the County Emergency Management Division or by one of the cities that the district served. WEROC on behalf of the water and wastewater special districts began working with the County to include the ability for water and wastewater agencies to have access and use the system.

On June 18, 2013, the County Board of Supervisors approved a Memorandum of Understanding with Orange County incorporated cities, public universities and water/wastewater special districts allowing their use of the County's Countywide Mass Notification System under the terms and conditions of the County's Countywide Mass Notification System Operating Guidelines and vendor-provided agreements for the period of July 1, 2013 through June 30, 2016. On May 5, 2016, the County Board of Supervisors renewed the MOU with Orange County cities, universities and water agencies for a five-year term from July 1, 2016, through June 30, 2021. On June 22, 2021, the County Board of Supervisors approved an updated version of the MOU with the Orange County cities, universities and water agencies for a 4-year term from July 1, 2021.

To participate, a water/wastewater special district needs sign a Memorandum of Understanding with the County and attend training on the use of the system. There is no cost to use the system at this time as the County is sponsoring this program.

In partnership with the County of Orange, WEROC as the Operational Area Water and Wastewater Mutual Aid Coordinator will be the facilitator of the execution on this agreement with all water and wastewater special districts choosing to use the system for the following reasons:

- Oversight of MOU and tracking of agencies using the system
- Execution tracking of the MOU
- Execution of the User Agreement (end user)
- Ensure training is provided on the system to the identified users
- Ensure training is provided on the coordination process contained in the AlertOC Policy/Standard Operating Procedure (SOP)
- Maintenance of universal templates for water and wastewater agencies in compliance with state and federal requirement on regulatory language (ex: Do Not Use)

The agencies participating in the AlertOC System are as listed:



- Costa Mesa Sanitary District
- East Orange County Water District
- El Toro Water District
- Mesa Water District
- Midway City Sanitary District
- Moulton Niguel Water District
- Municipal Water District of Orange County
- Orange County Water District
- Santa Margarita Water District
- Serrano Water District
- South Coast Water District
- South Orange County Wastewater Authority
- Trabuco Canyon Water District
- Yorba Linda Water District

Participation in the System requires a signed non- financial Memorandum of Understanding with the County of Orange, as well as the above stated items. . The current MOU agreement term is effective through December 30, 2024.

## **FINANCIAL CONSIDERATIONS**

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There is no cost for use of the AlertOC System as the County sponsors this program. Financial impact to MWDOC will be for staff time for system use training and data management.

Attachment 1: County of Orange MOU Alert OC Mass Notification - signed  
Attachment 2: County of Orange Subordinate Agreement MA-060-20010263 with Everbridge  
Attachment 3: Individual User Agreement  
Attachment 4: AlertOC Policy



**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE COUNTY OF ORANGE  
AND  
PARTICIPANTS  
FOR USE OF COUNTYWIDE MASS NOTIFICATION SYSTEM**

This Memorandum of Understanding, hereinafter referred to as “MOU,” dated June 30, 2021, which date is stated for purposes of reference only, is entered into by and between the County of Orange, a political subdivision of the State of California, hereinafter referred to as “COUNTY,” and the undersigned municipalities, public universities and water agencies responsible for protecting a resident population and maintaining a dedicated public safety answering point (PSAP) within the County of Orange, hereinafter referred to individually as “PARTICIPANT” or collectively as “PARTICIPANTS.”

This MOU is intended to establish governance and terms of use for a Countywide Public Mass Notification System.

**RECITALS**

WHEREAS, COUNTY is sponsoring a Countywide Public Mass Notification System (“System”) for the primary intent of providing timely communication to the public during times of emergency; and

WHEREAS, the County is making use of the System available to all cities and agencies within the County of Orange who have the responsibility for protecting a resident population and maintaining a dedicated public safety answering point (PSAP); and

WHEREAS, COUNTY entered into Orange County Agreement No. MA-060-20010263 (“Agreement”) with Everbridge, Inc., for the provision of Public Mass Notification System Services, on or about December 31, 2019 attached hereto as Exhibit A, to disseminate critical, time-sensitive emergency information to COUNTY’s citizens and businesses through phone and e-mail devices for emergency notification purposes; and

WHEREAS, COUNTY agrees to provide to PARTICIPANTS access to the services provided by Everbridge, Inc. as contained in the Agreement in exchange for abiding by the terms set forth in this MOU; and

WHEREAS, PARTICIPANTS agree to uphold the same terms and conditions of the Agreement, to use the System in compliance with all usage agreements, including but not limited to the End User License Agreement, identified and incorporated herein as Exhibit A (Orange County Agreement No. MA-060-20010263, Exhibit B (Countywide Public Mass Notification System Policy and Guideline), and Exhibit C (Nondisclosure Document), and the terms of this MOU to receive the benefits under the Agreement

NOW, THEREFORE, the parties agree as follows:



## **I. Definitions:**

“Agreement” shall refer to Orange County Agreement No. MA-060-20010263 between COUNTY and Everbridge, Inc. .

“Countywide” shall mean all geographic locations in Orange County, California.

“Contact information” shall mean PARTICIPANT and public contact data stored in the System for the purpose of disseminating communication in accordance with this MOU and its Exhibits.

“Confidential Information” shall include but not be limited to personal identifying information about an individual such as address, phone number, Social Security number, or any other identifier protected from disclosure by law, and/or any other information otherwise protected from disclosure by law, for example, the identity of a victim of a sex crime or a juvenile.

“Emergency” shall include, but not be limited to, instances of fire, flood, storm, epidemic, riots, or disease that threaten the safety and welfare of the citizens and property located within the boundaries of the COUNTY and PARTICIPANTS’ respective jurisdictions.

“Emergency information” shall mean information relevant to the safety and welfare of recipients in the event of an Emergency. Such information shall include but not be limited to instructions and directions to alleviate or avoid the impact of an emergency.

“Emergency notification situation” shall mean instances when emergency information is to be distributed through the System.

“Individual User” shall mean an agent, officer, employee or representative of PARTICIPANT that has been granted access to the System as set forth in this MOU.

“Non-emergency information” shall refer to information that is not relevant to the safety and welfare of recipients, but has been deemed to be of significant importance to a PARTICIPANT’s jurisdiction to justify the use of the System to distribute such information.

“Non-emergency notification situation” shall mean instances when a PARTICIPANT deems non-emergency information to be of significance to a PARTICIPANT’S jurisdiction and the PARTICIPANT uses the System to distribute such information.

“System” shall mean the Public Mass Notification System as provided by Everbridge, Inc. to COUNTY under the Agreement. The System is designed to disseminate information by utilizing common communications, i.e. telephone and e-mail communications to citizens and businesses as permitted under the Agreement.



**Hold Harmless:** PARTICIPANT will defend, indemnify and save harmless COUNTY, its elected officials, officers, agents, employees, volunteers and those special districts and agencies which COUNTY's Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") from and against any and all claims, demands, losses, damages, expenses or liabilities of any kind or nature which COUNTY, its officers, agents, employees or volunteers may sustain or incur or which may be imposed upon them for injury to or death of persons, or damages to property as a result of, or arising out of the acts, errors or omissions of PARTICIPANT, its officers, agents, employees, subtenants, invitees, licensees, or contracted vendors. COUNTY will defend, indemnify and save harmless PARTICIPANT, its officers, agents, employees and volunteers from and against any and all claims, demands, losses, damages, expenses or liabilities of any kind or nature which PARTICIPANT, its officers, agents, employees or volunteers may sustain or incur or which may be imposed upon them for injury to or death of persons, or damages to property as a result of, or arising out of the acts, errors or omissions of COUNTY, its officers, agents, employees, subtenants, invitees, licensees, or contracted vendors.

- III. **Term:** This MOU shall be in effect from July 1, 2021 and shall expire on December 30, 2024 unless COUNTY funding of the System becomes unavailable at which time PARTICIPANTS will be given six-month advance notice per the termination terms found in Paragraph IX. Termination, below.
- IV. **Scope of Services:** PARTICIPANTS shall receive from COUNTY access to the same services being provided by Everbridge, Inc. to the COUNTY under the Agreement. COUNTY's involvement in this MOU is limited only to extending the availability of the terms and conditions of the Agreement to the PARTICIPANTS.
- V. **Use:** Use of the System and its data, including but not limited to contact information, is governed by the terms, conditions and restrictions set forth in the terms provided in Exhibit A, B, C, and D. All PARTICIPANTS agree to the terms and conditions contained in Exhibits A, B, C, and D. COUNTY retains the right to update Exhibits A, B, C, and D as needed, in whole or in part, during the life of this MOU. Any and all revised Exhibits will be distributed to PARTICIPANTS within five business days of the revision date and shall be incorporated into this MOU. Such modifications to the Exhibits shall not be deemed an amendment for the purposes of Paragraph X. Amendments, below.

PARTICIPANT, including each of its agents, officers, employees, and representatives who are given access to the System, agrees to abide by the individual terms of each agreement and the additional conditions incorporated herein. Breach of use may result in individual user or PARTICIPANT access account termination.

PARTICIPANT agrees to require each Individual User to execute an Individual User Agreement (Exhibit D) regarding their obligations to maintain the confidentiality of login and password information; ensure that they will use the System in accordance with all applicable laws and regulations, including those relating to use of personal information; that they may be responsible for any breach of the terms of the Agreement with



Everbridge and/or this MOU; and the confidentiality provisions of this MOU. PARTICIPANT further agrees to provide a copy of the signed Individual User Agreement to COUNTY and notify COUNTY, in writing, if an individual user withdraws their consent to the Individual User Agreement at anytime during the term of this MOU.

The scope of services under the Agreement is limited to using the System to distribute business communication to PARTICIPANT inter-departmental resources and/or emergency information to the public in emergency notification situations.

All PARTICIPANTS have read and accept the terms and conditions found in COUNTY's "Countywide Public Mass Notification System Policy and Guideline (June 30, 2008)", attached hereto as Exhibit B.

- VI. Notice:** Any notice or notices required or permitted to be given pursuant to this MOU shall be submitted in writing and delivered in person, via electronic mail or via United States mail as follows:

COUNTY:

County of Orange – Sheriff-Coroner Department  
Emergency Management Division  
Attn: Director of Emergency Management  
2644 Santiago Canyon Road  
Silverado, CA 92676

PARTICIPANTS: Each PARTICIPANT shall provide to COUNTY a contact person and notice information upon entering into this MOU. Each PARTICIPANT shall notify COUNTY if there is an updated contact person.

Notice shall be considered tendered at the time it is received by the intended recipient.

- VII. Confidentiality:** Each party agrees to maintain the confidentiality of confidential records and information to which they have access a result of their use of the System and pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this MOU. All information and use of the System shall be in compliance with California Public Utilities Code section 2872. No party shall post confidential information as part of a mass notification unless the law allows such information to be released.

- VIII. Termination:** The COUNTY or any PARTICIPANT may terminate its participation in this MOU at any time for any reason whatsoever. If any PARTICIPANT chooses to terminate its participation in this MOU, the terminating PARTICIPANT shall provide written notification in accordance with Paragraph VII. Notice, above. Such notice shall be delivered to the COUNTY 30 days prior to the determined termination date. A terminating PARTICIPANT shall uphold the obligations contained in Paragraph II. Hold Harmless, in its entirety and Paragraph VIII. Confidentiality, above. Upon termination, PARTICIPANT agrees to inform each PARTICIPANT user to stop using the System and



to relinquish all System access, user accounts, passwords and non-PARTICIPANT data to COUNTY immediately. PARTICIPANT may choose to delete and/or export non-public PARTICIPANT (aka inter-departmental) owned contact information, as well as, export resident provided contact information prior to termination. Resident provided contact information acquired through PARTICIPANT sources shall remain in the System and available to the County for regional or multi-jurisdictional notification use as needed.

Should COUNTY discontinue its funding for the System, which shall be grounds for COUNTY's termination of its participation, COUNTY shall give PARTICIPANTS one month advance courtesy notice prior to terminating the Agreement. All other reasons for terminating by COUNTY shall be valid upon providing notice to the PARTICIPANTS. Upon termination by COUNTY, this MOU shall no longer be in effect.

Termination by a PARTICIPANT shall not be deemed an amendment to this MOU as defined in Paragraph X. Amendments, below.

- IX. Amendments:** This MOU may be amended only by mutual written consent of the parties involved unless otherwise provided for in this MOU. The modifications shall have no force and effect unless such modifications are in writing and signed by an authorized representative of each party. Termination by a PARTICIPANT or adding a new PARTICIPANT to this MOU shall not be deemed an amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by their duly authorized representatives as of the dates opposite the signatures.

**COUNTY OF ORANGE**

|  |                           |
|--|---------------------------|
| By: _____  | Date: _____               |
| Don Barnes, Sheriff-Coroner                            |                           |
| County of Orange                                       |                           |
| By: <u><del>Wendy Phillips</del></u>                   | Date: <u>May 21, 2021</u> |
| <small>Wendy Phillips (May 21, 2021 08:43 PDT)</small> |                           |
| Wendy Phillips, County Council                         |                           |
| County of Orange                                       |                           |

**PARTICIPANT:** \_\_\_\_\_

|                      |             |
|----------------------|-------------|
| By: _____            | Date: _____ |
| Authorized Signature |             |
| _____                |             |
| Print Name and Title |             |







# 1\_MOU Alert OC Mass Notification Final Draft (Reviewed by COCO)

Final Audit Report

2021-05-21

|                 |  |
|-----------------|--|
| Created:        | 2021-05-21                                   |
| By:             | Janell Harriman (jharriman@ocsd.org)         |
| Status:         | Signed                                       |
| Transaction ID: | CBJCHBCAABAAIV5WZcUzTZoGZeugwnr97kt_1qN8JVox |

## "1\_MOU Alert OC Mass Notification Final Draft (Reviewed by COCO)" History

-  Document created by Janell Harriman (jharriman@ocsd.org)  
2021-05-21 - 3:29:12 PM GMT- IP address: 12.24.53.132
-  Document emailed to Wendy Phillips (wendy.phillips@coco.ocgov.com) for signature  
2021-05-21 - 3:30:32 PM GMT
-  Email viewed by Wendy Phillips (wendy.phillips@coco.ocgov.com)  
2021-05-21 - 3:31:18 PM GMT- IP address: 206.194.127.242
-  Document e-signed by Wendy Phillips (wendy.phillips@coco.ocgov.com)  
Signature Date: 2021-05-21 - 3:43:11 PM GMT - Time Source: server- IP address: 206.194.127.242
-  Agreement completed.  
2021-05-21 - 3:43:11 PM GMT



**County of Orange Subordinate Contract # MA-060-20010263**

**with Everbridge, Inc.,**

**for a Public Mass Notification System (PMNS)**

This Subordinate Contract MA-060-20010263 for a Public Mass Notification System (PMNS) (hereinafter referred to as “Contract”) is made and entered into upon execution of all necessary signatures between Everbridge, Inc., having its principal place of business at 155 N. Lake Ave., Suite 900, Pasadena, CA 91101 (referred to as “Contractor”), and the County of Orange, operating through its Sheriff-Coroner Department, a political subdivision of the State of California, with a place of business at 320 N. Flower St., Suite 108, Santa Ana, CA 92703 (hereinafter referred to as “County”), which are sometimes individually referred to as “Party” or collectively as “Parties”.

**ATTACHMENTS**

This Contract is comprised of this document and the following Attachments, which are attached hereto and incorporated herein as though set forth in full:

- Attachment A – California Multiple Award Schedule (CMAS) Contract 3-12-70-2909A, Supplemental No. 1 and Amendment No. 2
- Attachment B – Scope of Services
- Attachment C – Compensation and Pricing Provisions
- Attachment D – Everbridge Technical Support Services Guide (November 14, 2018 Update)
- Attachment E – Functional Requirements

**RECITALS**

**WHEREAS**, the State of California has issued California Multiple Award Schedule (“CMAS”) Contract No. 3-12-70-2909A (“CMAS Contract”) for provision of a Public Mass Notification System (PMNS) by Contractor, which per its most recent renewal is set to expire on July 18, 2024; and

**WHEREAS**, the County requires a PMNS, and the Contractor has represented that its proposed PMNS shall meet or exceed the County’s requirements; and

**WHEREAS**, County and Contractor desire to enter into a Contract for Contractor to provide a PMNS under the CMAS Contract, attached hereto as Attachment A, and as further set forth in the Scope of Work, attached hereto as Attachment B; and

**WHEREAS**, County agrees to pay Contractor based on the schedule of fees set forth in Compensation and Pricing Provision, attached hereto as Attachment C; and

**WHEREAS**, the County Board of Supervisors has authorized the Purchasing Agent or designee to enter into a Contract for a PMNS with the Contractor;

**NOW, THEREFORE**, the Parties mutually agree as follows:



## DEFINITIONS

- **Administrator:** Government official, employee or agency responsible for the day-to-day responsibility and oversight for the mass notification system, including design, development, coordination, implementation, monitoring and evaluation.
- **Application program interface (API):** A set of functions and procedures allowing the creation of applications that access the features or data of an operating system, application, or other service.
- **Coding Accuracy Support System (CASS):** Coding Accuracy Support System (CASS) is a certification system from the United States Postal Service (USPS) for address validation.
- **Critical Infrastructure Information (CII):** Those systems that are so vital to a nation that their incapacity or destruction would have a debilitating effect on national security, the economy, or public health and safety.
- **Cyber-protection:** The prevention of damage to, unauthorized use of, or exploitation of, and, if needed, the restoration of electronic information and communications systems and the information contained therein to ensure confidentiality, integrity, and availability. Includes protection and restoration, when needed, of information networks and wireline, wireless, satellite, public safety answering points, and 911 communications systems and control systems.
- **Data:** Any information, algorithms, or other content that the County, the County's employees, agents and end users upload, create or modify using the goods/services pursuant to this Contract, including but not limited to email addresses, telephone numbers, and geo-coded E911 data. Data also includes user identification information and metadata which may contain Data or from which the County's Data may be ascertainable. Personal Data shall include personal information, as defined by Civil Code Section 1798.3.
- **Data Breach:** Any access, destruction, loss, theft, use, modification or disclosure of Data by an unauthorized party or that is in violation of Contract terms and/or applicable state or federal law.
- **Deliverable:** Tangible and intangible information, material, services, or goods that must be provided to the County under the terms of the Contract.
- **Documentation:** The term "Documentation" shall mean, with respect to any particular items: (i) all of the written, printed, electronic, or otherwise formatted materials that relate to such items, or any component thereof; (ii) all user, operator, system administration, technical, training, support, and other manuals and all other written, printed, electronic, or other format materials that represent, demonstrate, explain or describe the functional, operational or performance capabilities of such items; and (iii) all specifications, materials, flow charts, notes, outlines, manuscripts, writings, pictorial or graphical materials, schematics, and other documents that represent, demonstrate, explain or describe such items.
- **ESRI mapping:** (Environmental Systems Research Institute) is an international supplier of geographic information system (GIS) software, web GIS and geodatabase management applications.
- **Failure modes:** A failure mode is a cause of failure or one possible way a system can fail. When a system has many potential ways of failing, it has multiple failure modes or competing risks.
- **Geo-coding:** Provide geographical coordinates corresponding to (a location).
- **Geo-targeting/targeted:** The practice of delivering content to a user based on his or her geographic location.
- **Human Error:** Any action or inaction on the part of a Contractor's employee or agent that prevents the accomplishment of the goods'/services' intended functions and the services specified in the Scope of Work.
- **IPAWS:** FEMA's Integrated Public Alert and Warning System (IPAWS) is an internet-based capability that federal, state, local, tribal, and territorial authorities can use to issue critical public alerts and warnings.
- **Notification:** A communication distributed to the public and internal responders/relevant personnel that contains important, timely, accurate, and accessible information regarding an actual or potential



emergency or incident, including the cause, size and current situation thereof; resources committed and response status of the emergency management organization; and other matters of general interest to the public, responders, and additional stakeholders (both directly affected and indirectly affected). Categories of notification may include: update, alert, advisory, activation, watch or warning.

- **Registrant:** Member of the public who is enrolled or enrolling in the system.
- **Security incidents:** The potentially unauthorized access to Personal Data or Non-Public Data the Contractor believes could reasonably result in the use, disclosure or theft of the County's unencrypted Personal Data or Non-Public Data within the possession or control of the Contractor. A Security Incident may or may not turn into a Data Breach.
- **State of California and/or State:** As used in Attachment A (CMAS Contract), "State of California" and "State" shall mean the County, its employees and authorized agents and representatives.
- **System:** Automated computerized mass notification system for emergency public and internal responder/relevant personnel notifications, including via cell phone, email, and text.
- **Technical Failure:** A malfunction in the vendor's hardware or software which prevents the accomplishment of the services specified in the Scope of Work. A malfunction of the hardware prevents the accomplishment of the hardware's intended functions and services specified in the Scope of Work. A malfunction of the software prevents the accomplishment of intended services even though the hardware may be functioning properly. Technical failures include, but are not limited to, an improper or incomplete conversion or upgrade of the hardware or software.
- **User:** Government employee or affiliated volunteer who has the ability to log-in to the system for administrative purposes (e.g., maintaining contact lists, sending notifications, monitoring notification results, etc.). Includes employees and contractors of other public entities who are authorized by the County to access the system pursuant to a Memorandum of Understanding between the County and those public entities.
- **WEA/EAS:** Wireless Emergency Alerts/Emergency Alert System.

## ARTICLES

1. **Scope of Contract:** The terms and conditions of this Contract, including those in its Attachments, specify the terms and conditions by which the County will procure services in connection with the CMAS Contract from the Contractor, hereinafter referred to as "PMNS" or "Services," as more fully detailed in Attachment B, Scope of Work.
2. **Precedence:** In the event of a conflict between the terms and conditions in this Contract and terms and conditions in the Attachments, the conflict shall be resolved by giving precedence first to the terms and conditions of this Contract, then the terms and conditions of any Attachments. In the event of a conflict between the language of any Attachments, precedence shall be given in the following order:
  - a. This Contract
  - b. Attachment B (Scope of Work)
  - c. Attachment E (Functional Requirements)
  - d. Attachment C (Compensation and Pricing Provisions)
  - e. Attachment A (CMAS Contract)
  - f. Attachment D (Everbridge Technical Support Services Guide).
3. **Term of Contract:** This Contract shall commence December 31, 2019, and shall be effective through and including December 30, 2020, unless otherwise terminated by County. Contract may be renewed for up to **four (4)** additional one-year terms, upon mutual agreement of both Parties and upon successful renewal of the CMAS Contract No. 3-12-70-2909A. Each renewal of this Contract



may require approval by the County Board of Supervisors. The County does not have to give a reason if it elects not to renew.

4. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax. Out-of-state Contractors shall indicate California Board of Equalization permit number and sales permit number on invoices, if California sales tax is added and collectable. If no permit numbers are shown, sales tax will be deducted from payment. The Auditor-Controller will then pay use tax directly to the State of California in lieu of payment of sales tax to the Contractor.
5. **Contingency of Funds:** Contractor acknowledges that funding or portions of funding for this Contract may be contingent upon state budget approval; receipt of funds from, and/or obligation of funds by, the state of California to County; and inclusion of sufficient funding for the services hereunder in the budget approved by County's Board of Supervisors for each fiscal year covered by this Contract. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this Contract without penalty.
6. **Termination:** In addition to any other remedies or rights it may have by law, County has the right to immediately terminate this Contract without penalty for cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any material breach of contract, any misrepresentation or fraud on the part of the Contractor. Exercise by County of its right to terminate the Contract shall relieve County of all further obligation.
7. **Governing Law and Venue:** This Contract has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for trial to another county.
8. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing with a copy provided to the assigned Deputy Purchasing Agent (DPA), except through the course of the parties' project managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four (4) calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

Contractor: Everbridge, Inc.  
155 N. Lake Ave., Suite 900  
Pasadena, CA 91101  
Attn: Joanna Burlison  
Ph: 888-366-4911  
[Joanna.burlison@everbridge.com](mailto:Joanna.burlison@everbridge.com)

County: Sheriff-Coroner Department/Emergency Management Division  
2644 Santiago Canyon Rd.



Silverado, CA 92676  
Attn: Michelle Anderson  
Ph: 714-628-7158  
[MAnderson@ocsd.org](mailto:MAnderson@ocsd.org)

Assigned DPA: County of Orange  
Sheriff-Coroner Department/Purchasing Services Unit  
320 N. Flower Street, 2<sup>nd</sup> Floor  
Santa Ana, CA 92703  
Attn: Maria Ayala, Procurement Contract Specialist  
Ph: 714-834-6360  
[Mayala@ocsd.org](mailto:Mayala@ocsd.org)

9. **Insurance Provisions:** Prior to the provision of services under this Contract, the Contractor agrees to purchase all required insurance at Contractor's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Contract have been complied with. Contractor agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Contract. In addition, all subcontractors performing work on behalf of Contractor pursuant to this Contract shall obtain insurance subject to the same terms and conditions as set forth herein for Contractor. Contractor shall ensure that all subcontractors performing work on behalf of Contractor pursuant to this Contract shall be covered under Contractor's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Contractor. Contractor shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Contractor under this Contract. It is the obligation of Contractor to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Contractor through the entirety of this Contract for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Contractor's current audited financial report. If Contractor's SIR is approved, Contractor, in addition to, and without limitation of, any other indemnity provision(s) in this Contract, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Contractor's, its agents, employee's or subcontractor's performance of this Contract, Contractor shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Contractor's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
- 3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Contractor's SIR provision shall be interpreted as though the Contractor was an insurer and the County was the insured.



If the Contractor fails to maintain insurance acceptable to the County for the full term of this Contract, the County may terminate this Contract.

#### Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below:

| <u>Coverage</u>   | <u>Minimum Limits</u>                                |
|---|--|
| Commercial General Liability  | \$1,000,000 per occurrence<br>\$2,000,000 aggregate  |
| Automobile Liability including coverage for owned, non-owned and hired vehicles | \$1,000,000 per occurrence                           |
| Workers Compensation  | Statutory  |
| Employers Liability Insurance   | \$1,000,000 per occurrence                           |
| Network Security & Privacy Liability  | \$1,000,000 per claims-made                          |
| Technology Errors & Omissions   | \$1,000,000 per claims-made<br>\$1,000,000 aggregate |

#### Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

#### Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and*



*employees as Additional Insured's, or provide blanket coverage, which will state AS REQUIRED BY WRITTEN CONTRACT..*

- 2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Contractor's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Network Security and Privacy Liability policy shall contain the following endorsements which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement naming the *County of Orange, its elected and appointed officials, officers, agents and employees* as Additional Insured's for its vicarious liability.
- 2) A primary and non-contributing endorsement evidencing that the Contractor's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.
- 3) The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state *AS REQUIRED BY WRITTEN CONTRACT.*

All insurance policies required by this Contract shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Contractor shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Contract, upon which the County may suspend or terminate this Contract.

If Contractor's Technology Errors & Omissions and/or Network Security & Privacy Liability are "Claims-Made" policy(ies), Contractor shall agree to maintain coverage for two (2) years following the completion of the Contract.

The Commercial General Liability policy shall contain a severability of interest's clause also known as a "separation of insured's" clause (standard in the ISO CG 0001 policy). Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Contractor fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable Certificates of Insurance and endorsements with County



incorporating such changes within thirty (30) days of receipt of such notice, this Contract may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

10. **Indemnification:** To the fullest extent permitted by law, Contractor agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands, costs (including without limitation reasonable attorneys' fees, court costs, alternative dispute resolution costs, associated investigation and administrative expenses), damages, fines, judgments, losses, or liability of any kind or nature, including but not limited to personal injury, death, or property damage, arising from or related to the services, products or other performance provided by Contractor or any of its affiliates, agents, subcontractors, employees, suppliers, or laborers furnishing or supplying work, services, materials, or supplies in connection with the performance of this Contract. If judgment is entered against Contractor and County by a court of competent jurisdiction because of the concurrent active negligence of County or County Indemnitees, Contractor and County agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.
11. **Security Requirements:**
  - A. Contractor shall, with respect to all employees of Contractor performing services hereunder:
    1. Perform background checks as to past employment history.
    2. Inquire as to past criminal felony convictions.
    3. Ascertain that those employees who are required to drive in the course of performing services hereunder have valid California driver's licenses and no DUI convictions within two (2) years prior to commencement of services hereunder.
    4. Perform drug screening to determine that such employees are not users of illegal controlled substances as defined by federal law.
  - B. Contractor shall not assign to County property any Contractor personnel as to whom the foregoing procedures indicate:
    1. Inability or unwillingness to perform in a competent manner.
    2. Past criminal convictions for theft, burglary or conduct causing property damage or mental or physical harm to persons.
    3. Where such employee's duties include driving a vehicle, absence of a valid California driver's license or a DUI conviction within the prior two (2) years.
    4. Usage of illegal controlled substances as defined by federal law.



- C. If any of the problems identified with respect to Contractor's employees are discovered after assignment of an employee to County property, or if County otherwise reasonably deems an assigned employee unacceptable, Contractor shall remove and replace such employee at the County property.
- D. Nothing herein shall render any employee of Contractor an employee of County.

THE CONTRACTOR'S PERSONNEL REQUIREMENTS:

All employees must pass the County's background check and meet all requirements as set forth below:

1. All personnel to be employed in performance of the work under this Contract shall be subject to security clearance. Clearance must be updated and renewed every twelve (12) months from original date of clearance.
2. No person, who is required to enter a secured facility of the Sheriff, shall be assigned to perform work under this contract that has not received prior clearance from the Sheriff-Coroner Department.
3. Within fifteen (15) days of the effective date of this Contract, Contractor shall prepare and submit a complete and accurate "Contractor Security Clearance" information form for all Contractor's employee who will be working on or who will need access to the Sheriff-Coroner's facilities to perform work covered by this Contract. County project manager shall provide form(s) to Contractor's project manager. Contractor is also responsible for ensuring that anytime an employee is assigned to work on Sheriff-Coroner's facilities under this contract that a Security Clearance form is submitted and approved prior to that employee requiring access to such premises for providing services under this contract.
4. Contractor shall inform employees assigned to perform work within secured facilities of the Sheriff-Coroner that the employee is required to inform Contractor if/when any information provided on the security clearance form changes. Contractor shall submit an updated security clearance form whenever there is a change in information provided by an employee. Contractor shall be responsible for ensuring to submit Security Clearance forms in order to renew the Security Clearance(s) every twelve months. Renewal forms shall be submitted at least ten (10) County working days prior to the expiration of an existing clearance; a security clearance is valid for 12 months from the date of issuance. If Contractor is submitting an updated form due to a change in information, said form shall be submitted within in 10 county working days of the employer becoming aware of the updated information.
5. Contractor Security Clearance information forms will be provided by County Project Manager upon request and will be screened by the Sheriff-Coroner's Department.
6. Contractor Security Clearance information forms shall be thoroughly and accurately completed. Omissions or false statements, regardless of the nature or magnitude, may be grounds for denying clearance.



7. County will not give Contactor the reason an individual's clearance is denied, but will provide explanation to individual affected via U.S. Mail.

E. GENERAL SECURITY REQUIREMENT-AT WORKSITE:

1. When performing work at a Sheriff-Coroner facility, all work areas shall be secured prior to the end of each workday.
2. Workmen shall have no contact, either verbal or physical, with inmates in any facility while performing work under this contract. Specifically:
  - a. Do not give names or addresses to inmates.
  - b. Do not receive any names or addresses from inmates.
  - c. Do not disclose the identity of any inmate to anyone outside the facility.
  - d. Do not give any materials to inmates.
  - e. Do not receive any materials from inmates (including materials to be passed to another individual or inmate).
3. Contractor's personnel shall not smoke or use profanity or other inappropriate language while on site.
4. Contractor's personnel shall not enter the facility while under the influence of alcohol, illegal controlled substances as defined under federal law, or other intoxicants, and shall not have such materials in their possession.
5. Failure to comply with these requirements is a criminal act and can result in prosecution.
6. Contractor's personnel shall plan their activities to minimize the number of times they must enter and exit a facility, i.e., transport all tools, equipment, and materials needed for the day at the start of work and restrict all breaks to the absolute minimum.
7. Contractor's personnel shall follow any special security requirements issued by the on-site contact person or escort Deputy.
8. Contractor's personnel shall report either to the on-site contact person when leaving the facility, temporarily or at the end of the workday.
9. Contractor's personnel shall immediately report all accidents, spills, damage, unusual conditions and/or unusual activities to the on-site contact person or any Sheriff's Deputy.
10. Contractor's personnel shall securely close and check all gates and doors to ensure that they are tightly closed and locked as they enter and exit various areas of the County facilities.
11. Contractor's personnel shall restrict all activities to the immediate work site and adjacent assigned areas necessary to performing work under this Contract.
12. Contractor's personnel shall remain with the assigned escort at all times, unless otherwise directed by the on-site contact person.



F. POTENTIAL DELAYS/INTERRUPTIONS:

1. Contractor shall acknowledge that the primary purpose of the detention facilities is the safe and secure operation of those facilities.
  2. Contractor's personnel who enter a Sheriff facility but have not passed the security screening, or who have falsified the security screening information are subject to immediate removal from the facility. Contractor's personnel who are assigned to work in a Sheriff facility who are determined to have outstanding wants or warrants may be detained by the Sheriff.
  3. Contractor's personnel shall immediately comply with all directions and orders issued by Sheriff's personnel, other than changes regarding the quality or quantity of work, which will be controlled by County's project manager.
  4. Contractor's personnel may be delayed or denied access to the facility due to unforeseen events that may affect the availability of security escorts.
  5. Contractor's personnel may be ordered to leave a facility prior to the completion of their work or the end of the workday by unforeseen incidents occurring within secure environments. Such unforeseen incidents may also cause Contractor's personnel to be held inside the facility until the incident is resolved by the Sheriff's personnel.
  6. Contractor may be subject to an inventory requirement where the Contractor shall supply an inventory list of all tools. The Facility will use this list for verification of tools entering and exiting security. Any and all time required to comply with the tool inventory and control program will not be considered a compensable delay and no requests for equitable adjustment in time or additional compensation for this time will be considered.
12. **Clear Water Act Provision:** Contractor shall be in compliance with all applicable standards, orders or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 7606), section 508 of the Clean Water Act (33 U.S.C. 1368), and Executive Order 11738.
13. **Energy Policy and Conservation Act Provision:** Contractor shall follow mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).
14. **Certifications:** Homeland Security Grant: Contractor is informed and understands that this Contract may be funded by federal Department of Homeland Security grant funds, including Homeland Security Grant funds through the California Governor's Office of Emergency Services (Cal OES). Contractor agrees to the following in relation to executing this Contract.
- a. Audit Records - With respect to all matters covered by this agreement all records shall be made available for audit and inspection by the California Office of Emergency Services and/or Department of Homeland Security, the grant agency, and/or their duly authorized representatives for a period of three (3) years from the termination of this Contract.
  - b. Contractor will comply, with all requirements of the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3), as applicable.



- c. Contractor will comply, with all requirements of the Davis-Bacon Act (40 U.S.C. 3141-3148) as supplemented by Department of Labor regulations (29 CFR Part 5), as applicable.
  - d. Contractor will comply, with all requirements of the Contract Work and Safety Standards Act (40 U.S.C. 3701-3708) as supplemented by Department of Labor regulations (29 CFR Part 5), as applicable.
15. **Liquidated Damages:** It is agreed by and between Contractor and the County that if the services are not fully and completely performed within the terms of the Contract, including the failure to provide a fully functional PMNS, damage will be sustained by the County. Said damage includes any additional costs resulting from a delay in scheduled time frames by Contractor. Since it is and will be impractical and extremely difficult to determine the actual damage that the County will sustain by reason of such delay and/or failure to completely perform, it is therefore agreed that Contractor will pay to the County liquidated damages in a set amount of \$1,700.00 for each and every day of delay and/or failure to provide a fully functional PMNS.

In the event the liquidated damages as set forth herein are not paid by Contractor, the County will deduct the amount of liquidated damages from any monies due Contractor under this contract.

This provision may be invoked at the sole option of the County by notification to the Contractor by certified return receipt mail.

If provision of services under the Contract is delayed by reason of changes or extra services ordered by the County or as a result of the County's failure to perform or delays caused by the County, the time of performance of this contract will be extended commensurate with the time required for the extra services and/or delays directly attributable to the County's failure to perform, and no liquidated damages will accrue during the period of such extension.

If this contract is not fully and completely performed within the time set forth herein, the County shall have the right to increase the time for such performance and to waive the liquidated damages. Nothing herein shall be construed as giving Contractor a right to extra time for performance.

-Signature Page to Follow-



## Signature Page

The Parties hereto have executed this Contract# MA-060-20010263 for a Public Mass Notification System on the dates shown opposite their respective signatures below

**Contractor\*:** Everbridge, Inc.

By: \_\_\_\_\_ Title: \_\_\_\_\_  
Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Contractor\*:** Everbridge, Inc.

By: \_\_\_\_\_ Title: \_\_\_\_\_  
Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

*\*If the contracting party is a corporation, (2) two signatures are required: (1) signature by the Chairman of the Board, the President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. The signature of one person alone is sufficient to bind a corporation, as long as he or she holds corporate offices in each of the two categories described above. For County purposes, proof of such dual office holding will be satisfied by having the individual sign the instrument twice, each time indicating his or her office that qualifies under the above described provision.*

*In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signature to bind the company.*

## **County Of Orange**

A political subdivision of the State of California



Sheriff-Coroner Department

By: \_\_\_\_\_ Title: \_\_\_\_\_  
Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by the Board of Supervisors: \_\_\_\_\_

Approved as to Form  
Office of the County Counsel  
Orange County, California

By: \_\_\_\_\_  
Deputy



**ATTACHMENT A**

**California Multiple Award Schedule (CMAS) Contract 3-12-70-2909A,  
Supplemental No. 1 and Amendment No. 2**



## **ATTACHMENT B**

### **SCOPE OF WORK**

#### **I. INTRODUCTION**

The Orange County Sheriff's Department (OCSd) is headquartered in Santa Ana, California. With about 3800 employees, OCSd serves thirteen contract cities and the unincorporated areas of Orange County. This includes about 700,000 residents in 350 square miles. OCSd's Emergency Management Division provides emergency management and preparedness services to the unincorporated areas of Orange County and supports the efforts of the Orange County Operational Area (OA). There are currently over 100 jurisdictions in the OA encompassing all County departments and agencies, public and private organizations, and the general population within the boundaries of Orange County.

The County administers and maintains a vendor-provided public mass notification service called AlertOC, which is offered to all 34 cities in the County, County agencies, Orange County Fire Authority, water districts, and the University of California Irvine for emergency public notification and internal responder notification. This system includes an opt-in portal for residents to register their cell-phone, email and text devices for emergency notifications. In addition, E911 data is purchased quarterly from telephone service providers, uploaded to the system. Countywide, public emergency and safety efforts are coordinated and provided through a combination of county and city police, fire, healthcare, and public works departments.

#### **II. SCOPE OF WORK**

Contractor shall provide a PMNS that will include state of the art technology and will adhere to all industry standards, best practices, and applicable laws. Requirements include: high efficiency, robust capacity, ease of use, comprehensiveness, and a focus on accessibility for the whole community population. Support for additional languages and for the hearing and visually impaired community shall be a component of the new system. Additional functional requirements are listed in Attachment E, Functional Requirements, and are incorporated into this Scope of Work. Contractor's PMNS shall meet or exceed these requirements, except as otherwise indicated therein.

Contractor's PMNS shall be a fully redundant, geographically dispersed SaaS solution with routine maintenance, enhancements and upgrades provided by the Contractor at no additional cost. The PMNS will automate the key steps for responding to a critical event. It will aggregate threat data from third party and internal sources so the County can assess risk, and locate people in areas of threat and those needed to respond. The PMNS will then enable the County to execute pre-defined processes based on the type of threat for who should be contacted and how, what message to send, and who to escalate to if a responder is not available. Contractor's platform will then send out notifications and instructions via text, voice, email—over 100 modalities—in 15 languages as needed, organize conference bridges for people to collaborate, and analyze return messages. Automation will enable these steps to be completed quickly, highly reliably and at scale.

The critical communications and enterprise safety applications to be provided to the County via this PMNS software contract include Mass Notification Base for State & Local Government with Unlimited Domestic Usage, Mass Notification for Transportation, Community Engagement, and



Incident Communications. These shall be easy to use and deploy, secure, highly scalable, and reliable. A description of each of these, including their key capabilities, is contained in Attachment A, the CMAS Contract.

In addition, Contractor shall provide the following:

- An additional organization and Community Engagement/Visitor Engagement keywords will be added to County's account.
- Consulting services, including but not limited to technical assistance regarding set-up, use, customization, and optimization of the various PMNS features.
- Annual Maintenance and Support shall be provided as stated herein, including Attachment D, Everbridge Technical Support Services Guide, and Attachment E, Functional Requirements.

### III. QUALITY ASSURANCE

Contractor will provide commercially-sound quality assurance practices to ensure the PMNS is operating in compliance with County specifications and requirements. Contractor's quality assurance will cover all major system features, including:

1. Successful operation of System without any errors, specifically in the areas of:
  - Tiered Administration
  - User creation and management
  - County-wide data and map import, reconciliation and maintenance processes and routines
  - Citizen opt-in data processes and routines
  - Custom and geographic call list generation
  - Outbound telephone message launch
  - Outbound e-mail message launch
  - Use of surveys
  - Monitoring of outbound session activity
  - Validation of built-in and ad-hoc generated reports
  - Accessibility from within the County's network
  - Accessibility from the Internet
  - IPAWS integration
  - Message throughput
  - Translation services (registration portal and message creation)
2. System (Hardware and Software) meets all requirements set forth herein and in Attachment E (Functional Requirements) to the County's satisfaction.
3. System is compatible with County Information Technology infrastructure (i.e., network and telephone environment and systems).

### IV. ADMINISTRATION

#### **Security Incidents, Data Breaches, Technical Failures, Human Error and Other Claims**

- 1) Upon discovery or reasonable belief of any Security Incident, Data Breach, Technical Failure, or Human Error (collectively "Incident(s)"), Contractor shall notify County by the fastest means available and also in writing. Contractor shall provide such notification within forty-eight (48) hours after Contractor reasonably believes there has been such an Incident(s).



Contractor's notification shall identify:

- The nature of the Incident(s);
  - Any Data accessed, used or disclosed;
  - The person(s) who accessed, used, disclosed and/or received Data (if known);
  - What Contractor has done or will do to quarantine and mitigate the Incident(s); and
  - What corrective action Contractor has taken or will take to prevent future Incident(s).
- 2) Contractor will provide daily updates, or more frequently if required by the County, regarding findings and actions performed by Contractor until the Incident(s) has been effectively resolved to the County's satisfaction.
  - 3) Contractor shall quarantine the Incident(s), ensure secure access to Data, and repair the system as needed.
  - 4) If the Contractor causes or knowingly experiences a breach of the security of County's Data containing personal information, as defined by Civil Code Section 1798.3, Contractor shall immediately report any breach of security of such system to the Orange County Sheriff's Department Emergency Management Division personnel assigned as lead program manager following discovery or notification of the breach in the security of such Data. The County shall determine whether notification to the individuals whose Data has been lost or breached is appropriate. If personal information of any resident of California was, or is reasonably believed to have been acquired by an unauthorized person as a result of a security breach of such system and Data that is not due to the fault of the County or any person or entity under the control of the County, Contractor shall bear any and all costs associated with the County's notification obligations and other obligations set forth in Civil Code Section 1798.29 (d) as well as the cost of credit monitoring, subject to the dollar limitation, if any, agreed to by the County and Contractor in the applicable Statement of Work. These costs may include, but are not limited to staff time, material costs, postage, media announcements, and other identifiable costs associated with the breach of the security of such personal information.
  - 5) Contractor shall conduct an investigation of the Incident(s) and shall share the report of the investigation with the County. The County and/or its authorized agents shall have the right to lead (if required by law) or participate in the investigation. Contractor shall cooperate fully with the County, its agents and law enforcement.
  - 6) After any significant Data loss or Data Breach or as a result of any disaster or catastrophic failure, Contractor will at its expense have an independent, industry-recognized, County-approved third party perform an information security audit. The audit results shall be shared with the County within seven (7) days of Contractor's receipt of such results. Upon Contractor receiving the results of the audit, Contractor will provide the County with written evidence of planned remediation within thirty (30) days and promptly modify its security measures in order to meet its obligations under this Contract.

### **Corrective Action**

In the event any goods or service provided by the Contractor in the performance of the Contract should fail to conform to the requirements in this Contract, it shall become the duty of the Contractor to immediately advise the County of the failure and correct the performance of goods or services, without expense to the County. If corrective action (including but not limited to patches, bug fixes, updates) is taken by the Contractor to remedy Incident(s) in the provision of



similar PMNS in other jurisdictions, such corrective action shall be provided to the County at no additional cost if such corrective action is needed for the Contractor to meet its obligations under this Contract.

#### **Notice Regarding Other Jurisdictions**

Contractor shall promptly notify the County Project Manager upon discovery or reasonable belief of the following: (a) Incident(s) known or reasonably known to have occurred in the provision of similar PMNS in another jurisdiction; (b) any claim or action against, or any loss by, Contractor that involves or may reasonably be expected to involve similar PMNS; (c) the initiation of any government investigation that may result in a finding that Contractor is not in compliance with all applicable federal, state and local laws.

#### **Responding to Legal Requests**

Contractor shall promptly notify the County upon receipt of any legal requests, including but not limited to subpoenas, court or administrative agency orders, service of process, or requests by any person or entity (other than Contractor's employees), which in any way might reasonably require access to the County's confidential Data. Contractor shall notify the County by the fastest means available and also in writing, unless prohibited by law from providing such notification. Contractor shall provide such notification within forty-eight (48) hours after Contractor receives the request. Thereafter, Contractor shall comply with such legal requests only to the extent required by applicable law. In responding to legal requests, Contractor shall take measures to protect Personal Data or Non-Public Data, the disclosure of which would violate Contract terms, court orders, and/or applicable state or federal law. Such protective measures may include, but are not limited to, seeking protective orders or filing the Data under seal. Contractor shall not respond to legal requests directed to the County unless authorized in writing to do so by the County.

#### **Legal Proceedings**

Upon request by the County, Contractor shall make appropriate employees available to appear in court, submit to examination under oath, and cooperate in the investigation or settlement of a claim. This applies in criminal, civil or administrative legal proceedings in response to requests or demands for testimony or records concerning information acquired in the course of an employee performing official duties or because of the employee's official status regardless of whether the person would otherwise be subject to service of a subpoena or other legal process in the State of California.



## ATTACHMENT C

### COMPENSATION AND PRICING PROVISIONS

1. **Compensation:** This is a firm-fixed fee Contract between the County and Contractor for PMNS services as set forth in Attachment B, "Scope of Work."

The Contractor agrees to accept the specified compensation as set forth in this Contract as full payment for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. The Contractor shall only be compensated as set forth herein for work performed in accordance with the Scope of Work. **The County shall have no obligation to pay any sum in excess of the fixed rates specified herein unless authorized by amendment in accordance with Paragraph 33, Contract Modifications, of the CMAS General Provisions – Information Technology.**

2. **Fees and Charges:** County will pay fees in accordance with the provisions of this Contract. Payment shall be as follows:

| <u>Item No.</u> | <u>Item description</u> | <u>Annual Rate:</u> |
|-----------------|-------------------------|---------------------|
| 01              | Annual Fees             | <u>\$ 458,050</u>   |

|                  |           |
|------------------|-----------|
| Household Count: | 1,250,000 |
| Employee Count:  | 50,000    |

| QTY | Product Code       | Description  | GSA Classification | Price          |
|-----|--------------------|--|--------------------|----------------|
| 2   | 101-11-11-0254-000 | Mass Notification Base - Tier 11                       | GSA Product        | USD 356,299.56 |
| 1   | 101-11-11-0240-000 | Mass Notification Base - Tier 12                       | GSA Product        | USD 33,700.44  |
| 1   | 101-11-11-0258-000 | Mass Notification Base for Transportation - Tier 3     | GSA Product        | USD 5,000.00   |
| 1   | 101-01-11-0206-000 | Incident Management - Incident Communications - Tier 7 | GSA Product        | USD 100.00     |
| 63  | 101-01-11-1001-000 | Everbridge Additional Organization                     | GSA Product        | USD 100.00     |
| 1   | 101-01-11-1027-000 | Everbridge Community Engagement - Tier 7               | GSA Product        | USD 49,700.00  |
| 10  | 100-09-11-1038-000 | Additional CE/VE Keywords – 1                          | Open Market        | USD 100.00     |
| 50  | 101-00-22-8301-000 | Consulting Services - Per Hour                         | GSA Product        | USD 13,000.00  |

**Pricing Summary:**

|                |                |
|----------------|----------------|
| Year One Fees: | USD 445,000.00 |
|----------------|----------------|



|   |                       |
|---|-----------------------|
| One-time Implementation and Setup Fees: | USD 0.00              |
| Professional Services:                  | USD 13,000.00         |
| <b>Total Year One Fees Due:</b>         | <b>USD 458,000.00</b> |

3. **Price Increase/Decreases:** No price increases will be permitted during the first period of the price agreement. The County requires documented proof of cost increases on Contracts prior to any price adjustment. A minimum of thirty (30) days advance notice in writing is required to secure such adjustment. No retroactive price adjustments will be considered. The County may enforce, negotiate, or cancel escalating price Contracts or take any other action it deems appropriate, as it sees fit. The net dollar amount of profit will remain firm during the period of the Contract. Adjustments increasing the Contractor's profit will not be allowed.
4. **Firm Discount and Pricing Structure:** Contractor agrees that no price increases shall be passed along to the County during the term of this Contract not otherwise specified and provided for within this Contract.
5. **Contractor's Expense:** The Contractor will be responsible for all costs related to photo copying, telephone communications and fax communications while on County sites during the performance of work and services under this Contract.
6. **Payment Terms – Payment in Advance:** Invoices are to be submitted at least sixty (60) days in advance of each annual contract renewal to the user agency/department to the ship-to address, unless otherwise directed in this Contract. Vendor shall reference Contract number on invoice. Payment will be net thirty (30) days after receipt of an invoice in a format acceptable to the County and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with the Contractor.  
  
Billing shall cover services and/or goods not previously invoiced. The Contractor shall reimburse the County for any monies paid to the Contractor for goods or services not provided or when goods or services do not meet the Contract requirements.  
  
Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the goods or services.
7. **Taxpayer ID Number:** The Contractor shall include its taxpayer ID number on all invoices submitted to the County for payment to ensure compliance with IRS requirements and to expedite payment processing.
8. **Payment – Invoicing Instructions:** The Contractor will provide an invoice on the Contractor's letterhead for goods delivered and/or services rendered. In the case of goods, the Contractor will leave an invoice with each delivery. Each invoice will have a number and will include the following information:
  - a. Contractor's name and address
  - b. Contractor's remittance address, if different from 1 above
  - c. Contractor's Taxpayer ID Number
  - d. Name of County Agency/Department
  - e. Delivery/service address
  - f. Master Agreement (MA) or Purchase Order (PO) number



- g. Agency/Department's Account Number
- h. Date of invoice
- i. Product/service description, quantity, and prices
- j. Sales tax, if applicable
- k. Freight/delivery charges, if applicable
- l. Total

Invoice and support documentation are to be forwarded to:

County of Orange  
Sheriff-Coroner Department  
Emergency Management Division  
2644 Santiago Canyon Road  
Silverado, California 92676  
Attn: Michelle Anderson

9. **Payment (Electronic Funds Transfer (EFT))**

The County offers Contractors the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment via EFT will also receive an Electronic Remittance Advice with the payment details via e-mail. An e-mail address will need to be provided to the County via an EFT Authorization Form. To request a form, please contact the agency/department representative listed in Section 9. Notices. Upon completion of the form, please mail, fax or email to the address or phone listed on the form.



## **ATTACHMENT D**

### **Everbridge Technical Support Services Guide (November 14, 2018 Update)**



## ATTACHMENT E

### FUNCTIONAL REQUIREMENTS

Functionalities available in the core of the PMNS include full mobile support, communication deployment capabilities, centralized contact data storage and management, geographic targeting and mapping, and secure infrastructure to ensure client data security. In addition, Contractor shall do the following:

- Maintain multiple, globally-dispersed data centers
- Operate multiple Network Operations Centers with 24X7 staffing and monitoring
- Deliver seamless scaling to deal with the unexpected peaks
- Enable multi-modal support for over 100 contact methods including SMS, voice, email, digital signage, PC alert systems, and sirens

The following are the functions of the PMNS that the Contractor shall provide, as indicated by an “X” in the “Yes” column. Where a function is not currently available, as indicated by an “X” in the “No” column, Contractor shall consider and be responsive to County’s technical tickets. All available functions are included in the Scope of Work (Attachment B) at no additional cost to the County except where noted below.

| #  | Function   | Yes | No | Additional Comments/Specifications  |
|----|--|-----|----|---|
| 1. | The system will not require the County to purchase or                                  | X   |    | As a SaaS solution, no County hardware is required for installation of the system. Contractor will maintain all communication over HTTPS (Port 443) using its valid 2048-Bit TLS 1.2 security certificate, which effectively secures the traffic from the client environment into the secure Contractor infrastructure. Thus, any computer system capable of using a web browser that supports TLS 256-Bit encryption will be able to access and leverage the notification platform without issue. County shall be able to access the system from popular computer operating systems, such as Microsoft Windows, Linux, and Mac OS, as well as from popular smart phones and tablets. |
| 2. | The system will not require the County to purchase or lease dedicated phone lines.     | X   |    |   |
| 3. | The system will not require the County to purchase or incur ongoing maintenance costs. | X   |    | Contractor will provide routine upgrades, updates, and enhancements free of charge for the life of the contract with no interruption in service.  |



|    |   |   |  |  |
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| 4. | The system will be redundant with 99.99966% uptime on multiple mirrored sites in geographically disparate locations. Data center ratings will be provided and call network monitor systems established. | X |  | Contractor will provides service at 99.99% or greater uptime.  |
| 5. | The system will include cyber-protection measures including appropriate notification protocols if intrusion is detected or if data breach occurs.   | X |  | Contractor will enable active monitoring, intrusion detection, and logging of all events, on all components, within all tiers of the SaaS infrastructure. Contractor's monitoring tools will consist of both network-based IDS devices scanning all network traffic, and host-based probes that are designed to detect any activity outside of normal application traffic and performance. If a monitor detects any unusual or suspicious activity, the monitoring tool will generate an automated alert that will be immediately investigated by Contractor's on-call support team. |
| 6. | The service will have an available application programming interface (API) service with documentation available for API calls and functions such as contact management.                                 | X |  | Contractor will provide a fully functional Restful JSON based API. As part of the API, County will be able to utilize various methods to update contact information (GET, DELETE, PUT, and POST) as well as initiate a broadcast through the API. There will be no additional cost to access the API for managing data.<br><br>If County does not have the staffing resources to build the integration, professional services to build the integration can be purchased from Contractor at an additional cost.   |
| 7. | The system will have full and complete IPAWS integration and functionality including WEA/EAS.   | X |  | Contractor will remain certified as a gateway for IPAWS/CMAS. County and other authorized clients, such as government entities, will need to provide their COG ID (Common Operating Group ID), the Common Name (Logon Name), and the digital certificate provided by FEMA within the settings of the Contractor's system. Once this information has been provided, County will be able to send notifications and include the Publish to IPAWS/CMAS as a deployment option – or simply target IPAWS/CMAS separate from any other target population.                                   |
| 8. | The system will be configured with multiple IPAWS credentials (e.g., multiple jurisdictions that have independent codes can load their certificates into the system)                                    | X |  |  |



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| 9.  | The system will support geo-targeted notifications.   | X |  | Contractor will support utilizing the GIS interface for creating all notification types, including standard notifications, polling notifications, and conference bridges.  |
| 10. | The system will have ESRI mapping interface to allow County to select multiple contiguous or non-contiguous areas for notification. | X |  | System will allow users to upload shape files from ESRI in ZIP and KML formats to target specific geographic areas. In addition, ESRI will be offered as a standard base map layer option.   |
| 11. | The system will incorporate raster (e.g., satellite) imagery in its mapping function.   | X |  | The system will provide base map layers using Google, Bing, and ESRI, and County may configure the solution to support a client map server as well. From a map layer perspective, the system will also provide premium weather layers that can display additional overlay information regarding weather radar and infrared satellite.  |
| 12. | The system mapping functions shall be capable of interfacing with and publishing to other web-based portals.                        | X |  | The system Universe Tab is contained within the product, but County may export shapes used for selecting the target audience for any deployment from the platform for use in other systems County may have.  |
| 13. | The system will support User-defined message templates, including pre-loaded text, audio, and video files.                          | X |  | System will allow County to create and save an unlimited number of message templates to expedite communication processes. Message templates will contain pre-recorded voice and text content that can be applied to new notifications. Broadcast templates are pre-defined notifications that contain message content, target recipients, and settings. Once saved, broadcast templates may be quickly deployed individually or as a group in under 15 seconds. Templates will be stored in a corresponding library for easy management. |
| 14. | The system will support spontaneous uploading of audio files for notifications.   | X |  | System will support the ability to create voice recordings in several ways.  |
| 15. | The system will support spontaneous uploading of video files for notifications.   | X |  | System will support up to five separate attachments that may be sent to email notifications. Total attachment size cannot exceed 2 MB of data and no single attachment can exceed 2MB. Additionally, these attachments may be sent to Contractor's mobile application for smart phones and tablets.  |



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| 16. | The system will be capable of sustaining a minimum volume of 50,000 phone calls simultaneously.   | X |  | Because the system is a hosted SaaS solution, there will be no limit to the number of notifications Contractor is capable of sending and no limit to the number of contacts that can be stored with the solution. Contractor will conduct regular capacity planning (quarterly) to ensure ample capacity, performance, storage, and support to maintain guaranteed SLAs.  |
| 17. | The service will be configured with pre-set call throttling rates set by the User launching the notification, not the Contractor.   | X |  | Contractor will provide a verifiable and configurable call throttling mechanism. The throttling settings will allow County to modify the overall speed for all calls going out or specify an area code and prefix to modify the speed for a specific area or building.  |
| 18. | The service will be configured with real-time automatic/ intelligent throttling during a call in progress to ensure a high success rate. This rate will be displayed to the notification sender and recorded so that it can be accessed and reviewed upon demand by the County. | X |  |   |
| 19. | The service will use multiple telephone carriers and can switch between carriers during notifications depending upon telephone network status.  | X |  | Regardless of the target telephone provider, Contractor will utilize established telecommunication industry standards for placing telephone calls among public networks.  |
| 20. | The system will be configured to make multiple attempts to reach Registrants.   | X |  | By default, each contact targeted with a notification from the Contractor solution will be sent notifications based on a “rotational contact methodology” whereby the contact devices (delivery methods) for any contact are notified, one at a time, and Contractor seeks confirmation/response. Should confirmation/response be received, it will be recorded in the solution and no further notifications are deployed to the recipient. If the recipient does not confirm/respond to the incoming notification, Contractor will “rotate” to the next available device and attempt to contact the recipient again (seeking response). This process will continue until all Contact Cycles are exhausted. |



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| 21. | The system will call out-of-state and international numbers.   | X |  | All notifications deployed from the Contractor's solution require a fully defined telephone number to place the call to any landline, cellular, or VoIP telephone. This includes both domestic (10-digit telephone numbers) and international telephone numbers.  |
| 22. | The system will differentiate between human voice and voicemail/answering machine recordings.  | X |  | Contractor fully supports this requirement through automated voicemail/answering system detection. If a live person answers the incoming call, the message will be relayed to the recipient (with the details to confirm, if enabled). If a voicemail/answering system is detected, County will have the option to configure how Contractor interacts with the voicemail/answering solution – leaving a message only; leaving a message with confirmation; or leaving no message. At no time will Contractor assume that reaching a voicemail/answering system is proof of delivery and confirmation. Thus, the system will continue to attempt to notify the intended recipient on other available devices until confirmation is received or until the Contact Cycles have been exhausted. |
| 23. | The system will be configured with separate sub-administration accounts for each unique participating agency.  | X |  | The platform will support an unlimited number of groups, subgroups, and groups within groups all of which are maintained in a single organization (client environment) within the Contractor's system.  |
| 24. | Each User within the sub-administration accounts will have their own password.   | X |  |   |
| 25. | The main account (OCSD-EMD) will be notified of and can see all messages launched by the other sub-administrator accounts.   | X |  |   |
| 26. | The system will have a highly granular sub-administration function that allows for unlimited sub-administrators to create and manage their own users and databases within a nested or silo'ed structure. | X |  |   |
| 27. | The system will integrate with Nixle lists, operated by individual jurisdictions.  | X |  |   |



|     |  |   |   |  |
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| 28. | The system will publish notifications automatically to social media and RSS feeds: | X |   |  |
| 29. | <input type="checkbox"/> Facebook  | X |   |  |
| 30. | <input type="checkbox"/> Twitter   | X |   |  |
| 31. | <input type="checkbox"/> Google Alerts   | X |   | This functionality shall be provided via Community Engagement. |
| 32. | <input type="checkbox"/> YouTube   |   | X |  |
| 33. | <input type="checkbox"/> WhatsApp  |   | X |  |
| 34. | <input type="checkbox"/> RSS   | X |   | Contractor will provide a CAP RSS feed.                        |
| 35. | <input type="checkbox"/> Other (specify)   |   |   |  |



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| 36. | Real-time results reporting and metrics will be available to Users, including, but not limited to: | X | <p>Contractor shall provide reports for use during emergency activations as well as afterwards. The system will provide the following five types of notification reports, giving the County needed information on demand. All reports shall be capable of export.</p> <p><u>Notification Dashboard Reporting (Real-time Reporting)</u><br/>This dashboard is a reporting system that tracks notifications in real time, allowing the County to observe the results of the broadcast as they occur. The dashboard reporting screen will automatically refresh every 60 seconds, or it can be manually refreshed while the broadcast is active to provide up-to-the-second information. The County will be able to easily access detail-level reporting to see who has received and confirmed messages and who has not.</p> <p><u>Broadcast Reports</u><br/>The Detailed Broadcast Report will provide detailed breakdowns of each notification sent. Detailed Broadcast Reports will be available online through the Web-based administration console or can also be automatically e-mailed or faxed at the conclusion of a broadcast at County's request.</p> <p><u>Ad Hoc Reports</u><br/>The Ad Hoc Report will allow administrators to extract specific data from the system. Ad hoc reports can be downloaded in CSV and PDF format as well as HTML format. Users will be able to retrieve call records via a wide variety of record search and reporting options. Contractor's Ad Hoc Reporting functionality will allow County to pull reports that are important and meaningful for its specific needs, rather than merely provide static report features.</p> <p><u>Event Analysis Reports</u><br/>The system will provide the ability for multiple messages to be viewed in a single report. Reports may be filtered to include a single notification, or spanning multiple notifications. Using Event Reporting, County will be able to look at all messages/response details related to the same Event in a graphical and "top down" style.</p> <p><u>Detailed Notification Analysis Reports</u><br/>A detailed Notification Analysis report will allow County to investigate the delivery details, over time and among all users targeted, for any notification campaign launched from the platform. Details about the notification will be included, such as the settings that were configured for the deployment, confirmation status information (with pie chart representation), and the overall number of delivery attempts made over time (with line chart representation).</p> |
|-----|--|---|---|



|     |   |   |  |   |
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| 37. | <input type="checkbox"/> percentage of attempted and completed notifications                                      | X |  |   |
| 38. | <input type="checkbox"/> failure rates  | X |  |   |
| 39. | <input type="checkbox"/> failure modes (with standard response definitions across sub-contracted carriers)        | X |  |   |
| 40. | <input type="checkbox"/> time of delivery   | X |  |   |
| 41. | <input type="checkbox"/> length of delivery   | X |  |   |
| 42. | <input type="checkbox"/> total number delivered   | X |  |   |
| 43. | <input type="checkbox"/> Other  |   |  |   |
| 44. | Customer support must be treated as a high priority with:   |   |  |   |
| 45. | <input type="checkbox"/> one primary point of contact at the company  |   |  | Contractor shall offer 24x7x365 Technical Support via <a href="https://www.everbridge.com/customers/support/">https://www.everbridge.com/customers/support/</a> and at the email address and telephone numbers listed in Attachment D, Everbridge Technical Support Services Guide  |
| 46. | <input type="checkbox"/> 24/7/365 emergency support line (for both administrators and self-registration accounts) | X |  | <p>Contractor will provide ongoing support via the Internet, e- mail, and telephone. Contractor's Technical Support will be available to the County at any time of day or night, 24x7x365.</p> <p>Technical Support staff members will be full-time Contractor employees located on-site who are well-versed on Contractor's system. Technical Support shall not be outsourced to third parties that do not have Contractor's expertise. Additionally, Contractor shall have support personnel deployed at all of its offices around the world.</p> |



|     |   |   |  |  |
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| 47. | <input type="checkbox"/> live chat  |   |  |  |
| 48. | <input type="checkbox"/> screen-sharing tools   |   |  | Contractor support personnel will initiate a Zoom session (corporate approved standard for secure meetings and collaboration) with County to provide support if necessary.   |
| 49. | <input type="checkbox"/> one business day deadline for non-emergency support  |   |  | Contractor shall meet support timelines outlined in Attachment D, Everbridge Technical Support Services Guide.   |
| 50. | The Contractor will have a transparent method for responding to, prioritizing, and implementing feature requests and modifications with a 30 day response time.                             |   |  | <p>County may enter feature requests for the PMNS through Contractor's Client Services. All requests will be logged and tracked by Contractor's development team, and as more clients request similar features, Contractor may include these into the notification platform. In regard to "change management," Contractor will employ the following industry-standard practices for controlling changes to the SaaS application code or the database:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Approved, detailed, written specifications from the business group Impact analysis</li> <li><input type="checkbox"/> An approval hierarchy that includes at least one company executive</li> <li><input type="checkbox"/> Queue management to ensure that all stakeholders are aware of the approved and pending changes to the system</li> <li><input type="checkbox"/> Documented approvals for applying any changes to the Development, Test, and Production environments</li> <li><input type="checkbox"/> Application code must be checked into a secure code library and checked out of this library to be applied to the Test or Production systems.</li> <li><input type="checkbox"/> Application code or database changes to the Test and Production environments require the use of highly secured passwords that are known only to the developers responsible for migrating application code or database changes. Only the DBA has access to implement database changes.</li> <li><input type="checkbox"/> Back-out procedures</li> <li><input type="checkbox"/> Specification of onboarding and maintenance windows</li> </ul> |
| 51. | All data entered into the system from any source will remain the property of the County; data cannot be provided or sold to other entities.   | X |  |  |
| 52. | Registrants are not required to provide their data to the Contractor or other third party, or subscribe to or download an application in order to receive notifications through the system. | X |  | Contractor will support this function through its Engagement functionality, as well as through IPAWS.  |



|     |  |   |  |   |
|-----|--|---|--|---|
| 53. | Contractor will obtain E911 from all carriers within the County of Orange, California.               | X |  | County will obtain E911 from all carriers within the County and provide the data to Contractor; if, in the future, California law is updated to allow for the Contractor to receive this data directly, the County and Contractor will work together to transition this process. This will allow County to leverage existing emergency services (E911) databases that provide contact information and are updated on a monthly or quarterly, or yearly basis, allowing for a high level of accuracy.  |
| 54. | Contractor will geo-code all E911 data following a mutually agreed upon systematic process.          | X |  | Regardless of the method used to manage the data, if a physical address is supplied to the Contractor's platform, Contractor will geo-code the address and determine the Latitude/Longitude coordinates for the location. These coordinates will then be used to drop a pin on the map (color of the pin will be defined by County and based on Record Type, as described above) in the Universe tab for recognition and inclusion in notification deployments.<br><br>System will allow County to also specify the precision level of the GIS information utilized in the Contractor's solution through the Precision GIS functions, which can enhance the level of accuracy and will allow the County to directly handle "centroid" geocoding challenges they may experience. |
| 55. | The system will have more than one geo-coding system or process.                                     | X |  | System will allow geocoding to be conducted using Contractor's inherent geo-coding or County may leverage Precision GIS capabilities and supply its own geo-coding.   |
| 56. | The Contractor will code residential and business lines.   | X |  |   |
| 57. | The Contractor will upload E911 data that has been geo-coded and identified as business/residential. | X |  |   |
| 58. | The Contractor will upload E911 data that has been geo-coded and identified as listed and unlisted.  | X |  |   |



|     |   |   |   |  |
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| 59. | The Contractor will maintain data for opt-outs from the E911 data and ensure that new uploads accommodate these opt-out requests.   | X |   |  |
| 60. | The system will flag failed notifications for specific causes and allow the County to configure rules for failed notifications (e.g., mark failed call numbers or bounced emails to be resolved by County personnel). | X |   |  |
| 61. | The system will support contact lists of unlimited length.  | X |   |  |
| 62. | The system will support nested contact lists (e.g., List 1 includes Sublist A, B, C; List 2 includes Sublist A & C; List 3 includes Sublist B & C)  | X |   |  |
| 63. | The Contractor will analyze the results of each system use to identify if there are data management errors and identify possible improvements in data management processes.   | X |   | County may contact Contractor's 24x7x365 tech support team with questions regarding, or for support on, data management and review of communication campaigns. |
| 64. | The system must incorporate Coding Accuracy Support System (CASS) certified address entry in all entry portals.   |   | X |  |
| 65. | The Contractor will host training as requested by County:   |   |   |  |
| 66. | <input type="checkbox"/> in-person at system implementation   |   | X | Not applicable (system already implemented)  |



|     |   |   |  |   |
|-----|---|---|--|---|
| 67. | <input type="checkbox"/> in-person on an as-requested basis   | X |  | Available at an additional cost   |
| 68. | <input type="checkbox"/> interactive webinar  | X |  | Available at an additional cost   |
| 69. | <input type="checkbox"/> recorded computer based trainings  | X |  | Contractor will provide (free) access to Everbridge University, an online learning environment that has tutorials with videos that show how the system works. Online help is built into the notification platform and will open in a new window and assist a user in the process of sending a notification.   |
| 70. | Contractor shall provide a comprehensive User guide detailing all system features and functions.    | X |  | <p>Contractor will provides multiple levels of documentation to assist County in the process of managing the notification system, including:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Everbridge Mass Notification User's Guide–Full documentation of the features of the notification platform</li> <li><input type="checkbox"/> Everbridge Mass Notification Quick Start Guide–Focused on the areas that will allow a user to use the notification functions of the system</li> <li><input type="checkbox"/> Everbridge Mass Notification Application Programming Interface (API) Guide–Starting point for software engineers to write applications that harness the strength of the Contractor's platform allowing for full integration with County systems</li> <li><input type="checkbox"/> Everbridge University Online (Video Tutorials)</li> <li><input type="checkbox"/> Everbridge Online Help–See #69 above</li> </ul> <p>Everbridge One Sheets–Isolate common tasks and help a user do everything, including send a notification, edit a contact, or make a selection from the map</p> |
| 71. | The Contractor will provide free testing and training by the County and Sub-administrator accounts. | X |  |   |



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| 72. | The system will have a testing environment with safeguards to ensure that training and testing do not occur using E911 data unless the User intends to do so.   | X |  |  |
| 73. | The system will have a self-registration portal that allows both external (the public) and internal (agency employees) individuals to register multiple contact methods with and without setting up an account. | X |  |  |
| 74. | The system will provide the public with a single-screen interface through which Registrants can opt-in to notifications originating from multiple jurisdictions or agencies.                                    | X |  |  |
| 75. | The public web interface for Registrants will be of responsive design capable of displaying clearly on mobile, tablet, and desktop devices.   | X |  |  |
| 76. | The system's Registrant interface will meet or exceed the requirements of Section 508 of the Rehabilitation Act and Web Content Accessibility Guidelines (WCAG).  | X |  |  |
| 77. | The system will allow Registrants to update their own contact data via an online portal or mobile application.  | X |  |  |
| 78. | The registration portal will allow Registrants to create an account with either an email address or telephone number.   | X |  |  |



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| 79. | The registration portal will require the Registrant to validate their contact information.   | X |   |  |
| 80. | The registration portal will incorporate CASS certified address entry and validation before allowing the Registrant to finalize.   |   | X |  |
| 81. | The registration portal will incorporate an automatic geo-coding validation before allowing the Registrant to finalize, including allowing the Registrant to manually move the point mapped if correction is needed. | X |   |  |
| 82. | The registration portal geo-coding software will update parcel and address data no less than bi-annually, so as to capture newly constructed homes and businesses.   |   | X |  |
| 83. | The registration portal will be available in at least the following languages:   | X |   | The registration portal can be configured by County to include any language desired. County may also enable the system's Google Translate functionality, which allows the user of the page to select the desired language and all content on the page will be displayed in the selected language (auto-translation provided through Google Translate). |
| 84. | <input type="checkbox"/> Arabic  | X |   |  |
| 85. | <input type="checkbox"/> English   | X |   |  |
| 86. | <input type="checkbox"/> Farsi   | X |   |  |
| 87. | <input type="checkbox"/> Korean  | X |   |  |



|     |  |   |   |   |
|-----|--|---|---|---|
| 88. | <input type="checkbox"/> Spanish   | X |   |   |
| 89. | <input type="checkbox"/> Vietnamese  | X |   |   |
| 90. | Registrants will be able to choose what types of alerts to receive and what devices to receive them on, such as:   | X |   |   |
| 91. | <input type="checkbox"/> Weather alerts  | X |   |   |
| 92. | <input type="checkbox"/> Road closings   | X |   |   |
| 93. | <input type="checkbox"/> School closings   | X |   |   |
| 94. | <input type="checkbox"/> Special announcements   | X |   |   |
| 95. | At registration, Registrants will be able to provide vulnerability data.   | X |   | This would be configurable At Risk or Needs Identification (e.g., Bedridden, Oxygen)  |
| 96. | The system will be able to detect Video Relay Services (VRS) used by the deaf and hard of hearing community. Messages will be delayed until the VRS interpreter becomes available or the message will be looped for up to 3 minutes. |   | X |   |
| 97. | During an alert notification, the system will provide Registrants with language options upfront (ex. Press 1 for English, 2 for Spanish, etc.).  |   | X | Although Contractor does not support this functionality, a similar result may be accomplished by using Contractor's automated language translation capabilities within the Scenarios. |
| 98. | The service will support non-English character sets and right- to-left text for email and TTY messages.  | X |   |   |



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| 99.  | The system will allow for configuration of automated forwarding from other systems (e.g., National Weather Service).             | X |  | <p>Contractor's Mass Notification platform offers SMART Weather Alerting which leverages Weather Decision Technologies' (WDT) meteorological resources to enhance and optimize over 150 severe weather alerts such as lightning, tornadoes, thunderstorms, hail, ice, snow, extreme temperatures, high winds, flash floods, and flooding. SMART Weather Alerting provides location-specific severe weather alerts at the speed of click. An automated rules engine supercharges the speed and accuracy of alert delivery, so notifications get to the right people right away.</p> <p>Available at an additional cost.</p>  |
| 100. | The system will be intuitive, easy to learn, and use best practices in User interface and User design.                           | X |  | <p>Contractor's system will provide ease of use for both message senders and recipients. The system will provide an intuitive interface that allows for administrators to send messages and navigate the system easily. For new notifications, the system will provide a single page workflow that will allow County to specify message type, message content, target audience, and deployment options (such as devices to target, number of contact cycles, etc.). County will be able to launch notifications even more quickly using Contractor's Notification Templates, whereby various elements of the notification deployment may be defined ahead of time – reducing the selection of the options to send the notification when needed.</p> |
| 101. | The web interface for Users will provide responsive design capable of displaying clearly on mobile, tablet, and desktop devices. | X |  |   |



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|------|--|---|--|---|
| 102. | The system will include a mobile app for iOS and Android that allows Users to send public notifications to on-the-fly generated geo-located areas.                                   | X |  | Contractor's system will support the ability to launch new and template broadcast to both individuals and groups of individuals, manage messages, and view reports from smartphones and tablet devices. Mobile app support for iOS and Android devices will be provided to County. Authentication on the mobile platform is through HTTPS connections utilizing 2048-bit encryption. No information is cached locally within the app. Contractor will also provide a universal browser interface that functions among any smartphone or tablet devices, including BlackBerry and Windows Mobile.  |
| 103. | The service will integrate with incident management systems, such as WebEOC, so that alerts can be activated from WebEOC Input or Display views.                                     | X |  | The system will integrate with incident management systems via Contractor's Incident Communication and Email Ingestion functionality or through custom development using JSON-based RESTful API.<br><br>Email Ingestion is available at an additional cost (Incident Communication is included in County's Scope of Work).  |
| 104. | The system will have a robust responder notification function that allows for advanced polling functions and the ability to stop calls once a set threshold of responses is reached. | X |  | Contractor will provide the ability to create and send quota-based notifications by using Polling Notification with Quota enabled. County will have the ability to specify a certain number of positions to be filled. Once deployed, the quota notification will start contacting the pool of candidates and continue until enough successful responses are provided to fill the quota count. Once the quota is filled, the system will automatically stop calling the group. County can use Contractor's follow-up capability to re-communicate to any desired audience—such as those who confirm receipt after the quota is filled—very quickly. |
| 105. | The system will have the ability to directly link notification recipients to an internal conference call.  | X |  | Contractor's system will provide Conference Notifications, whereby a notification is deployed to County recipients and if received via phone, they will join the call immediately; if received via text message, all dial-in and passcode information is included to allow the end user to connect to the call. Contractor will provide four (4) inherent conference bridge lines for County to use.<br><br>County may customize Contractor's service to support its own conference systems for an additional cost.   |
| 106. | The system will provide the ability for two-way text and email communication.  | X |  |   |
| 107. | Responses to notifications can be sent via email or text directly to the User sending the message, system administrators, or members of a User-defined group.                        | X |  | Responses and confirmations from recipients will be reported back to the Contractor's platform whereby authorized client administrators (including those that initiated the communication) may review them through Contractor's reporting options.  |



|      |  |   |  |   |
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| 108. | The system will be able to export the polygon created for the notification in shape file, KML, and CSV.  | X |  |   |
| 109. | The system will automatically send all Registrants a yearly, bi-yearly, or quarterly email reminding them to update their information. This message can be configurable by a User. | X |  | Contractor will schedule notifications to accomplish this upon County request. Additionally, rules or filters can be developed to only target the users that have not recently updated their contact information. |
| 110. | The system will be able to manually bulk upload data via CSV or Excel and automatically via SFTP.  | X |  |   |
| 111. | The system will have an audit functionality that allows authorized Users to review system access and activity for up to 18 months.   | X |  |   |



**Public Mass Notification System**  
**Individual User Agreement**

1. \_\_\_\_\_ (hereinafter "USER") is an agent, officer, employee or representative of \_\_\_\_\_, (hereinafter "PARTICIPANT").
2. PARTICIPANT is a signatory to a Memorandum of Understanding ("MOU") between with the County of Orange ("COUNTY") for Use of Countywide Mass Notification System ("SYSTEM").
3. As an agent, officer, employee or representative of PARTICIPANT, USER has been granted access to the System by PARTICIPANT and is deemed an Individual User under the MOU.
4. USER understands that as an Individual User, USER may only use the SYSTEM in the manner described in the MOU, the Everbridge GSA Approved End User License Agreement, and in accordance with the requirements of the law. .
5. By signing this Individual User Agreement, USER hereby further expressly agrees to the do following things:
  - a) to maintain the confidentiality of login and password information;
  - b) to use the System in accordance with all applicable laws and regulations, including those relating to use of personal information;
  - c) to be responsible for any breach of the terms of the Agreement with Everbridge and/or the MOU between PARTICIPANT and COUNTY caused by the Individual User; and
  - d) to maintain the confidentiality of all records and information to which the Individual User may have access as a result of their access to the System pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this MOU; and
  - e) that all information transmitted and the use of the SYSTEM by USER shall be in compliance with California Public Utilities Code section 2872.
6. USER also acknowledges having been provided the opportunity to review the GSA Approved End User License Agreement with Everbridge, the MOU and California Public Utilities Code section 2872, prior to signing this Individual User Agreement, and hereby agrees to abide by both the letter and intent of those documents.
7. USER may withdraw their consent to terms contained within this Individual User Agreement at any time by notifying PARTICIPANT in writing. USER acknowledges, however, that withdrawing USER's consent will result in immediate termination of USER's right and ability to access the SYSTEM.

By signing this Individual User Agreement, USER acknowledges having thoroughly read the foregoing, and hereby consents and agrees to the above terms and conditions.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Email Address





# *Orange County Operational Area*

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## **Countywide Public Mass Notification System Standard Operating Procedures**

**Effective: June 30, 2008**

**Revised: June 30, 2021**

### **I. PURPOSE**

The purpose of this document is to outline the Standard Operating Procedures for the use and administration of AlertOC, the Orange County Public Mass Notification System, hereinafter referred to as "System". This document will provide more specific step-by-step procedures and roles and responsibilities at the regional level including describing expectation of participants. Individual jurisdictions/agencies should create and maintain and **regional concepts**. The step-by step procedures for activation and use will be maintained in a separate document maintained by each jurisdiction/agency as a part of their emergency response plans for overall planning and response efforts. A copy of these procedures shall be maintained in PrepareOC.

This document does not supersede any policy and procedures outlines in the Memorandums of Understandings signed by participating agencies, but should be used to support the use of the Orange County Mass Notification System.

### **II. SYSTEM DESCRIPTION**

The primary intent of the Countywide Public Mass Notification System is to disseminate early warning and time sensitive information to county businesses and residents during an emergency event. The Public Mass Notification System is only one component of the County of Orange Public Warning System. As deemed fit by local authorities, the System should be used in conjunction with the other public warning mechanisms including, but not limited to, route alerting, the Emergency Alert System, sirens, and press releases.

The Mass Notification System is available 24/7 and has been pre-loaded with Orange County landline phone numbers (including unlisted) and countywide geographic maps. Additionally, citizens have the option to provide additional contact information via self-registration portal [www.alertoc.org](http://www.alertoc.org) with link access from county and all participating entity websites. Upon local authority decision to activate, the System will be used to send a message, describing the situation, impacted area, and recommended action the public should take, to affected businesses and households via telephone, e-mail and/or text.

The County of Orange, Orange County Sheriff's Department is the sponsor of the Countywide Public Mass Notification System initiative and will take appropriate measures to ensure that the System is in a state of operational readiness at all times. It is the responsibility of all participating Agencies to maximize citizen benefits from the System.

While the County's intent for implementing and maintaining the System is for "emergency" use, upon consent from local authorities, cities may optionally use the System to disseminate "government-related" non-emergency notifications to citizens and organization resources within its jurisdiction. See Section V. Authorized Use and Section VIII. Cost for policy guidelines relating to non-emergency use.





## *Orange County Operational Area*

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### **Countywide Public Mass Notification System Standard Operating Procedures**

#### **III. GOVERNANCE**

The Orange County Sheriff's Department Emergency Management Division will manage the Mass Notification System as a countywide asset under the Policy and Guidance approved and recommended by the Orange County Technology Subcommittee, and agreed upon by each individual Agency when they opt into the system.

Use of the System by each Agency is contingent upon that Agency abiding by the contract with the mass notification vendor, and the protocols established by the Emergency Management Council and Operational Area Executive Board.

The System utilizes the 9-1-1 database to complete the notifications. The use of the 9-1-1 database is regulated by the California Public Utilities Code (CPUC) sections 2872 and 2891.1. The information contained in the 9-1-1 database is confidential and proprietary and shall not be disclosed or utilized except by authorized personnel for the purpose of emergency notifications. Any agency in violation of this regulation is subject to criminal charges as described in the CPUC.

The Orange County Sheriff's Department Emergency Management Division is responsible to ensure that the provisions of the contract are implemented properly. Authorized users must respect the integrity of the database, understand the privacy issues and fully comply with the policies and protocols outlined in this document. If violations of the MOU and this approved policy document are made by any individual or Agency, the Orange County Sheriff's Department reserves the right to disable that individual's or Agency's login(s).

#### **IV. OVERVIEW OF GENERAL SYSTEM FEATURES**

At minimum, the Orange County Sheriff's Department shall acquire and maintain a Public Mass Notification System capable of meeting the following requirements.

- A. Licensed for use throughout the County's entire region
- B. Capacity to send a 45 second message to 10,000 residents and businesses within 10 minutes
- C. Capacity to send messages via phone, e-mail and text
- D. Accessible via the public Internet
- E. Provides audit trail logging and reporting
- F. GIS map interface for geographic call list generation
- G. Citizen self-registration web portal (available in over 100 languages))
- H. Interactive phone survey technology and reporting
- I. IVR based notification setup and execution





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### **Countywide Public Mass Notification System Standard Operating Procedures**

#### **V. AUTHORIZED USE**

The Mass Notification System is designed to be a countywide asset, available to all Agencies that have a dedicated public safety answering point (PSAP) and/or a resident population they are responsible for making protective action recommendations.

An Agency may participate in the countywide System at no charge when used for emergency purposes until June 2024.

Agencies authorized to join the system at no cost are limited to the incorporated cities in the Orange County Operational Area, County agencies and departments, the Municipal Water District of Orange County and Orange County Retail Water Agencies. Each participating Agency must sign a MOU and will maintain, at minimum, a Local Agency Administrator responsible for implementing and administering use of the System at the local level.

#### **Cities**

Cities wishing to participate may do so by having an authoritative representative sign the "Orange County Public Mass Notification System" MOU. Upon signing the agreement, the Agency will be provided a local administrator account, a vendor provided user manual and initial training. Throughout the term of the agreement, the Agency may use the System to send an unlimited number of emergency notifications to the public as well as an unlimited number of emergency and non-emergency inter-department messages. Each participating City shall develop and maintain written procedures to identify and address the Agency's specific use of the System within the scope of this policy guide. Each participating City shall maintain a level of training for their users consistent with the County of Orange and Orange County Operational Area Alert and Warning Plan.

#### **County Users**

Unincorporated areas of Orange County will have emergency messaging to the public launched by the Orange County Sheriff's Department. All other county agencies may have access to utilize the system for interdepartmental use. Each participating County agency shall develop and maintain written procedures to identify and address the Agency's specific use of the System within the scope of this policy guide and provide this guideline to the Orange County Sheriff's Department Emergency Management Division. Each participating County agency shall maintain a level of training for their users consistent with the County of Orange and Orange County Operational Area Alert and Warning Plan.

#### **Water Retail Water Agencies**

The Municipal Water District of Orange County and Orange County Retail Water Agencies wishing to participate may do so by having an authoritative representative sign the "Orange County Water Retail Agency Public Mass Notification System" MOU. Upon signing the agreement, the Agency will be provided a local administrator account, and the Orange County Sheriff's Department, Emergency Management Division in collaboration with the Municipal Water District of Orange County – Water Emergency response Organization of Orange County (WEROC) will provide a user manual and initial training. Throughout the term of the agreement, the Agency may use the System to send emergency notifications to the public by





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### **Countywide Public Mass Notification System Standard Operating Procedures**

utilizing pre-established GIS shape files or the system's interactive map feature to identify their water users. Each participating agency shall develop and maintain written procedures to identify and address the Agency's specific use of the System within the scope of this policy guide. Each participating agency shall maintain a level of training for their users consistent with the County of Orange and Orange County Operational Area Alert and Warning Plan.

#### **Emergency Use**

Use of the Mass Notification System for emergency activity contains two components: (1) the need to disseminate critical, safety-related information to individuals regarding emergency events occurring now, follow up information regarding the event and termination of the emergency event., and (2) communicating with safety-responder staff, volunteers and involved parties about the emergency event.

As a general rule, the System is to be used when the public is being asked to take some action (e.g. evacuate, prepare to evacuate, shelter in place, boil tap water before drinking, local assistance centers and other follow up information, re-entry to an area after evacuation orders have been lifted or termination of the emergency because the danger has passed).

Emergency Public Notifications are limited to:

1. Imminent or perceived threat to life or property
2. Disaster notifications
3. Evacuation notices
4. Public health emergencies
5. Public safety emergencies
6. Any notification to provide emergency information to a defined community

The following criteria should be utilized to assist with determining the need to issue an alert:

1. Severity. Is there a significant threat to public life and safety?
2. Public Protection. Is there a need for members of the public to take a protective action in order to reduce loss of life or substantial loss of property?
3. Warning. Will providing warning information assist members of the public in making the decision to take proper and prudent action?
4. Timing. Does the situation require immediate public knowledge in order to avoid adverse impact?
5. Geographical area. Is the situation limited to a defined geographical area? Is that area of a size that will allow for an effective use of the system, given the outgoing call capacity?
6. Are other means of disseminating the information inadequate to ensure proper and time delivery of the information?
7. Is the message being sent follow up information to an emergency event in progress?

If the answer to ALL of these questions is "Yes", then an activation of the Mass Notification System for emergency purposes may be warranted.

To assist with trigger points for potential message use topics refer to Attachment A





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### **Countywide Public Mass Notification System Standard Operating Procedures**

Emergency Responder Notifications are limited to:

1. Contacting first responders to advise of an emergency
2. Contacting first responders to report for duty due to an emergency
3. Contacting key staff regarding an emergency or crisis situation
4. Contacting agency employees/DSWs to report at a different time or location (or provide an update) due to an emergency
5. Exercises

Emergency considerations:

1. Notification shall clearly state situation is an emergency
2. Message length shall not exceed 60 seconds
3. It is highly recommended all messages are recorded using a real voice and not the computer transcriber.
4. Message shall have a call back number specific to the agency issuing the notification.
5. It is highly recommended to provide a phone number or website where the public can obtain additional or updated information
6. An all clear notification should be sent when applicable

#### **A. Inter-Department Communication**

City and County Agencies may use the Mass Notification System for non-emergency inter-departmental business communication as needed, without cost. It is recommended that individual Agencies identify where this would add value to their operations and establish separate written protocols and procedures for this use.

#### **B. Non-Emergency Public Use**

No agency shall use the Mass Notification System for non-emergency public announcements unless a separate contract with the vendor is established. Non-emergency use shall be consistent and in compliance with the non-emergency guidelines included within. Any agency in violation of this term may have their use of the system suspended. Additionally, E 911 data is not allowed to be utilized for non emergency use except for testing according to the law California Public Utilities Code (CPUC) sections 2872 and 2891.1 and violators may be subject to criminal enforcement. Jurisdictions will be limited to utilizing the self-registering portal entry data only when launching non-emergency messages.

Agencies who contract to use the countywide System for non-emergency activity agree to give precedence to emergency notification call-outs by delaying or terminating non-emergency notification sessions if needed to increase emergency message success. The primary concern for point of failure in this situation is not the Mass Notification System, but the telephone port capacity of local phone providers responsible for delivering calls to residents. Cost associated with non-emergency public notifications is the responsibility of the local Agency, See section VIII.1

Non-emergency **public** notification use is **prohibited** for any of the following purposes:

1. Any message of commercial nature





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### **Countywide Public Mass Notification System Standard Operating Procedures**

2. Any message of a political nature
3. Any non-official business (e.g. articles, retirement announcements, etc.)
4. To send a message to an E911 obtained data source; see Section III, Governance, for additional information relating to E911 data use restrictions

#### **C. Confidentiality**

Agencies shall be responsible for: (i) ensuring that users maintain the confidentiality of all user login and password information; (ii) ensuring that users use the service in accordance with all applicable laws and regulations, including those relating to use of personal information; (iii) any breach of the terms of this policy or the vendor agreement by any user; (iv) all communications by users using the service; and (v) Ensuring users have completed an appropriate background check and undergone annual security awareness training.

Protecting confidential information contained within the system against accidental or unauthorized use, modification, dissemination, or destruction.

Immediately notifying the Orange County Sheriff's Department of any security incident that could lead to the unauthorized access, use, modification, dissemination, or destruction of CI contained within the system.

Through the "Memorandum of Understanding between the County of Orange and Participants for use of Countywide Mass Notification System," each agency is bound in writing to the confidentiality obligations sufficient to permit agencies to fully perform its obligations under this policy or the vendor agreement.

## **VI. AUTHORIZED SYSTEM USERS**

### **A. Public Notifications**

In general, use of the system in most cities is the responsibility of the local law enforcement agency. Since law is responsible to make alert, notification and evacuation orders. However, others may also be authorized to make notifications will be officials including , emergency management, fire and city manager departments.

County Administrator: The Orange County Sheriff's Department will act as the Countywide Public Mass Notification System County Administrator. County Administrator responsibilities are covered in section IX. System Administration and Operation.

County User: Orange County Sheriff's Department Emergency Communication Division (9-1-1 dispatch), Control One and Emergency Management Division personnel will be setup as "County" users. County Users will have permission to access and launch emergency notifications to all jurisdictions within Orange County consistent with County Operational Area public safety response guidelines. All other county agencies will have permission to execute inter department notifications.

The Orange County Emergency Operations Center, when activated will be responsible for all public notifications to unincorporated areas during an emergency. For day to day use of the system for public safety incidents including but not limited to hazmats, felony crimes with





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### **Countywide Public Mass Notification System Standard Operating Procedures**

suspects still at large, the Orange County Sheriff's Department Commander will be responsible for execution of messages.

**Local Agency Administrator:** A minimum of one designated Local Agency Administrator will be required for each Agency participating in the countywide System. Local Agency Administrator responsibilities are covered in section IX. System Administration and Operation.

**Local Agency User:** Participating Agencies may have an unlimited number of Local Agency Users. Local Agency Users will have access to resident contact records within their jurisdiction as well as neighboring jurisdictions with an established MOU agreement. Local Agency Users will be authorized and managed by the Local Agency Administrator and may have varied system permissions.

Any City jurisdiction who has contracted police services shall grant and provide access to their jurisdictions system in order to launch messages in a timely manner.

- Water agencies are identified as local users under the Orange County Sheriff's Department Emergency Management Division.

**Inter-Department User:** Inter-departmental users will have permission to inter-departmental contact information only and are authorized to use the system solely for inter-departmental communication including but limited to first responder or volunteer call-outs. Additional user for special contact groups including In House Special Services (IHSS), access and functional need cliental may be established with prior authorization from the Orange County Sheriff's Department to ensure no vendor contract violations are occurring.

## **VII. ACTIVATION OF THE SYSTEM**

Each City Jurisdiction is responsible for launching messages to affected citizens and businesses within their jurisdiction. Determination of authority to request activation of the Mass Notification System rest with local officials, not with the County of Orange or the Orange County Sheriff's Department Emergency Management Division. Water agencies are responsible for launching messages to affected citizens and businesses as identified in their service district. The following is protocol to be followed when an emergency message is launched anywhere in Orange County.

### **A. Public Notifications**

1. The County of Orange is authorized to use the System to send notifications of regional emergencies to any and all residents within the Operational Area (example: Countywide quarantine order for a health alert). Upon sending a countywide notification, Orange County Sheriff's Department Emergency Management Division will, as soon as possible, advise the appropriate local Agency that mass notifications have been sent by the County to residents of their cities. Pre-notification to emergency managers by email or WebEOC of this AlertOC activation before actual delivery of the message will occur if possible.
2. Other than regional emergency notifications, public notifications are the responsibility of the individual City/Local Government. In the event that the geographical location of an incident requires a message to be delivered to multiple jurisdictions, the responsible Agency will inform each individual Agency so that they can send the message to those





## *Orange County Operational Area*

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### **Countywide Public Mass Notification System Standard Operating Procedures**

affected within their own jurisdiction. Exception: Small unincorporated neighborhoods embedded within City limits will receive mass notification of local city emergency activity from City Officials. This does not include the unincorporated areas of Rossmoor, Midway City, Cowan Heights, Lemon Heights, all canyons, Coto de Caza and Trabuco Canyon areas. Any of the fore mentioned unincorporated areas by names, coordination will have to occur with the Orange County Sheriff's Department/Watch Commander when the EOC is not activated.

3. For a City wishing to send or receive messages to or from a neighboring Agency during time of a multi-jurisdictional incident, an MOU should be established between both parties that grants permission for the handling Agency to send emergency notification to residents within the affected Agency. (Exception will be made for cities who have contracted law enforcement services. No MOU will be required and access SHALL be granted).
  - a. In the event no MOU has been established, the local city agency will contact the Police Watch Commander who is the 24 hour warning point for all cities for approval and coordination.
4. Water agencies sending information to the public will do so only to pre-loaded GIS shape files containing their service areas. This procedure must occur due to the overlapping jurisdictional boundary areas. Water agencies will launch messages under the Orange County user account. Pre-notification to the Water Emergency Response of Orange County (WEROC) emergency manager, and impacted city emergency managers will occur prior to the launch of the message by email containing the AlertOC message before actual delivery of the message will occur.
  - a. The WEROC Emergency Manager is responsible to notify and provide the information to the OA/County Emergency Manager since the identification information will show the County of Orange as the initiator.
5. In the event a participating Agency is unable to send out an **emergency** message, the Orange County Control One Coordinated Communications Center is available to act on the local Agency's behalf. Agencies that do not have a current MOU with the County may also request Control One to send out an emergency message. Control One will not be available to send internal notifications. All rules and guidelines are applicable. It is still the responsibility of the local agency with the primary responsibility of the incident to receive approval for adjacent jurisdictions on multi jurisdictional events. Attachment B is the launch form containing all information required in order to launch a message. Authority to request mutual aid assistance from Control One must be requested by a Lieutenant or above (same protocols as requesting a Code Alex).
6. If the Operational Area EOC is activated, agencies may request to utilize the Orange County Information Hotline 714-628-7085 as the identification phone number for residents and businesses to call to obtain additional information. Agencies are requested to send a copy of the AlertOC script to the OA EOC before the message is launched, if possible.
7. Participating Agencies are authorized to develop pre-established notification lists and messages to meet their individual needs. These lists may include special populations (e.g. in-home care, schools, etc) or those susceptible to certain risks (e.g. homes within dam inundation zone). It is the responsibility of the participating Agency to create, maintain and update these lists.





## *Orange County Operational Area*

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### **Countywide Public Mass Notification System Standard Operating Procedures**

#### **B. Emergency Response and Inter-Department Notifications:**

1. Each participating Agency is authorized to create employee/volunteer and department call lists and pre-recorded messages.
2. Any non-city agency wishing to create specialty groups which still contain public contact information (ex: special needs callouts) may do so with prior consent. However, any activation of information to any of these groups needs to be coordinated to ensure clear, concise and accurate information is being dispersed. During emergencies, messages will be coordinated with the Operational Area, Orange County Sheriff's Department Emergency Management Division.
3. It is the sole responsibility of each participating Agency to maintain these lists and to launch notifications as deemed necessary.

#### **VIII. COSTS**

The County of Orange agrees to fund the System for notifications classified as "emergency use". The County of Orange also agrees to continue to purchase updated E911 telephone data and geographic maps.

Costs associated with use of the System for non-emergency activity is the responsibility of the local Agency through separate contract with the mass notification Vendor.

#### **IX. SYSTEM ADMINISTRATION/OPERATIONS**

Individual Agencies are responsible for providing logins and procedural training to key individuals within their Agency responsible for using the Mass Notification System.

##### **A. County Administrator**

The Orange County Sheriff's Department will assign and maintain a designated Mass Notification Program Administrator responsible for overall acquisition, accessibility, maintenance, compliance and management of all components required to provide an effective countywide mass notification system.

The County Administrator is responsible for:

1. System acquisition and contract management.
2. Policy management and as needed modification (in consultation with public safety, emergency management and emergency response personnel.)
3. Audit compliance: routine monitoring of System use to insure policy and contract compliance.
4. Access management: record management of signed MOU from each participating Agency, distribution of local administrator accounts and updated local administrator contact list.
5. Data management: E911 data acquisition, update and compliance monitoring. Countywide map file acquisition, update and overall geo-coding.
6. Testing: facilitate routine System-wide test exercise, document overall test results and recommend and execute, as needed, corrective action at the County level.
7. Public education campaign: initiate and facilitate public education campaign aimed at making the public aware of the countywide public mass notification system initiative and citizen web portal.





## *Orange County Operational Area*

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### **Countywide Public Mass Notification System Standard Operating Procedures**

8. System support: provide support to Local Agency Administrators.

#### **B. Local Agency Administrator**

Participating Agencies agree to appoint a designated Mass Notification Local Administrator responsible for leading, coordinating, monitoring and optimizing use of the Mass Notification System at the local level. Local Agency Administrator shall act as the Agency's central point of contact and will work collaboratively with the County Administrator to insure local use of the system is within policy and MOU guidelines.

Local Agency Administrator is responsible for:

1. Contract acquisition if Agency will use the system for non-emergency purposes.
2. Local Agency Mass Notification Operating Procedure development and management.
3. Use compliance: routine monitoring to ensure System is used within the conditions and terms of this document and associated MOU.
4. Access management: local user account distribution and management, including an annual audit of accounts; attestation that all admins & end-users are authorized to continue accessing the system. Record management of MOU(s) and signed end user P&P.
5. Data management: perform routine data management, error-correcting and data integrity updates to System contact and geo-coded map data.
6. Testing: facilitate routine local System test exercise, document local test results and recommend and execute, as needed, corrective action at the local level.
7. Public education campaign: initiate and facilitate public education campaign aimed at making the local community aware of the intended use of the Mass Notification System and citizen web portal.
8. System support: provide support to local Agency end-users.
9. Training: ensuring end users complete security awareness training that covers at a minimum the following areas: proper protection, handling, dissemination, and destruction of confidential information (CI); threats, vulnerabilities, and risks associated with handling of CI; social engineering; system responsibilities and expected behavior; account usage and management – including password creation, protection, and frequency of changes; system usage – allowed vs. prohibited; incident response; physical security; email protection – phishing threats and business account compromise
10. Incident Response: Local Agency Administrator is responsible to immediately notify OCSD of any incidents that could lead to the unauthorized or accidental use, modification, disclosure, or destruction of any information contained within the system.

#### **X. INFORMATION SYSTEMS AND SUPPORT**

The Orange County Sheriff's Department will acquire and maintain 24x7x365 vendor support for the Mass Notification System. Participating Agencies are authorized to contact vendor support as needed.

#### **XI. ROUTINE TESTING**

The Mass Notification System will be tested monthly. Monthly testing will be geared towards insuring that use of the System in an emergency is optimized and users are familiar with operation.





## *Orange County Operational Area*

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### **Countywide Public Mass Notification System Standard Operating Procedures**

The Mass Notification System will have an annual regional test. This includes testing operational readiness, activation procedures and system effectiveness as well as validating data and system processes. Through the annual test exercise, System administrators and users will be able to observe the mode of operation to augment and refresh System and process knowledge.

Specific test exercise routines, roles, responsibilities and schedule will be detailed in the Operational Area Standard Operating Procedure document.

By signing the Mass Notification System MOU, participating Agencies agree to take part in Mass Notification countywide test exercises.

#### **XII. DEFINITIONS**

1. **System** – All components of the Mass Notification System including hardware, software, access portals, contact data and GIS maps.
2. **Resident** – Comprises households and businesses.
3. **IVR** – Interactive Voice Response is a phone technology that allows a computer to detect voice and touch tones using a normal phone call. This technology will allow a user of the Mass Notification System to launch a message to a pre-defined call list when a pc or internet connection is not available.
4. **Emergency** - “Emergency” shall include, but not be limited to, instances of fire, flood, storm, epidemic, riots, or disease that threaten the safety and welfare of the citizens and property located within the boundaries of the county and participants’ respective jurisdictions.





## *Orange County Operational Area*

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### **Countywide Public Mass Notification System Standard Operating Procedures**

#### **Revision History:**

| <b><i>Revision Date</i></b> | <b><i>Author</i></b>       | <b><i>Description</i></b>  |
|-----------------------------|----------------------------|--|
| April 18, 2008              | PMNS Policy Committee      | Document originated  |
| May 19, 2008                | PMNS Executive Review Team | Non-emergency session termination in Section V., Item C.   |
| June 16, 2008               | Teara LeBlanc              | Exception clause in Section VII, Item A., bullet 2.  |
| May 2010                    | Vicki Osborn               | Revision of all sections   |
| June 2012                   | Raymond Cheung             | Revision for OCSD transition   |
| May 2013                    | Raymond Cheung             | Revision for new vendor contract   |
| May 2016                    | Raymond Cheung             | Added confidentiality item to Section V., Item C. and allowed non-emergency use in Section V., Item B. and Section VIII. |
| June 2021                   | Harmon Ward                | Revision for new contract<br>Revision of Sections II, III, IV, V, IX, and XI.  |





# Orange County Operational Area

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## Countywide Public Mass Notification System Standard Operating Procedures

### Attachment A – Alert OC Trigger Points Guidelines (*Placeholder*)

| Type of Incident                        | Description  | Meets Public Safety Criteria |
|---|--|------------------------------|
| Active Shooter                          | A shooting with armed individual or individuals is occurring in a known area.  | Yes                          |
| Boil Water Orders                       | An unsafe water supply issue requiring the public to boil water before use.  | Yes                          |
| Building Fire                           | A fire occurring in an urban area requiring evacuation or shelter in place for the immediate area.   | Yes                          |
| Violent Crimes                          | Violent crimes that just occurred such as robbery, assault, murder, etc.   | Yes                          |
| Felony Suspect at Large                 | Law enforcement is currently searching for a felony suspect that is suspected to be in a certain area.   | Yes                          |
| HazMat                                  | Hazardous Materials incidents that require a fire/hazmat response and may include evacuations or shelter-in-place orders.  | Yes                          |
| Health Orders                           | Any public health order made pursuant to County Health Officer recommendations.  | Yes                          |
| Missing Adult (920A) with special circs | 12- 17 yrs with decreased mental capacity or medical condition   | Yes                          |
| Missing Child (920C)                    | 12 yrs or younger ***Discussion add Amber alert triggers   | Yes                          |
| Missing Juvi (920J)with special circs   | 18 yrs and older 12- 17 yrs with decreased mental capacity or medical condition  | Yes                          |
| Severe Weather Related                  | Weather warnings that forecast an occurring or imminent threat to public safety or coincide with protective action recommendations such as voluntary or mandatory evacuation orders. | Yes                          |
| Evacuation or Shelter-in-Place          | Voluntary or mandatory evacuation or shelter-in-place orders.  | Yes                          |
| Wildland Fire                           | A fire occurring in a wildland urban interface area requiring immediate evacuation or shelter-in-place.  | Yes                          |
| Road Closures                           | Unplanned road closures due to an emergency situation.   | Yes                          |
| Planned Events                          | Road closures due to community events planned in advance.  | No                           |





**CONSENT CALENDAR ITEM**  
November 17, 2021

**TO: Board of Directors**

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

Robert J. Hunter, General Manager

Staff Contact: Katie Davanaugh, Sr. Executive Assistant

**SUBJECT: 2022 HEALTH SAVINGS ACCOUNT CONTRIBUTIONS**

**STAFF RECOMMENDATION**

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It is recommended that the Board of Directors approve Option 1, as follows:

Establish the District's annual Health Saving Account (HSA) contributions for 2022, per JPIA recommendation. The 2021 annual contributions are the same.

|   | Employee | 2-party | Family |
|---|----------|---------|--------|
| Proposed annual District contribution<br>(by plan, by tier) |          |         |        |
| Kaiser  | \$1500   | \$3000  | \$3000 |
| Anthem  | 1300     | 2600    | 2400   |

**COMMITTEE RECOMMENDATION**

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Committee concurred with staff recommendation.

**SUMMARY**

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Annually, at open enrollment, the Board of Directors reviews, establishes and approves the annual Health Savings Account (HSA) contributions to the Consumer Driven Health Plans (CDHP).

|  |                  |               |        |
|--|------------------|---------------|--------|
| Budgeted (Y/N): Y                                    | Budgeted amount: | Core <u>X</u> | Choice |
| Action item amount: varies by actual plan enrollment | Line item:       |               |        |
| Fiscal Impact (explain if unbudgeted):               |                  |               |        |



2022 will be the 7<sup>th</sup> year that the District has offered and participated in the Anthem PPO and Kaiser Consumer Driven Health Plans (CDHP). To incentivize participation in these plans, JPIA recommends that Districts make a contribution to each participant's HSA.

For 2022, two employees are enrolled in the Kaiser Consumer Driven Health Plan, which represents less than 5% of total enrollment.

## **BOARD OPTIONS**

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### **Option #1**

Authorize 2022 contributions to the HSA Accounts, per MWDOC policy and JPIA recommendation.

**Business Analysis:** Providing District contributions encourages participation in the plans and may reduce/increase costs to the District, depending on plan enrollment.

### **Option #2**

Do not authorize contributions to the HSA.

**Business Analysis:** If not approved, this may discourage enrollment.

## **STAFF RECOMMENDATION**

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### **Option #1**





**CONSENT CALENDAR ITEM**

November 17, 2021

**TO:** Board of Directors

**FROM:** **Planning & Operations Committee**  
(Directors Yoo Schneider, Nederhood, and Seckel)

Robert Hunter, General Manager

Staff Contact: Heather Baez

**SUBJECT: AUTHORIZATION TO VOTE ON BEHALF OF MWDOC IN THE  
ASSOCIATION OF CALIFORNIA WATER AGENCIES' (ACWA) ELECTION  
OF PRESIDENT, VICE PRESIDENT**

**STAFF RECOMMENDATION**

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Staff recommends that the Committee authorize MWDOC Board President Sat Tamaribuchi or his designee to cast the District's ballot for the ACWA President, Vice President at ACWA's Fall Conference on December 1, 2021.

**COMMITTEE RECOMMENDATION**

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Committee concurred with staff recommendation, but added that Director Jeffery Thomas act as President Tamaribuchi's alternate voting representative.

**BACKGROUND**

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The deadline for ACWA member agencies to submit nominating resolutions for qualified candidates to serve as ACWA President and Vice President for the 2022-2023 elected term was Wednesday, September 1. A memo announcing the call for candidates was emailed to ACWA member agency Board Presidents and General Managers on June 1.

Candidates for ACWA President and Vice President must be elected or appointed directors of ACWA member agencies, according to ACWA bylaws and Board of Directors' policy.

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



Nominations must be accompanied by an official nominating resolution from the ACWA member agency on whose board the nominee serves. A statement of qualifications or resume highlighting the proposed candidate's background and qualifications must also be submitted for the Nominating Committee's review. Additional letters or resolutions of support from other agencies may be submitted, but are not required.

Interviews of candidates for ACWA President and Vice President were held Friday, September 17. The recommended slate was announced at the ACWA Board meeting, Friday, September 24.

## **SUMMARY**

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On Wednesday, December 1, at 12:00 p.m., during ACWA's Fall Conference in Pasadena, there will be a General Membership meeting to formally nominate and elect ACWA's President and Vice President for the 2022-2023 term. The in-person meeting will be held in Ballroom D-H of the Pasadena Convention Center.

Virtual voting delegates will participate via Zoom. Staff will provide the Zoom access information to the virtual voting delegates upon receipt of the Voter Designation & Information Form and the member agency's Consent to Electronic Transmissions, Meetings & Voting Form.

### Nomination and Election of ACWA President and Vice President

The ACWA Nominating Committee has announced a 2022-2023 slate that recommends current Vice President **Pamela Tobin** (President, San Juan Water District) **for ACWA President** and current Region 10 Chair **Cathy Green** (Vice President, Orange County Water District) **for ACWA Vice President**. As provided by ACWA's Bylaws nominations from the floor will be accepted prior to the vote. Such nominations and seconds must be supported by a resolution of the governing body of the member agency making and seconding such nomination.

### Voting Process

ACWA will be using a voting system called Live-Tally, which will allow voters to vote using a handheld keypad OR online keypad (which can be accessed through any modern web browser on a computer, tablet or smart phone). **Voters must be present at the membership meeting, either in person or virtually, to vote.**

Consistent with ACWA's Bylaws, Article 9, Section 5, "each member of the Association shall be entitled to one vote that shall be cast by its authorized representative."

- Member agencies must indicate their voting representative and alternate on the attached Voter Designation & Information Form.
- Member agencies must indicate if their voting representative/alternate is attending in person or virtually as well as provide all of the information identified on the form in order for ACWA to facilitate all aspects of the membership meeting and voting processes.

Members who desire to participate in the membership meeting virtually and vote electronically are required to sign and return the attached Consent to Electronic



Transmissions, Meetings & Voting Form by November 24, 2021, consistent with the California Corporations Code.

## BOARD OPTIONS

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### Option #1

- Review the candidates and authorize MWDOC Board President, Sat Tamaribuchi or his designee, to cast the District's ballot for the ACWA President and Vice President at ACWA's Fall Conference on December 1, 2021.

**Fiscal Impact:** None

**Business Analysis:** ACWA is the leading statewide organization representing water agencies in Sacramento and Washington D.C. Having a strong leadership is key to its success and as members, MWDOC should participate in the election process.

### Option #2

- Take no action

**Fiscal Impact:** None

**Business Analysis:** MWDOC would not have an opportunity to vote for ACWA's President and Vice President for 2022-2023.

**Attachments:** Notice of General Session Membership Meeting Memo  
Membership Meeting and Election Procedures  
Consent to Electronic Transmissions, Meetings and Voting  
Voter Designation and Information Form



Via U.S. Mail and Electronic Mail

**TO:** ACWA Member Agency Board Presidents and General Managers

**CC:** ACWA Board of Director

**FROM:** Dave Eggerton, ACWA Executive Director

**DATE:** October 4, 2021

**SUBJECT:** Notice of General Session Membership Meeting — December 1, 2021

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There will be a General Session Membership Meeting on **December 1, 2021, at 12:00 p.m.** The purpose of this meeting is to formally nominate and elect ACWA's President and Vice President for the 2022-2023 term. At its meeting on September 24, 2021, the ACWA Board of Directors approved procedures whereby ACWA members will be able to participate and vote in the upcoming membership meeting and election in person or virtually. These procedures are in accordance with California Corporations Code Sections 20, 21, 5079 and subsections (a) and (f) of Section 7510, as well as Article 9 of ACWA's Bylaws. The in-person meeting will be held in Ballroom D-H of the Pasadena Convention Center. Virtual voting delegates will participate via Zoom. Staff will provide the Zoom access information to the virtual voting delegates upon receipt of the Voter Designation & Information Form and the member agency's Consent to Electronic Transmissions, Meetings & Voting Form. Members who wish to attend the membership meeting virtually as a non-voting participant can obtain the registration link by contacting Clerk of the Board Donna Pangborn at [donnap@acwa.com](mailto:donnap@acwa.com) or 916-441-4545 to confirm their member agency has submitted the requisite Consent to Electronic Transmissions, Meetings & Voting Form.

## Election/Voting Process

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The ACWA Nominating Committee has announced a 2022-2023 slate that recommends current **Vice President Pamela Tobin for ACWA President** and current **Region 10 Vice Chair Cathy Green for ACWA Vice President**. The Nominating Committee's 2022-2023 slate will be presented for the members' consideration and vote at the membership meeting on December 1.

As provided by ACWA's Bylaws (Article 9, Section 9) nominations from the floor will be accepted prior to the vote on the Nominating Committee's slate. The Bylaws require that floor nominations and seconds be made by a member of the Association and must be supported by a resolution of the governing body of the member making and seconding such nomination. The member agency on whose board the nominee serves must submit a resolution of support if they are not the agency making the floor nomination or second. The resolutions to facilitate floor nominations must be submitted to the Clerk of the Board Donna Pangborn at [donnap@acwa.com](mailto:donnap@acwa.com) by **COB Wednesday, November 24, 2021**.



➤ **See attachment for detailed Membership Meeting & Election Procedures.**

ACWA will be using a voting system called Live-Tally, which will allow voters to vote using a handheld keypad OR online keypad (which can be accessed through any modern web browser on a computer, tablet or smart phone). **Voters must be present at the membership meeting, either in person or virtually, to vote.**

Consistent with ACWA's Bylaws, Article 9, Section 5, "each member of the Association shall be entitled to one vote that shall be cast by its authorized representative."

- Member agencies must indicate their voting representative and alternate on the attached Voter Designation & Information Form.
- Member agencies must indicate if their voting representative/alternate is attending in person or virtually as well as provide all of the information identified on the form in order for ACWA to facilitate all aspects of the membership meeting and voting processes.

**Members who desire to participate in the membership meeting virtually and vote electronically are required to sign and return the attached Consent to Electronic Transmissions, Meetings & Voting Form by November 24, 2021, consistent with the California Corporations Code.**

## Deadline & Changes

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The deadline for submitting the Voter Designation & Information Form is **Wednesday, November 24, 2021**. While this form identifies both a voting delegate and an alternate voting delegate for the ACWA member agency, if for any reason the member agency desires for the alternate voting delegate to vote at the election in place of its designated voting delegate, the member agency must notify ACWA in advance of its exchange of voting delegates by contacting the Clerk of the Board Donna Pangborn at [donnap@acwa.com](mailto:donnap@acwa.com) or 916-441-4545 **no later than Monday, November 29, 2021**. Staff will then provide the member agency's alternate voter with the Zoom and Live-Tally access/participant information if the voter is participating virtually.

## ACWA General Session Desk

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ACWA staff will be available at the **ACWA General Session Desk**, located in the Ballroom Lobby of the Pasadena Convention Center, on **Wednesday, December 1**, between **9:00 a.m. and 11:45 a.m.** to answer questions about the membership meeting and election process.

**In-person voters need to check in at the ACWA General Session Desk on Wednesday, December 1, between 10:30 and 11:45 a.m. to pick up handheld keypads.**

If you have any questions regarding this process, please contact Clerk of the Board Donna Pangborn at 916-441-4545 or [donnap@acwa.com](mailto:donnap@acwa.com).

dgp

Attachments:

1. Membership Meeting & Election Procedures
2. Voter Designation & Information Form
3. Consent to Electronic Transmission, Meetings & Voting Form



The following information is provided to inform the ACWA member agency voting delegates of the meeting and election procedures to be used in the upcoming General Session Membership Meeting scheduled for December 1, 2021 at 12:00 p.m. The purpose of the meeting is to formally nominate and elect ACWA's President and Vice President for the 2022-2023 term. The in-person meeting will be held in Ballroom D-H of the Pasadena Convention Center. Virtual voting delegates will participate via Zoom. Staff will provide the Zoom access information to the virtual voting delegates upon receipt of the Voter Designation & Information Form and the member agency's Consent to Electronic Transmissions, Meetings & Voting Form. Members who wish to attend the membership meeting virtually as a non-voting participant can obtain the registration link by contacting Clerk of the Board Donna Pangborn at [donna@acwa.com](mailto:donna@acwa.com) or 916-441-4545 to confirm their member agency has submitted the requisite Consent to Electronic Transmissions, Meetings & Voting Form.

## ELECTION / VOTING PROCESS

ACWA will be using a voting system called Live-Tally, which will allow voters to vote either in person using a handheld keypad OR virtually through an online keypad (which uses any modern web browser on a computer, tablet or smart phone). **Voters must be present at the membership meeting, either in person or virtually, to vote.**

Consistent with ACWA's Bylaws, Article 9, Section 5, "each member of the Association shall be entitled to one vote that shall be cast by its authorized representative."

- Member agencies must indicate their voting representative and alternate on the Voter Designation & Information Form.
- Member agencies must indicate if their voting representative/alternate is attending in person or virtually as well as provide all of the information identified on the form in order for ACWA to facilitate all aspects of the membership meeting and voting processes.

**Members who desire to participate in the membership meeting virtually and vote electronically are required to sign and return the Consent to Electronic Transmissions, Meetings & Voting Form by November 24, 2021, consistent with the California Corporations Code.**

### VIRTUAL ATTENDEES

Virtual attendees need to take the following steps after the member agency has completed and returned the Voter Designation & Information Form and requisite Consent to Electronic Transmissions, Meetings & Voting Form.

1. Voting delegates need to **save the Zoom access/login information** ACWA staff will provide to you. Save the information for the day of the meeting. **Use that information to login to the virtual meeting,** which is how ACWA will identify you as a participant.
2. Voting delegates need to **save the Live-Tally Participant ID information** ACWA staff will provide to you, which is how Live-Tally will identify you as the member agency voter.

### IN-PERSON ATTENDEES

In-person attendees need to take the following steps after completing and returning the Voter Designation & Information Form:

1. Check in at the ACWA General Session Desk, located in the Ballroom Lobby of the Pasadena Convention Center, on **Wednesday, December 1, between 10:30 and 11:45 a.m.** to pick up handheld keypads.
2. Voting delegates **must be present to vote** and **MUST** have the handheld keypad prior to the start of the membership meeting.

### DEADLINE & CHANGES

The deadline for submitting the **Voter Designation & Information Form** is Wednesday, **November 24, 2021**. If there is any change of your agency's voting delegate with its designated alternate, you must contact ACWA's Clerk of the Board Donna Pangborn at [donna@acwa.com](mailto:donna@acwa.com) or 916-441-4545 no later than Monday, November 29, 2021. Staff will provide the alternate voter with the Zoom and Live-Tally access/participant information if the voter is participating virtually.



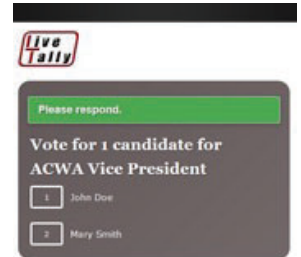
1. The General Session Membership Meeting will be called to order at 12:00 p.m. and a quorum will be determined. The presence of 50 authorized voting representatives is required to establish a quorum for transacting business.
2. An overview of the Zoom platform will be provided, including demonstration of how the virtual meeting participants can interact throughout the meeting.
3. An overview of the Live-Tally voting system will be provided and a test vote will be conducted.
4. Legal Affairs Committee Chair Jennifer Buckman will provide an overview of the agenda and election procedures.
5. Nominating Committee Chair Brent Hastey will present the Committee's report and announce the candidate for ACWA President.
6. President Steven LaMar will call for floor nominations for ACWA President.
7. If there are no floor nominations for ACWA President, the election will proceed. President LaMar will close the nominations and delegates will vote following motion/second to elect the Nominating Committee's recommendation using Live-Tally.
8. If there are floor nominations for President, the nomination will follow the procedures established by Article 9 of ACWA's Bylaws, stating that floor nominations and seconds shall be made by a member of the Association and must be supported by a resolution of the governing body of the member making and seconding such nomination. The member agency on whose board the nominee serves shall submit a resolution of support if they are not the agency making the floor nomination or second.
  - a. **Resolutions to facilitate floor nominations must be submitted to the Clerk of the Board Donna Pangborn at [donnap@acwa.com](mailto:donnap@acwa.com) by COB Wednesday, November 24, 2021.**
  - b. Candidates will be given three minutes to address the membership.
  - c. Staff will create a ballot in the Live-Tally system and then display for the voters' action.
  - d. Voting delegates will vote on one (1) candidate of the candidate options displayed on the screen using the handheld OR online keypad in the Live-Tally voting system. Results will be displayed in real time.
  - e. President LaMar will announce the results of the vote.
9. Nominating Committee Chair Brent Hastey will announce the candidate for ACWA Vice President.
10. President Steven LaMar will call for floor nominations for ACWA Vice President.
11. If there are no floor nominations for ACWA Vice President, the election will proceed. President LaMar will close the nominations and delegates will vote following motion/second to elect the Nominating Committee's recommendation using Live-Tally.
12. If there are floor nominations for ACWA Vice President, the nominations will follow the procedures described in item 6 above, and the election will proceed according to the steps outlined in 6.a. through 6.e.
13. The ACWA Board of Directors appointed LAC Chair Jennifer Buckman to serve as an election inspector to resolve any challenges or questions in connection with the election consistent with California Corporations Code 7614.



California Corporations Code requires ACWA to maintain a voting record of its membership meetings.

When the members are ready to vote, the President will announce that it is time to vote (instructions will appear on the projection screen).

- **How do I submit my vote?** Press 1, 2, or 3 to cast your vote; then press SEND.
- **What happens if I make a mistake?** Re-submit your vote by pressing 1, 2, or 3 and send before the voting window ends.
- **What if I arrive late?** Your vote will be cast from the time you arrive at the meeting; prior to that your vote will register as "absent."
- **What happens if I am out of the room or have to leave early?** Your vote will be recorded as "absent" for that vote.



**Test voting will be conducted at the beginning of the Membership Meeting.**



### **VIRTUAL VOTING**

Each voting delegate will be provided access to voting through Live-Tally's voting system. If you are attending the meeting virtually, follow the instructions listed below.

1. Use any modern web browser on a computer, tablet or smart phone to navigate to <https://MyBallot.app>
2. Enter the meeting ID "ACWA" and click the "Connect" button.
3. When prompted, enter the specific voting participant ID that was provided to you.
4. Voting questions will appear on this "virtual keypad" as they are presented.
  - Simply click the numbered button that corresponds to your choice.
  - **To change your vote**, make a different selection before the voting window ends.
5. Hit refresh if your browser or virtual keypad goes to "sleep."



### **IN-PERSON VOTING**

If you are attending the meeting in person, you will be given a handheld keypad. Each handheld keypad is numbered on the back, and that number will be assigned to you as you check in at the ACWA General Session Desk on **Wednesday, December 1 between 10:30 and 11:45 a.m.**

- **Check your device to make sure that it is working properly.** Press any button and it will light up. All devices were tested prior to the meeting.
- **If it does not light up.** Take it back to the ACWA General Session Desk and ask for another keypad and make sure that they make a note of the numeric change.



**Return your keypad to the ACWA General Session Desk.**



In accordance with California Corporations Code Sections 20, 21, 5079 and subsections (a) and (f) of Section 7510, and Article 9 of the Bylaws of the Association of California Water Agencies, a California nonprofit mutual benefit corporation ("ACWA"), the undersigned member of ACWA (the "Member") hereby consents and agrees as follows:

1. ACWA may send meeting notices, annual reports, and all other materials to the Member by (a) electronic transmission to the Member's facsimile number or email address; (b) posting on an electronic message board or network which ACWA has designated for those communications, together with separate notice to the Member of the posting; or (c) other means of electronic communication. The Member's initial facsimile number and email address for receiving such notices, annual reports and other materials are listed below.
2. ACWA may conduct meetings of the members by electronic transmission or electronic video screen communication; provided, however, that if fewer than all members of ACWA consent to conduct such meetings by electronic transmission or electronic video screen communication, then such meetings shall be held at a physical location, and the authorized representative(s) of any member that has so consented (and not withdrawn its consent) may participate in such meetings by electronic transmission or electronic video screen communication, be deemed present in person and vote at such meetings.
3. ACWA may rely on communications sent by the Member to ACWA by (a) electronic transmission from the Member's facsimile number or email address; (b) posting on an electronic message board or network which ACWA has designated for those communications; or (c) other means of electronic communication. ACWA may reasonably conclude that the Member is the sender of any electronic transmission that (i) is received from such facsimile number or email address or (ii) is submitted by an authorized representative of the Member with valid registration/login credentials.
4. ACWA may rely on electronic votes (including votes to approve or reject actions) submitted by an authorized representative of the Member to ACWA during meetings conducted in whole or in part by electronic transmission or electronic video screen communication. ACWA may reasonably conclude that the authorized representative of the Member is the sender of any electronic votes submitted pursuant to such authorized representative's meeting participant ID. The Member's initial authorized representative(s) is listed below.

ACWA shall maintain paper records of all communications sent by ACWA to the members and all votes or actions taken at any member meeting. The Member may (i) access such records at ACWA's headquarters during normal business hours or (ii) request in writing for ACWA to send copies of such records to the Member via U.S. Mail or email.

This consent shall remain in full force and effect until the Member revokes it in writing and so notifies ACWA.

|   |   |      |
|---|---|------|
| Print Member Name   | Print Representative Name   |      |
| Representative Title  | Representative Signature  | Date |
| Please provide the facsimile number and email address to which the Member authorizes ACWA to send the electronic communications described above. The Member may change its designated facsimile number and email address at any time by written notice to ACWA. | Please provide the name of the Member's initial authorized representative(s) who will participate in and vote in connection with member meetings. The Member may change its authorized representative(s) at any time by written notice to ACWA. |      |
| Facsimile Number  | Authorized Representative No. 1   |      |
| Email   | Authorized Representative No. 2   |      |



**To:** Donna Pangborn, Clerk of the Board

**Email:** donnap@acwa.com

**Fax:** 916-669-2425

The person designated below will be attending the ACWA General Session Membership Meeting(s) on Wednesday, December 1, 2021 (and December 2, 2021 if necessary) as our voting delegate. Please designate an alternate voting delegate to facilitate any change to your voting representation at the meeting. To change your alternate, however, you must notify Donna Pangborn of the change no later than COB Monday, November 29, 2021.

Member Agency's Name

Agency's Phone No.

Print Member Agency's Authorized Signatory Name

Authorized Signatory Signature

☐ **I have signed and returned the Consent to Electronic Transmission, Meetings & Voting Form.**

|   |   |
|---|---|
| Voting Delegate's Name  | How Will Delegate Attend?<br><input type="checkbox"/> Will attend the meeting in person in Pasadena.<br><input type="checkbox"/> Will attend the meeting virtually.           |
| Voting Delegate's Email   | Voting Delegates' Phone No.   |
| Alternate Voting Delegate's Name                                    | How Will Alternate Delegate Attend?<br><input type="checkbox"/> Will attend the meeting in person in Pasadena.<br><input type="checkbox"/> Will attend the meeting virtually. |
| Alternate Voting Delegate's Email                                   | Alternate Voting Delegates' Phone No.   |
| Voting Delegate's Affiliation (if different from assigning agency)* | Date  |

\*If your agency designates a delegate from another entity to serve as its authorized voting representative, please indicate the delegate's entity in the appropriate space above.





**ACTION ITEM**  
November 17, 2021

**TO: Planning and Operations Committee**  
(Directors Yoo Schneider, Nederhood, Seckel)

**FROM: Robert Hunter, General Manager**

Staff Contact: Heather Baez

**SUBJECT: MWDOC LEGISLATIVE POLICY PRINCIPLES ANNUAL UPDATE**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors review and adopt the updated Legislative and Regulatory Policy Principles for 2022.

**COMMITTEE RECOMMENDATION**

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By a 2-1 vote, Committee recommended the Board approve this item as amended by the Planning & Operations Committee.

Changes made by the P&O Committee were to remove the words “or reform” relative to the Public Employee Pension Reform, and removing the term “statewide goal of appropriately increasing” from the first sentence of the water use efficiency language. The Committee discussed whether to change language under the Governance section (namely, removing the word “respects” from the first paragraph and replacing that word with “defers to” local government control). Following a robust discussion, the Committee recommended the first two changes, but not the third under Governance.

**REPORT**

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MWDOC maintains a set of legislative policy principles that serve as guidelines for staff and our legislative advocates on issues that are of importance to the District. The policy principles here are a culmination of current policies and initial changes recommended by staff from all departments within the agency.

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



Staff solicited feedback from the Board, member agencies, as well as any additional input from MWDOC Department Managers, and updated the document accordingly.

At the September P&O Committee, it was recommended that staff further streamline the full document as it has become overly long and redundant in many sections over the years. The focus of this month's discussion is for staff to receive input from the committee on the updated, draft policy principles to advance the Board's objective of establishing legislative and regulatory policy principles to help guide for both our federal and state legislative programs.

At the October P&O Committee, further direction was provided to staff to streamline the policies further, and add in a section under Imported Water, specific to the Colorado River.

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

## **BOARD OPTIONS**

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### **Option #1**

- Adopt the Legislative and Regulatory Policy Principles as updated for 2022

**Fiscal Impact:** None

**Business Analysis:** The updated Legislative and Regulatory Policy Principles enable the Board, staff, and MWDOC's legislative advocates to work in Washington D.C. and Sacramento to further the District's goals and interests that benefit Orange County.

Updating them yearly allows for the inclusion of new and/or additional issues that arise throughout the previous year.

### **Option #2**

- Do not approve the Legislative and Regulatory Policy Principles as updated for 2022

**Fiscal Impact:** None

**Business Analysis:** MWDOC's Board, staff, and legislative advocates would continue to operate under the approved Legislative and Regulatory Policy Principles adopted in 2020, potentially hampering their ability to advocate on certain issues.

## **STAFF RECOMMENDATION**

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### **Option #1**

Attached: **Draft Legislative Policy Principles for 2022**



October edits are in red

November Committee edits are in blue

November Board Meeting edits are in green

## **Municipal Water District of Orange County** **Legislative and Regulatory Policy Principles**

### **OVERALL POLICY**

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

### **IMPORTED WATER SUPPLY**

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

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

- a) ~~Provide reliable water supplies to meet California's short and long term needs;~~ (See "c" below)
- b) ~~Improve the ability to transport water through the Delta either for, or supplemental to, State Water Project deliveries;~~ (see "c" below)
- c) Improve the reliability and quality of water delivered through the Delta;
- d) ~~Enhance the Bay-Delta's ecological health in a balanced manner;~~ (See "e" below)
- e) Employ validated sound scientific research and evaluation to advance the co-equal goals of improved water supply and ecosystem health and sustainability.
- f) Expedite the completion of the State Water Project and EcoRestore initiative;
- g) Encourages regular infrastructure maintenance and upkeep of the levees to ~~counter the effects of subsidence and seismic risk.~~ (Unnecessary to list some reasons and not others.)



2) Facilitates the resolution of supply conflicts on the Colorado River and protects California's rights to supply and storage in the negotiations of the 2026 management guidelines including actions that:

- a. Promote continued federal funding and coordination between states for the Colorado River Basin Salinity Control Program under the Federal Departments of Agriculture and Interior.
- b. Protect and preserve Metropolitan Water District of Southern California's interest in binational water conservation programs.
- c. Promote continued coordination between states for the Colorado River Basin Salinity Control Program, including work to secure funding for the continued operation of USBR's Paradox Valley salinity control project to reduce salt loads to the Colorado River
- d. Resolve issues with the Salton Sea with key funding to be provided by the State and Federal sources.

3) Authorizes, appropriates, and expeditiously distributes the state and federal share of funding to improve the State Water Project and EcoRestore initiative.

~~3) Promotes continued federal funding and coordination between states for the Colorado River Basin Salinity Control Program under the Federal Department of Agriculture and Interior.~~ *Staff Note: Incorporated into #2 above*

~~4) Protects and preserves Metropolitan's interest in binational water conservation programs.~~ *Staff Note: Incorporated into #2 above*

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

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

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

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

*Staff Note: Having stated what MWDOC will affirmatively support, it is not necessary to state that it will also oppose the opposite. Water user fees are covered under Fiscal Policy.*

## **LOCAL WATER RESOURCES**



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

1) Supports the development of, provides funding for, and authorizes and/or facilitates the expanded use of, cost-effective, water recycling, potable reuse, conservation, water use efficiency, groundwater recovery and recharge, storage, brackish and ocean water desalination and surface water development projects where water supply quality and/or reliability is improved and the beneficiaries of the project pay for the portions of the project not funded by state or federal funds.

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

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

~~4) Recognizes that the reliability and high quality of supplies to the end user is the primary goal of water suppliers.~~ *Staff Note: Unnecessary statement of the obvious and too general.*

~~5) Provides incentives for local or regional use of augmented or alternative water supplies.~~ *Staff Note: Added incentives to #2 above.*

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

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

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

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

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

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

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

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



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

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

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

*Staff Note: Unnecessary because stated in the affirmative above.*

~~4) Restricts or limits a local governmental agency's ability to establish local priorities for water resources planning decisions.~~ *Staff Note: Redundant to overall policies above*

~~5) Reduces a local agency's ability to benefit from local investments in drought-proof or emergency water supplies during water shortages.~~ *Staff Note: Unnecessary because stated in the affirmative above.*

~~6) Would prohibit ocean discharges and mandates that defined a percentage(s) of recycled water required to be used or served by water suppliers.~~ *Staff Note: Unnecessary because stated in the affirmative above.*

## **WATER STORAGE**

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

~~1) Provides conveyance and storage facilities that are cost-effective for MWDOC, its member agencies and their customers, while improving the quality and/or reliability of the water supply.~~ *Staff Note: Redundant to overall policies*

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

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

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

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

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



~~1) Results in reducing the quantity, quality and/or reliability of water in either surface or groundwater storage of substantially increases the cost of operating and maintaining surface and groundwater storage facilities without an adequate increase in public safety, water quantity, quality and/or reliability.~~ *Staff Note: Redundant to overall policies*

## **WATER USE EFFICIENCY AND DISTRIBUTION SYSTEM WATER LOSS**

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

- 1) Furthers ~~the statewide goal of appropriately~~ increasing reasonable water use efficiency, throughout the state, and water conservation for local, regional, or statewide emergencies.
- 2) Would allow flexibility and fosters local and regional collaboration to develop and implement options for compliance in achieving statewide water reduction goals.
- 3) Seeks to cost-effectively improve water efficiency standards and policies for water-using devices such as, but not limited to, the EPA Water Sense Program and Cal Green Building Standards.
- 4) Reasonably improves Commercial, Institutional and Industrial (CII) water use efficiency programs while preserving community choice and the local economy.
- 5) Provides financially appropriate incentives, funding, and other assistance to facilitate market transformation and gain wider implementation of water-efficient indoor and outdoor technologies and practices.
- 6) Recognizes and protects past investments of agencies and customers in water use efficiency measures, especially from the demand hardening perspective.
- 7) Provides federal and state tax exemptions for water conservation or efficiency incentives for measures including, but not limited to, turf removal, devices, and other measures to reduce consumption of water or enhance the absorption and infiltration capacity of the landscape.

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

~~1) Would repeal cost-effective efficiency standards for water-using devices.~~ *Staff Note: Redundant to overall policies*

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

~~3) Fails to recognize the importance of both water use efficiency and water supply development.~~ *Staff Note: Redundant to overall policies*

~~4) Fails to recognize augmented or alternative water supplies as an efficient use of water, or that fails to provide an adequate incentive for investments in such water, for potable or non-potable reuse.~~ *Staff Note: Stated in the affirmative in #1 and #2 above*



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

## **WATER QUALITY AND ENVIRONMENTAL IMPACTS**

### **It is MWDOC's policy to support:**

- 1) Legislation that protects the quality of surface water and groundwater including salinity management and the reduction of salt loading to groundwater basins.
- 2) The establishment and/or implementation of standards for water-borne contaminants based on sound science and with consideration for cost-effectiveness.
- 3) A science-based regulatory process that has been established under the Safe Drinking Water Act and that considers feasibility, benefits and cost, is the best approach for any consideration and development of drinking water regulations to address any contaminant or family of contaminants, including per- and polyfluoroalkyl (PFAS).
- 4) The investment in the development of analytical methods to more reliably and accurately measure various contaminants, including PFAS, in drinking water.
- 5) Administrative/legislative actions to improve clarity and workability of CEQA, and eliminate other duplicative state processes.
- 6) Streamlining or exempting water, recycled and desalinated water, wastewater projects, and/or environmental restoration projects, from the California Environmental Quality Act (CEQA).
- 7) Provides liability protections to public water districts, and related wholesale water providers, seeking to consolidate with or serve as the administrator for troubled water systems that cannot consistently demonstrate that they are able to provide safe, clean and reliable water supplies to their customers.
- 8) State-funded groundwater basin contamination studies and associated economic or environmental impacts.
- 9) Supports the efforts of water industry to promote policies that enhance the pace and scale of headwaters and forest management, including improved planning, coordination, and implementation; increase financing, research, and resources to protect water supply and quality; bring management practices in line with modern challenges; and provide multiple benefits to the State's water users.
- 10) Support the eradication and prevention of invasive species from becoming established in or around water supplies.
- 11) Legislation and/or regulations that enforce against cannabis growers' water theft and/or negative impacts to water quality. (Staff Note: Recommendation from Mesa Water District)



**It is MWDOC's policy to oppose:**

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

*Staff Note: Redundant to overall policies*

~~2) Legislation that establishes and/ or implements standards for water-borne contaminants without regard for sound science or consideration of cost-effectiveness and/or reasonable compliance timelines.~~ *Staff Note: Redundant to overall policies*

~~3) Projects that negatively impact the water quality of existing local supplies.~~ *Staff Note: Redundant to overall policies*

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

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

**METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

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

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

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

**WATER TRANSFERS**

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

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

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

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

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



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

~~3) Increases regulatory or procedural barriers to water transfers at the local or state level.~~  
*Staff Note: Stated in the affirmative in #1 and #2 above.*

## **WATER INFRASTRUCTURE FINANCING AND PROJECT FUNDING**

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

- 1) Employs a "beneficiary pays" principle that establishes a clear nexus between the costs paid to the direct benefit received.
- 2) Reduces the cost of financing water infrastructure planning and construction, establishes grants or other funding and finance opportunities.
- 3) Considers local investments made in infrastructure, programs, mitigation and restoration in determining appropriate cost shares for water infrastructure, and project investments.

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

- 1) Establishes a fee or tax that does not result in a clear and proportional benefit to the District, its member agencies, and their customers.
- 2) Would reduce the total available water infrastructure financing measures such as WIFIA, state-revolving funds, and others.

## **ENERGY**

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

- 1) Facilitates the development and expansion of clean, and cost-effective renewable energy in California, and recognizes hydroelectric power as a clean, renewable energy source and that its generation and use meets the greenhouse gas emission reduction compliance requirements called for in the Global Warming Solutions Act of 2006 (AB 32 and SB 100).
- 2) Facilitates voluntary and cost-effective local investments in renewable energy, energy management and storage, and energy efficiency which improve the water-energy nexus and reduce local agency costs.
- 3) Provides water agencies greater flexibility to run backup generators to support critical facilities during de-energization and PSPS events.

## **FISCAL POLICY**

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



~~1) Requires the federal and state governments to provide a subvention to reimburse local governments for all mandated costs of regulatory actions.~~ *Staff Note: Redundant to overall policies*

2) Allows retail water providers to voluntarily offer localized Water Rate Assistance Programs that comply with Proposition 218 of California's Constitution and/or are funded either voluntarily or via non-restricted/non-water-rates revenues.

3) Support Proposition 13 as embodied in Article XIII A of the California Constitution, and oppose the "split roll" efforts that would increase property taxes on businesses.

4) Changes how inverse condemnation liability is determined for water service providers in order to limit water agency liability for impacts of wildfire.

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

1) Is inconsistent with the District's current investment policies and practices.

2) Pre-empts the District's or its member agencies' ability to impose or change cost-of-service-based water rates, fees, or assessments, or requires them to submit their rates or charges to any state agency for approval.

3) Impairs the District's ability to maintain levels of reserve funds that it deems necessary and appropriate.

4) Makes any unilateral reallocation of District revenues, or those of its member agencies, by the state unless the state takes compensatory measures to restore those funds.

5) Mandates a specific rate structure for water agencies.

6) Imposes a "public goods charge" "water user fee", or "water tax" on public water agencies or their ratepayers.

**GOVERNANCE**

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

1) Advances good government practices and public transparency measures in a manner that does not take a "one-size-fits-all" approach, respects local government control, and facilitates technological efficiencies to meet state reporting and disclosure requirements.

~~2) Are consistent with the current LAFCO processes defined in the Cortese-Knox-Hertzberg Act.~~ *Staff Note: Redundant to overall policies*

3) Supports or facilitates responsible programs, procedures, and methods that promote collaboration, transparency and open government.

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



- 1) Imposes unnecessarily broad burdens or new costs upon all local governments absent a clear and necessary benefit.
- 2) Reduces or diminishes the authority of the District to govern its affairs.
- 3) Resolves state budget shortfalls through shifts in the allocation of property tax revenue or through fees for which there is no direct nexus to benefits received.

### **PUBLIC EMPLOYEE PENSION REFORM**

#### **It is MWDOC's policy to support legislation that:**

- 1) Seeks to contain ~~or reform~~ public employee pension and other post-employment benefit (OPEB) cost obligations that are borne by public agencies via taxpayers and ratepayers.

### **EMERGENCY RESPONSE**

#### **It is MWDOC's policy to support legislation that:**

- 1) Increases coordination on Homeland Security and emergency response efforts among the federal, state, and local governments with clearly defined roles and responsibilities for each.
- 2) Provides continued funding to enhance and maintain local Homeland Security infrastructure, including physical and cyber protection of critical infrastructure.
- 3) Ensures adequate funding for expenditures related to disaster response and all phases of emergency management; including the earthquake early notification system and efforts to enhance water infrastructure resiliency.
- 4) Strengthens intergovernmental planning and preparation coordination for emergency response and drills.
- 5) Enhances protection of information and cyber security for critical infrastructure through policy and funding for local efforts.
- 6) Supports water utility capability to notify customers of emergency protective measures through mass notification systems.
- 7) Properly recognizes water agencies' role in emergency response to wildfires and other natural disasters, where water service is needed or may be impacted, because water and wastewater services are essential public utilities that ensure public health and safety.

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



~~1) Reduces a water utility's ability to represent itself or implement activities of any component of the disaster preparedness cycle, especially within response and recovery section.~~ *Staff Note: Redundant to overall policies*

~~2) Negatively impacts water and wastewater utility's ability to prepare, mitigate or respond to, or recover from disaster and emergencies in order to provide fire suppression, drinking water and wastewater services.~~ *Staff Note: Redundant to overall policies*



# GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES NOVEMBER 2021

## **MWDOC Agencies Managers Meeting**

MWDOC held its Member Agency Managers' meeting at its office in Fountain Valley on Thursday, October 21, 2021.

**In attendance were:** R. Correa – Brea, M. McGee – Buena Park, D. Youngblood – EOCWD, D. Cafferty – ETWD, M. Sprague – Fountain Valley, C. Pasillas – Garden Grove, K. Vecchiarelli & T. Moore – Golden State WC, A. Papa & C. Davis – Huntington Beach, K. Van Der Maaten – Laguna Beach CWD, J. Cruz, L. Rocha & K. Young – Moulton Niguel WD, S. Catron & M. Vukojevic – Newport Beach, M. Markus & K. O'Toole – Orange County WD, J. Diaz – Orange, D. Rebensdorf – San Clemente, D. Ferons & J. Leach – Santa Margarita WD, J. Vilander – Serrano WD, G. Pennington, C. Newton, T. Kjolsing & R. Shintaku, M. Perea – Trabuco Canyon WD, M. Grisso – Tustin, S. Miller – Westminster, R. Weston & D. Davert – Yorba Linda WD

**Staff in attendance were:** R. Hunter, H. De La Torre, H. Baez, J. Berg, V. Osborn, M. Baum-Haley, A. Heide, C. Lingad, C. Busslinger, K. Hostert, R. Waite, T. Baca, D. Harrison

### **General Meeting Information/Discussion Items:**

#### **MWDOC Draft Agendas**

#### **MWDOC and Member Agency Facilitated Discussions: Status Update**

#### **Water Supply Update & State Water Project Allocation**

#### **WEROC Update**

- a. County Agreement- 800 MHz Radio System
- b. Alert OC Agreement Update
- c. AWIA Closeout
- d. Cyber-Security

#### **Reliability Study & Engineering**

#### **Report Items:**

- Monthly GM Report
- Legislative Reports
- WEROC Matrix
- Grant Funding Opportunities

#### **Announcements:**

DWR Water Supply and Demand Assessment Webinar.....November 16, 2021

The next meeting will tentatively be held on November 18, 2021.



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| <b>Meetings</b>   | <ul style="list-style-type: none"> <li>MWDOC staff and ABS Consulting, IDS Group, and Optima RPM participated in several construction progress meetings in November regarding the admin building seismic retrofit and remodel. Weekly progress meetings will continue through the completion of the project.</li> <li>In October, Charles Busslinger and Chris Lingad participated in multiple meetings with Ed Means and MET staff to discuss the scope of work for the EOCF#2 Emergency Pilot Program.</li> </ul>  |
| <b>ENGINEERING &amp; PLANNING</b>   |  |
| <b>East Orange County Feeder No. 2 (EOCF#2) Emergency Pilot Program</b>   | Staff and Means Consulting continue to work with Metropolitan (MET) on defining a scope of work for emergency pump-in of local water supplies into EOCF #2 under MET Admin Code 4519: Emergency Deliveries of Member Agency Water Supplies in Metropolitan's System. The program is intended to enhance water supply reliability in the event of a prolonged emergency, consistent with MET Administrative Code Section 4519. As indicated previously, this is a multi-year effort. The intended outcome of this effort is a set of guidelines for MET member agencies to use to establish emergency pump-in programs to MET's system. Hazen & Sawyer is also providing technical assistance for this effort.  |
| <b>Economic Benefit Studies and Modeling Work to Quantify the Benefits of Local Projects in the Context of MET's 2020 Integrated Resources Plan (IRP)</b> | <p>MWDOC staff continues working with the Brattle Group and CDM Smith on the Economic Benefits Studies and modeling work.</p> <p>Wallace Walrod, the economist for Orange County Business Council and sub-consultant for the Brattle Group, is leading the business survey portion of the economic benefit studies. The business survey instrument has been completed. Cal State University, Fullerton's Social Science Research Center (CSUF)'s Institutional Review Board has reviewed and approved the survey. CSUF is currently working on wrapping up the business survey.</p> <p>The current schedule anticipates completing 400 Orange County business surveys by the end of October 2021 and Dr. Walrod and Dr. Boarnet anticipate completing the business impact analysis by November 2021. A presentation of results is expected at P&amp;O Committee once the data has been analyzed.</p> |
| <b>OC-70 Meter Testing Update</b>   | <p>MWDOC staff continues to work with staff from MET and EOCWD on finalizing the investigation of the accuracy of the billing meter at Service Connection OC-70.</p> <p>MET provided a summary presentation of the OC-70 meter accuracy results to MWDOC and EOCWD on August 9, 2021, where MET reported that the OC-70 service connection meter is over registering by 5%. MET confirmed that reimbursement is due to MWDOC and EOCWD but has been unable to identify the exact source of the error. MET will continue to investigate the source of the error and, when operational feasible for EOCWD, will shut down OC-70 to do an internal 3D scan of the inside dimensions of the venturi meter as one final possible source of the error.</p>   |



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| <b>OC-70<br/>Meter<br/>Testing<br/>Update -<br/>continued</b> | <p>On September 15, 2021, MET staff reconfigured and calibrated the OC-70 meter by offsetting the meter output by 5.2%. This error correction will apply to all meter reads moving forward.</p> <p>MET is currently working on a final report of the meter error and the proposed retroactive billing adjustment. Once the final report is received, MWDOC will work with EOCWD to review MET's proposed adjustment and work with MET staff to bring the final adjustment to the MET Board to bring the issue to closure.</p>   |
| <b>Reliability<br/>Study<br/>Update</b>                       | <p>Staff is working with CDM Smith on an update to the reliability study. The update will look at five scenarios that include recent information, including uncertainty about the Delta Conveyance Project and more recent Climate Change impact information. The update will incorporate the latest demand forecasts from the 2020 Urban Water Management Planning efforts, update project cost information, and include updated information from MET's 2020 IRP process. Staff anticipates the update to be completed in early December 2021. Staff will then bring the study results to the Board for discussion.</p> <p>Staff participated in a meeting with MET staff and CDM Smith on September 25, 2021, to discuss supply projections for the State Water Project and the Colorado River Aqueduct related to the reliability study update.</p>  |
| <b>Doheny<br/>Ocean<br/>Desalination<br/>Project</b>          | <p>South Coast Water District (SCWD) continues to develop the Doheny Ocean Desalination Project. SCWD is currently working through multiple due diligence items to move the project forward, including; permitting, plant sizing and siting, financing, and project delivery method. SCWD anticipates having all necessary permits by the end of the 1st Quarter of 2022 and estimates an online date of early 2026 if approved by the SCWD Board.</p> <p>On July 22, 2021, SCWD conducted its 7<sup>th</sup> workshop on the SCWD Integrated Water Resources Plan (IWRP). Included in that plan was the consideration of a strategy for various options for the Doheny Ocean Desalination Project. The SCWD Board approved an adaptive management strategy that includes efforts to secure partners for a 5 MGD Doheny Ocean Desalination Project. If SCWD is unsuccessful in securing partners, SCWD will proceed with the construction of a smaller 2 MGD project that does not have future expansion capabilities.</p> <p>SCWD held a Special Board Meeting on September 2, 2021, to discuss the financial implications of the project. Clean Energy Capital (CEC) presented a water cost analysis for the project where CEC presented cost projections for a 2 MGD project with an estimated 1<sup>st</sup>-year water cost of \$1,928/AF in 2021\$, and a 5 MGD project with an estimated 1<sup>st</sup>-year water cost of \$1,479/AF in 2021\$. The SCWD Board actions included accepting the water cost analysis; initiating a Public Outreach Program supporting the implementation of the project; re-engaging with task-related consultants for the development of necessary contract activities; and authorizing the SCWD General Manager to develop a partnership education plan to pursue and secure partnerships with local agencies to realize the cost savings a 5 MGD project provides.</p> <p>SCWD anticipates an update on the third-party hydrogeology study of the San Juan Basin in the November/December 2021 timeframe.</p> |



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| <b>Strand Ranch Project</b>   | IRWD presented the Strand Ranch project at the July MWDOC Agencies Managers Meeting. A follow-up meeting was held on August 30, 2021, to provide more information to interested agencies. See this month's discussion item on Strand Ranch.  |
| <b>Poseidon Resources Huntington Beach Ocean Desalination Project</b> | <p>On April 29, 2021, the Santa Ana Regional Water Quality Control Board (SARWQCB) conditionally renewed Poseidon's permit governing the seawater intake and waste discharges. The SARWQCB order requires Poseidon to minimize negative impacts on marine life by directing them to undertake a series of mitigation measures and prohibiting the intake of seawater and the discharge of concentrated brine until certain conditions are met.</p> <p>To comply with the plan's requirements, Poseidon agreed to install fine mesh, wedge wire screens on the plant's intake pipe and affix a diffuser to its discharge structure to reduce marine mortality and impacts of the brine effluent to the ocean. Poseidon also agreed to expand its mitigation plans at the Bolsa Chica Wetlands to achieve 59.2 acres of mitigation credit and create an artificial reef offshore of Palos Verdes to restore the rocky reef habitat buried by recent landslides for an additional 41.3 acres of mitigation credits.</p> <p>To incentivize Poseidon to implement the mitigation measures as quickly as possible, the order prohibits the facility from in taking seawater and discharging return water into the ocean until they have completed several permit requirements to the satisfaction of the SARWQCB, including; developing cost estimates, timeline estimates, and completing 60 percent design plans for the mitigation projects.</p> <p>The next step for Poseidon includes seeking permits from the California Coastal Commission (CCC), which is anticipated to occur during the first quarter of 2022.</p> |
| <b>Shutdowns</b>  | <p><b>Diemer Water Treatment Plant</b></p> <p>MET plans to repair a chlorine diffuser pipe at the Diemer WTP, which requires a seven-day full-plant shutdown. Shutdown dates are being evaluated by MET staff at this time.</p> <p><b>Orange County Feeder</b></p> <p>MET is planning to reline and replace valves in a section of the Orange County Feeder from Bristol Ave to Corona Del Mar – this is the last section of this 80-year-old pipeline to be lined.</p> <p>MET has delayed the relining project and has proposed new shutdown dates of September 15, 2022, through June 15, 2023.</p> <p><b>Orange County Feeder Extension</b></p> <p>MET plans to reline 300-linear feet of the OC Feeder extension affecting the City of Newport Beach, IRWD, and LBCWD. MWDOC and the City are meeting with MET staff to review details of the Traffic Control Plan.</p> <p>MET has delayed the relining project by one year and has proposed new shutdown dates of June 16, 2023, through July 10, 2023.</p>   |



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| <b>Shutdowns – continued</b>  | <p><b>Orange County Reservoir (OC Feeder)</b></p> <p>The decommissioning of the Orange County Reservoir has been rescheduled to March 20, 2022, through March 25, 2022. This work will affect the cities of Brea and La Habra.</p> <p><b>Lake Mathews Facility Shutdown</b></p> <p>MET is planning rehabilitation work on Lake Mathews facilities from March 14, 2022, through March 23, 2022. Work on Lake Mathews will affect untreated downstream lines. During the shutdown, the following agencies will be affected: OCWD, YLWD, Serrano WD, IRWD, TCWD, ETWD, SMWD, MNWD, and the City of San Clemente.</p> <p><b>Allen-McColloch Pipeline</b></p> <p>MET has completed 50% of the preliminary design of the AMP PCCP rehabilitation and is expected to be complete with the design by 2023. Preliminary design work currently underway includes identifying priority reaches, developing access locations, conducting geotechnical assessments, modeling a surge analysis, conducting real property assessments, identifying permitting requirements, and development of a feeder isolation plan. A draft project schedule will be developed at the completion of the preliminary design. Rehabilitation of individual reaches will be based on the ongoing condition assessments, priorities, and shutdown schedules.</p> <p>The first working group meeting with the impacted AMP agencies and MET will be held on September 28, 2021, to coordinate shutdown planning for the 8 miles of AMP pipe that will need to be relined.</p> |
| <p style="text-align: center;"><b>MET ITEMS CRITICAL TO ORANGE COUNTY</b></p> |   |
| <b>MET Finance and Rate Issues</b>  | <p><b><u>Current Update</u></b></p> <p>Water transactions for August 2021 totaled 164.7 thousand acre-feet (TAF), which was 12.1 TAF higher than the budget of 152.6 TAF. This translates to \$152.1 million in revenues for August 2021, which were \$9.5 million higher than the budget of \$142.6 million. Year-to-date water transactions through August 2021 were 335.2 TAF, which was 29.7 TAF higher than the budget of 305.5 TAF. Year-to-date water revenues through August 2021 were \$307.8 million, which was \$22.0 million higher than the budget of \$285.8 million.</p> <p>MET staff prepared the required property tax rate analysis for board adoption and implementation by Metropolitan's six counties, represented within its boundaries. This process lets Metropolitan collect approximately \$158.1 million to cover outstanding GO debt and SWC obligations over FY 21-22. Additionally, as of August 31, 2021, Metropolitan's investment portfolio balance was \$1,229.8 million</p> <p><b><u>Year-End Budget Update</u></b></p> <p>MET's actual revenues for FY20-21 were \$1,770 million, below the budget of \$1,796 million by \$26 million. Actual expenses for FY20-21 were \$1,581 million,</p>  |



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| <b>MET Finance and Rate Issues – continued</b>                           | <p>below the budget of \$1,778 by \$197 million. With lower than budgeted revenues and lower than budgeted costs, Metropolitan's FY20-21 net revenues were \$189 million. The \$189 million will go into Metropolitan's unrestricted reserve balance, increasing the total unrestricted reserves to \$590 million.</p> <p>MET's total asset value increased from \$12.6 billion in 2020 to \$13 billion in 2021, with capital assets comprising the majority of the valuation. MET's revenue bond debt-to-equity ratio decreased from 57.2% in 2020 to 55.5% in 2021. Additionally, in 2021 MET's pension fund ratio was 71.7%, a slight decrease from 72.7% in 2020. Furthermore, MET's actuarially determined contribution for pensions increased in FY21-22 to \$85.7 million.</p>   |
| <b>MET Review of Equal Employment Opportunity Policies and Practices</b> | <p>In December 2020, the Shaw Law Group (Firm) began a board-directed independent review of allegations of systemic Equal Employment Opportunity-related discrimination, harassment, and retaliation, and related concerns. In July 2021, the Firm presented its observations and recommendations during a special meeting of the Organization, Personnel, and Technology (OP&amp;T) Committee. In August 2021, the Board discussed the Firm's recommendations, directed the General Manager &amp; Equal Employment Opportunity (EEO) officer to develop an implementation plan.</p> <p>On October 11, the MET Board was updated on the implementation program development since the September Board meeting. Of the 47 recommendations referred to the general manager, 16 recommendations have been addressed/completed, 13 are in progress, and 18 are pending. Nine of the recommendations are with the Joint-Labor Management Advisory Committee established by the General Manager last month. The MET Board will continue to receive regular updates on the implementation of the Firm's recommendations.</p>  |
| <b>Colorado River Issues</b>   | <p><b><u>Metropolitan Diversion Request</u></b></p> <p>MET staff submitted the 2022 Colorado River Diversion Request, formally known as the 2022 Colorado River Diversion Estimate and Part 417 Consultation Questionnaire, to the U.S. Bureau of Reclamation (Reclamation). Participating in Reclamation's Part 417 consultation process helps ensure full access to the available Colorado River supplies in the calendar year 2022. This request includes all transfer water and water that becomes available through the Colorado River priority system. For 2022, staff submitted an estimated total diversion amount of about 601 thousand acre-feet.</p> <p><b><u>USBR Annual Operating Plan</u></b></p> <p>MET Staff reviewed three drafts of Reclamation's Annual Operating Plan for Colorado River Reservoirs 2022 (AOP) that reports on past operations of the Colorado River reservoirs for the last calendar year and projected operations for these reservoirs for the upcoming year. MET also participated, along with other stakeholders of the Colorado River basins, in three webinar consultations for each draft AOP to provide comments and feedback to Reclamation. The AOP is important to MET's operations since it confirms the parameters that will govern the operations of Lake Powell and Lake Mead in the subsequent year. Reclamation declared the first-ever shortage on the Colorado River for the calendar year 2022, and the latest draft AOP outlined that a Shortage Condition will govern Lake Mead's operation, which influences the management of MET's available supply and Intentionally Created Surplus (ICS) on the Colorado River.</p> |



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| <b>Colorado River Issues – continued</b>                          | <p><b><u>Salinity Control Forum Work Group</u></b></p> <p>MET staff attended a meeting of the Colorado River Basin Salinity Control Forum (Forum) Work Group, supporting the Forum with technical analysis. The Work Group heard program updates from federal partners, including the Bureau of Land Management, the Natural Resources Conservation Service, and the U.S. Geological Survey. The Work Group discussed the schedule and required work for the upcoming 2023 Review of Water Quality Standards for Salinity in the Colorado River. The Work Group also heard a report from Reclamation on the status of salinity control in the Paradox Valley, including a progress update on Reclamation's seismic risk and hazard analysis, and the prospects of returning to service the existing Paradox Valley Unit injection well, which has not operated consistently since the March 2019 earthquake in the valley.</p> <p><b><u>Colorado River Basin States Meeting</u></b></p> <p>MET staff attended several Colorado River Basin States meetings, including meetings of the Lower Basin States, California-only meetings, and several technical working group meetings. The main purpose of the meetings was to begin planning a range of additional measures that can be implemented during the interim period (2022–2026) to slow or halt the decline of Lake Mead elevations during ongoing dry conditions in the basin. These discussions were prompted, in part, by the first-ever Level 1 shortage declaration on the river in August and the projection that, under minimum probable conditions, Lake Mead elevations could fall below elevation 1030' within the next 24 months. Working group meetings focused on developing the range of options and strategies for supporting Lake Mead and the environmental compliance measures required to implement a plan.</p> |
| <b>Delta Conveyance Activities and State Water Project Issues</b> | <p><b><u>Delta Conveyance</u></b></p> <p>The California Department of Water Resources (DWR) is continuing to develop an Environmental Impact Report (EIR) under the California Environmental Quality Act (CEQA).</p> <p>Field activities in the Delta for Soil Investigations are proceeding to support the Initial Study/Mitigated Negative Declaration (including cone penetration tests, soil borings, and geophysical surveys). Field investigations will continue in mid-September following a short break from July-August 2021.</p> <p>DWR completed the last of the four technical webinars designed to inform the public and interested stakeholders about the approaches and methodologies used in conducting impact analyses in the Draft EIR. The final webinar on Environmental Justice was presented on September 16. All webinars were recorded and made available on DWR's website (<a href="https://water.ca.gov/Programs/State-Water-Project/Delta-Conveyance/DCP-InformationalWebinars">https://water.ca.gov/Programs/State-Water-Project/Delta-Conveyance/DCP-InformationalWebinars</a>). Information about impact findings and specific mitigation measures was not available for the webinars and will be included in future outreach efforts following the public Draft EIR publication.</p> <p><b><u>Sites Reservoir</u></b></p> <p>In their joint September 22 meeting, the Sites Project Authority Board (Authority Board) and the Sites Reservoir Committee (Reservoir Committee) gave the Executive Director authorization to execute a three-party agreement between the</p>  |



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| <b>Delta<br/>Conveyance<br/>Activities<br/>and State<br/>Water<br/>Project<br/>Issues –<br/>continued</b> | <p>Authority Board, DWR, and Sites Reservoir participants that are also State Water Project (SWP) Contractors to include the planning costs for the Sites Reservoir Project in the SWP Annual Statement of Charges.</p> <p>The Authority Board and Reservoir Committee also approved Amendment 3 of the Project Agreement and Work Plan with a performance period from January 1, 2022, to December 31, 2024, to initiate participant home board review, deliberation, and execution of the agreement. The Executive Director was also given the authorization to execute a Federal Financial Assistance Agreement with the U.S. Bureau of Reclamation (Reclamation) for \$6.9 million in WIIN Act Funds, and the authorization to submit the Final Water Storage Investment Program Feasibility Report to the California Water Commission to comply with Proposition 1.</p> <p><b><u>Regulatory Activities</u></b></p> <p>In response to ongoing drought conditions and associated water supply shortages in the Sacramento-San Joaquin Delta watershed, on August 3, 2021, the State Water Resources Control Board (State Board) adopted a Delta watershed emergency regulation authorizing the curtailment of diversions when water is determined to be unavailable. On August 20, 2021, the State Board issued curtailments to approximately 4,500 water rights holders in the Delta watershed to help protect drinking water supplies, prevent salinity intrusion, and minimize impacts to fisheries and the environment. The SWP has rights for the diversion of water to Lake Oroville and rights in the south Delta for the diversion and re-diversion of stored water. These rights are post-1914 appropriative and consequently are impacted by the State Board curtailment orders. DWR is working closely with State Board staff and Reclamation to ensure that the water projects work together to achieve compliance.</p> <p>At this time, the State Board has determined that riparian water rights permits will not be curtailed in the Sacramento and San Joaquin Basins, including the Bay Delta. Metropolitan holds riparian water right permits on its Delta island properties. Although not mandated to curtail diversions, the Metropolitan staff meets with its Delta island agricultural lessees to assist in voluntary cutbacks.</p> <p>MET staff continued to participate in the collaborative groups called for in the 2019 Biological Opinions (BiOp) for the SWP and Central Valley Project and in the 2020 Incidental Take Permit (ITP) for Long-Term Operation of the SWP to address science needs and inform management and operation of the water projects.</p> <p>MET staff also continued collaboration with the state and federal agencies to develop a monitoring program for steelhead as a condition of the 2019 BiOp. The monitoring plan would encompass steelhead populations within the San Joaquin Basin and/or the San Joaquin River downstream of the confluence of the Stanislaus River and would include steelhead and rainbow trout. The group is drafting conceptual models for each life stage of steelhead to help identify monitoring needed for each life stage.</p> <p><b><u>Science Activities</u></b></p> <p>MET Staff continued efforts to develop studies to assist in preserving Delta smelt and evaluating existing ponds on Metropolitan's Delta Island properties to assess the suitability of the ponds for Delta smelt research. On September 15, MET staff hosted the Deputy Directors of DWR, their staff, and UC Davis researchers for a Bouldin Island tour to provide information and develop opportunities for collaboration on</p> |
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| <b>Delta<br/>Conveyance<br/>Activities<br/>and State<br/>Water<br/>Project<br/>Issues –<br/>continued</b> | <p>projects on the Delta Island properties. The main projects discussed included floating wetlands, Delta smelt mesocosms, and levee security.</p> <p>On September 2, MET staff participated in the U.S. Fish and Wildlife Service (USFWS) Longfin smelt Workshop for the Species Status Assessment (SSA) and presented work on predictive mapping for larval/juvenile longfin smelt habitat. USFWS is considering scientific information to inform a federal decision regarding whether the longfin smelt should be listed under the federal Endangered Species Act. The workshop included presentations on the biology, ecology, distribution, and abundance of longfin smelt to inform USFWS SSA on longfin smelt.</p> <p>MET staff also continued participating in the Collaborative Science and Adaptive Management Program (CSAMP), including participation on the Collaborative Adaptive Management Team (CAMT). At the September 21 meeting, CAMT discussions focused on planning a workshop to evaluate information from past reviews of Delta monitoring programs and potential science activities for the CAMT technical teams. Staff continued collaboration with the non-governmental organization participants on the CSAMP Salmon Recovery Initiative. The group is currently planning the second workshop to define salmon recovery in a broad sense through scientific-technical discussions with salmonid experts.</p>   |
| <h2 style="text-align: center;">EMERGENCY PREPAREDNESS</h2>   |  |
| <b>COVID-19<br/>(Corona<br/>Virus)<br/>Coordination</b>   | <ul style="list-style-type: none"> <li>• WEROC continues to monitor the CDC, State, and County for changing information and is sharing information with agencies.</li> <li>• WEROC continues to support agencies with COVID-19 related questions and guidance needs.</li> <li>• On 10/12, County Health Officer, Dr. Chau, issued a revised local health order to reflect new and recent guidance on COVID-19 School Information. As a reminder, in the 9.28 Health Officer Update, Dr. Chau updated the Health Officer order for isolation and quarantine issued by the Centers for Disease Control and Prevention (CDC) and the CDPH. A key update to the health order includes: <ul style="list-style-type: none"> <li>• Persons exposed to COVID-19 and not fully vaccinated are allowed 7-day quarantine with testing or 10-day quarantine without testing</li> </ul> <p>Note: The previous language in the Health Officer Order “During critical staffing shortages, the following asymptomatic persons who are not fully vaccinated for COVID-19 are not required to quarantine: • Health care providers; • Emergency responder; and • Social service workers who work face to face with clients in the child welfare system or assisted living facilities.” Is no longer applicable. Everyone has to follow the updated quarantine/isolation order.</p> </li> <li>• WEROC continues to hold bi-weekly conference calls on Tuesdays with member agencies to continue sharing information as requested by the agencies.</li> </ul> |



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| <b>COVID-19<br/>(Corona<br/>Virus)<br/>Coordination<br/>– continued</b>   | <ul style="list-style-type: none"> <li>On 10/14, Vicki participated in the White House Intergovernmental Agency Coordination call. There is no update on the timing outside of (within the next few weeks) in which OSHA will release its vaccine mandate for employers with 100 or more employees. CalOSHA is also waiting for this information. Vicki will continue to monitor this call</li> <li>California OSHA is working on making the current ETS 3205 procedures permanent. Cal OSHA has <u>proposed language</u> for the second re-adoption of COVID-19 Prevention Emergency Temporary Standards (ETS). If approved by the Standards Board, the second re-adoption of the ETS would be effective from January 14, 2022, through April 14, 2022. More information will be released as this project progresses. CalOSHA's objective is for the permanent standard to become a part of the Injury and Illness Prevention Program (IIPP).</li> </ul>   |
| <b>October<br/>Incidents/<br/>Events</b>  | <ul style="list-style-type: none"> <li>Oil Spill 10/2 Pipeline P00547 Incident</li> <li>Cyber Incident (1 agency)</li> <li>Suspicious Package 10/18</li> <li>Public Safety Power Shutoff 10/15 Event</li> </ul>   |
| <b>Coordination/<br/>Participation<br/>With Member<br/>Agencies And<br/>Outside<br/>Agencies<br/>Meetings<br/>Outside Of<br/>Programs<br/>Areas</b> | <ul style="list-style-type: none"> <li>On 9/30, Vicki attended the County of Orange Workshop on the County's Strategic Financial Plan, Budget Development Processes, American Rescue Plan Act (ARPA) Funding. The County kicked off its annual strategic financial planning process on August 16, 2021. The 2021 Strategic Financial Plan will be presented to the Board of Supervisors on December 14, 2021. This year's strategic financial planning process will include the County's plan and CEO recommendations on using the ARPA funds.</li> <li>On 10/4, the WEROC team attended the virtual Orange County Emergency Management Organization (OCOMO). Presentation topics included GIS - Making it work across the County &amp; GIS Program in the city of Irvine.</li> <li>On 10/4, Vicki attended the OCEMO Exercise Design meeting. Next year, the Orange County Operational Area will be conducting the Public Information Seminar canceled because of COVID. Planning is occurring for the event to occur in March 2022.</li> <li>On 10/8, Vicki attended the CalWARN Operations Plan Meeting. This meeting focuses on re-writing the Mutual Assistance plan and developing training to incorporate for water and wastewater agencies.</li> <li>On 10/13, Emergency Management Funding Meeting with Assemblyman Freddie Rodriguez Office and the city of San Jose. Vicki was invited to participate as the CESA State President and represent the interests of special districts. In 2019, the City of San Jose sponsored a bill that would have brought money to California's emergency management profession for emergency management preparedness and related activities. Unfortunately,</li> </ul> |



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| <b>Coordination/<br/>Participation<br/>With Member<br/>Agencies And<br/>Outside<br/>Agencies<br/>Meetings<br/>Outside Of<br/>Programs<br/>Areas -<br/>continued</b> | <p>due to COVID, AB 291 did not move forward. This meeting was to discuss efforts for the future.</p> <ul style="list-style-type: none"> <li>On 10/14, Vicki attended the CalOSHA Meeting. The topic was related to the COVID procedure about the working group tasked with creating a permanent standard.</li> <li>On 10/20, Vicki presented at the AWWA CA-NV conference during the CalWARN sessions. Vicki presented on Mutual Aid/Assistance and the CalWARN operations plan.</li> <li>On 10/25, Janine attended the Operational Area Technology Meeting. Topics covered include the results from the AlertOC regional test, planning for 2022, online and in-person training for AlertOC MOUs, WebEOC training, and Alert and Warning plan update for 2022.</li> <li>On 10/25, Vicki attended the SEMS Refresh Project Working Group Meeting. Vicki is representing Special Districts.</li> <li>On 10/28, Vicki attended the Mutual Aid Regional Advisory Committee (MARAC) meeting for the Southern Region. Topics included overall regional updates, Alert and Warning Outage Tools, Drought and Recovery update, Sheltering, and Diablo Canyon Highlights.</li> </ul>   |
| <b>Planning And<br/>Program<br/>Efforts</b>   | <ul style="list-style-type: none"> <li>America's Water Infrastructure Act (AWIA) Project - The final phases of this project continues to progress. Three training sessions on how to maintain the RRA assessments and keep your ERPs as a living document were conducted on October 25, 26, 27<sup>th</sup>. This is one of the last deliverables of AWIA. Vicki is working on the close-out process for this project to occur after the beginning of the year.</li> <li>AlertOC - County has requested WEROC coordinate the signature, tracking, user update information, and coordinate training for those member agencies. Janine continues as the Project Manager work on obtaining the AlertOC MOUs. The County is requesting all Agreements be executed by December 2021. So far, three have been returned to WEROC signed.</li> <li>800 Mhz Radio Agreement – Vicki and Daniel continue to assist agencies with questions and the process for executing the Joint Agreement for the Operation, Maintenance, and Financial Management of the Orange County 800 Megahertz Countywide Coordinated Communications System. This system fulfills the WEROC radio system, and the MWDOC board approved the agreement at the last board meeting. The County of Orange has requested WEROC to track down and get agencies to sign the agreement.</li> <li>Cyber Security - WEROC/Daniel held the first quarterly cyber-working group meeting with member agencies and the OCIAC on October 18, 2020, at the WEROC EOC. Daniel continues to share cyber information</li> </ul> |



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| <b>Planning And Program Efforts – continued</b>                                 | <p>received from the OCIAC and DHS with member agencies. Cyber remains an important topic for critical infrastructure.</p> <ul style="list-style-type: none"> <li>• NIMS Compliance - On 10/25, Vicki completed the 2021 National Incident Management System (NIMS) Assessment Survey. Jurisdictions are required to maintain the adoption and implementation of NIMS to receive State and Federal grant funding. The annual compliance tool was submitted to the state.</li> <li>• Drought – Following the County Emergency Manager, Michelle Anderson contacted WEROC on Wednesday following the Governor Proclamation update from the night before. In collaboration, the following email was sent out to the OA. During the last drought, WEROC and the County collaborated to create a County Drought Task Force. This discussion with the OA will begin at the next OCEDO meeting on November 4<sup>th</sup>. On the next WEROC conference call; we will discuss the information that the California Office of Emergency Services will be tracking and asking for. Our primary function (WEROC) will be to provide a situation summary each month to the state, including specific topics.</li> </ul> |
| <b>Training And Exercises</b>   | <ul style="list-style-type: none"> <li>• The training and Exercise Plan for 2022 has been updated. In-person classes in ICS, EOC Section Trainings, and exercises will resume normal operations in January 2022.</li> </ul>   |
| <h2 style="text-align: center;">WATER USE EFFICIENCY</h2>                       |   |
| <b>Orange County Data Acquisition Partnership (OCDAP) Working Group Meeting</b> | <p>On October 11, Rachel Waite attended the OCDAP Working Group Meeting. The working group collaborates on and organizes a regional effort to cost-share the acquisition of high-resolution aerial imagery and related products. Attendees included staff from MWDOC, Southern California Association of Governments, Center for Demographic Research, Orange County Fire Authority, Orange County Water District, and Orange County Public Works. Topics on the agenda included:</p> <ul style="list-style-type: none"> <li>• Presentation by County of Orange on GIS datasets Produced from Remote Sensing</li> <li>• OCDAP Data Sharing Efforts/Projects Underway</li> <li>• OCDAP Cycle 1 Deliverables Update</li> <li>• OCDAP Cycle 2 Participation Agreement, Draft RFP</li> <li>• USGS Fy21/22 Broad Agency Announcement Application for Lidar Funding</li> </ul> <p>The next meeting will be held on November 8.</p>  |



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| <b>Orange County Water Use Efficiency Coordinator Workgroup Meeting</b> | <p>On October 14, Joe Berg, Steve Hedges, Beth Fahl, Rachel Davis, Andrea Antony-Morr, Sam Fetter, Kevin Hostert, and Rachel W. hosted the Orange County Water Use Efficiency Workgroup meeting. Items on the agenda included:</p> <ul style="list-style-type: none"> <li>• MWDOC Updates</li> <li>• Bill Insert Orders</li> <li>• Agency Problem Solving Roundtable</li> <li>• Water Supply Update</li> <li>• WSI Presentation – MNWD Online Education Center and Virtual Programs</li> <li>• Metropolitan Update <ul style="list-style-type: none"> <li>○ Potential New Conservation Programs in Response to Drought</li> <li>○ Newly Launched Education Classes</li> </ul> </li> <li>• Conservation as a California Way of Life <ul style="list-style-type: none"> <li>○ Dedicated Irrigation Meter Measurements Project Update</li> </ul> </li> <li>• Water Use Efficiency Updates <ul style="list-style-type: none"> <li>○ Landscape PAC Volunteers</li> <li>○ Turf and Drip Program Activity Update</li> <li>○ Grant Funding Update</li> </ul> </li> <li>• CALWEP Update <ul style="list-style-type: none"> <li>○ Winter Plenary – December 9th (10:00 am to 12:00 pm)</li> </ul> </li> </ul> <p>The meeting will be held on November 4.</p> |
| <b>Project Agreement (PA) 22 Advisory Workgroup Meeting</b>             | <p>On October 18, Rachel W. attended the PA 22 Advisory Workgroup meeting hosted by Santa Ana Watershed Project Authority (SAWPA) and attended by SAWPA member agencies and MWDOC. Topics on the agenda included:</p> <ul style="list-style-type: none"> <li>• Recap of Latest PA 22 Committee Meeting (9/14)</li> <li>• SAWPA Water Use Efficiency Invoice Update</li> <li>• Prop 1 Enhanced Decision Support Tool Update</li> <li>• SARCCUP Water Budget Assistance Update</li> </ul> <p>The next Advisory Workgroup is scheduled for November 15.</p>   |
| <b>Metropolitan Water Use Efficiency Workgroup Meeting</b>              | <p>On October 21, Beth, Rachel W., and Sam attended Metropolitan's Water Use Efficiency Workgroup meeting. Agenda items discussed included"</p> <ul style="list-style-type: none"> <li>• Welcome</li> <li>• Western's Landscape Style Guide – Rob Whipple</li> <li>• September MWD Board Items from Conservation and Local Resources Committee <ul style="list-style-type: none"> <li>○ Review of Conservation Activity during FY 2020/2021</li> <li>○ Metropolitan's Potential Activities to Increase Conservation in Response to Governors' California Conservation and Metropolitan's Water Supply Alert</li> <li>○ AB-365 Reshaping the Urban Landscape of Southern Nevada</li> </ul> </li> <li>• Member Agency Roundtable <ul style="list-style-type: none"> <li>○ Local drought responses</li> </ul> </li> </ul> <p>The next meeting is scheduled for November 18.</p>   |



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| <b>California Water Efficiency Partnership Program Committee Meeting</b>  | <p>On October 21, Andrea attended the California Water Efficiency Partnership (CalWEP) Program Committee Meeting. Topics on the agenda included:</p> <ul style="list-style-type: none"> <li>• CalWEP Updates <ul style="list-style-type: none"> <li>○ CalWEP Member Profile Survey</li> <li>○ WaterSense Award for QWEL <ul style="list-style-type: none"> <li>▪ Bay Area December Classes Scheduled</li> </ul> </li> <li>○ V4 Water Conservation Tracking Tool</li> <li>○ Jumpstart Water Shortage Toolkits #1-4 Released</li> <li>○ Sustainable Landscaping Maintenance Guide Going to Print</li> <li>○ Leak Detection and Repair Certification Training</li> </ul> </li> <li>• Marin's Water Drought Response</li> <li>• Drought Programs</li> <li>• Task Force Updates <ul style="list-style-type: none"> <li>○ Landscape</li> <li>○ AMI</li> <li>○ CII</li> </ul> </li> <li>• Announcements</li> </ul> <p>The next meeting is scheduled for December 15.</p> |
| <b>Department of Water Resources (DWR) Water Loss Monthly Webinar</b>   | <p>On October 21, Rachel D. and Joe participated in the DWR monthly Water Loss Webinar. Topics included:</p> <ul style="list-style-type: none"> <li>• Currently Available Water Loss and Leak Detection Resources from the Southwest Environmental Finance Center at the University of New Mexico.</li> <li>• Future requirement of the AWWA Free Water Audit Software version 6.0 for Water Loss Audit Reporting.</li> </ul> <p>The next webinar is scheduled for November 18.</p>   |
| <b>Model Water Efficient Landscape Ordinance (MWELO) Landscaping Training</b>   | <p>On October 22, Rachel W., Andrea, and Sam joined the MWELO and the New Normal for California Landscaping Training. The day-long course was offered online by PG&amp;E Energy Centers and was attended by numerous participants around the state.</p>   |
| <b>Department of Water Resources Water Use Efficiency Standards Methodologies and Performance Measures Workgroup: Outdoor and CII Standards Meeting</b> | <p>On October 25, Joe, Rachel W., Beth, Andrea, and Sam joined the DWR Outdoor and CII Standards meeting related to the Conservation Framework. This workgroup focused specifically on the DWR-proposed outdoor standards to be used in calculating a water supplier's Urban Water Use Objective and the outdoor standards related to CII Performance Measures, specifically landscape size thresholds for mixed-use CII meters. Topics on the agenda included:</p> <ul style="list-style-type: none"> <li>• Outdoor Water Use Standard Recommendations <ul style="list-style-type: none"> <li>○ Background and Legislative Directive</li> <li>○ Update on Provisional Outdoor Water Use Standard Recommendations</li> </ul> </li> <li>• CII Outdoor Landscape Area with DIM Standard Recommendations <ul style="list-style-type: none"> <li>○ Background and legislative directive</li> </ul> </li> </ul>  |



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| <b>Department of Water Resources Water Use Efficiency Standards Methodologies and Performance Measures Workgroup: Outdoor and CII Standards Meeting – continued</b> | <ul style="list-style-type: none"> <li>○ Thresholds for Converting Mixed CII Meters to DIM and Recommendations for Technologies that could be used instead of requiring Dedicated Irrigation Meters</li> <li>○ Development of the CII Outdoor Standard</li> <li>● Capping Considerations for Total Water Use Reductions</li> <li>● Next steps</li> </ul> <p>The next meeting—Final Draft Recommendations Guidance and Methodologies—will be held on November 17.</p>   |
| <b>One Water One Watershed (OWOW) Prop 1 Round 2 Workshop</b>   | <p>On October 28, Rachel W. attended the OWOW Prop 1 Round 2 Workshop hosted by the SAWPA. This workshop focused on Prop 1 IRWM Round 2 grant implementation funding. Topics discussed included available funding, timeline, and requirements.</p> <p>A follow-up workshop is not currently scheduled.</p>   |
| <b>Qualified Water Efficient Landscape Quarterly Professional Certifying Organization Meeting</b>   | <p>On October 28, Andrea Antony-Morr attended the Qualified Water Efficient Landscape Quarterly (QWEL) Professional Certifying Organization (PCO) Meeting. Topics on the agenda included:</p> <ul style="list-style-type: none"> <li>● Program Updates <ul style="list-style-type: none"> <li>○ EPA WaterSense Award</li> <li>○ Rainwater Module</li> <li>○ Fee Structure Update</li> <li>○ CEUs- Reminders to Pros</li> <li>○ Online Proctoring</li> <li>○ Online Working Group</li> </ul> </li> <li>● PCO Updates</li> <li>● Other Items</li> </ul> <p>The next meeting is scheduled for January 20, 2022.</p> |
| <b>South Orange County Integrated Regional Water Management (IRWM) Management Committee</b>   | <p>On November 1, Rachel W. attended the South Orange County IRWM Management Committee meeting. Topics on the agenda included:</p> <ul style="list-style-type: none"> <li>● Overview of November 4<sup>th</sup> Executive Committee Agenda</li> <li>● Funding for Water Resource Projects &amp; Status of IRWM Project List</li> <li>● Update on Cutting the Green Tape Initiative</li> <li>● Discussion: Strategic Visioning – Input for Executive Committee</li> </ul> <p>The next meeting is not yet scheduled.</p>   |



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| <b>South Orange County Flow Ecology Special Study Stakeholder Advisory Group (SAG) and Technical Advisory Group (TAG) Workgroup</b> | <p>On November 2, Rachel W. attended the South Orange County Flow Ecology Special Study SAG/TAG Final Meeting. The meeting goals were to present study results and final data products and discuss the application of tools. Topics on the agenda included:</p> <ul style="list-style-type: none"> <li>• Hydrology Review</li> <li>• Study Results</li> <li>• Overarching Conclusions</li> <li>• Potential Applications of the Study</li> </ul> <p>There is no follow-up meeting scheduled.</p>  |
| <b>Annual Water Audit Validations</b>   | <p>Between November 2 and November 5, Rachel D. met via Zoom with the City of Newport Beach and the City of San Clemente in order to validate their AWWA Water Audit Results. Each water retailer in California is required to submit a validated water audit to the Department of Water Resources annually. MWDOC has been offering Water Audit Validations to Orange County agencies through the Water Loss Control Technical Assistance Program via a consultant. This is the first year the services were offered through the Water Loss Control Shared Services Program and performed by MWDOC staff. During the validation meetings, the audit inputs and supporting documentation were examined, any necessary corrections were made, key performance indicators were considered, and water loss control strategies were discussed. In total, MWDOC staff will perform 25 water audit validations in 2021.</p> <p>During the remainder of November and December 2021, water audit validations are scheduled for the City of Santa Ana, the City of San Juan Capistrano, and Mesa Water.</p> |
| <b>OC Local Supply Workgroup – Recycled Water End Use: Local Resources Program (LRP) and On-Site Retrofit Program (OSRP)</b>        | <p>On November 4, Sam Fetter and Rachel W., in coordination with Melissa Baum-Haley, Alex Heide, and Metropolitan Staff, hosted an LRP and OSRP Workgroup meeting for MWDOC member agencies. Attendees included staff from El Toro WD, Irvine Ranch WD, Moulton Niguel WD, Santa Margarita WD, Trabuco Canyon WD, City of Fountain Valley, and San Clemente. The meeting goals were to discuss recent program refinements and receive feedback from MWDOC's member agencies on their experiences when expanding customer connectivity to recycled water through the LRP and OSRP programs. Topics on the agenda included:</p> <ul style="list-style-type: none"> <li>• Refinements to LRP</li> <li>• Discussion: Success Stories</li> <li>• Discussion: Challenges and Barriers</li> </ul> <p>Future meetings will be scheduled as needed.</p>   |
| <b>Orange County Water Use Efficiency Coordinator</b>   | <p>On October 14, Joe, Steve, Beth, Rachel, Andrea, Sam, Kevin, and Rachel W. hosted the Orange County Water Use Efficiency Workgroup meeting. Items on the agenda included:</p> <ul style="list-style-type: none"> <li>• MWDOC Updates <ul style="list-style-type: none"> <li>○ MWDOC Board Action – Adoption of WSCP Level 2, Up to 20% Reduction</li> </ul> </li> </ul>   |



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| <b>Workgroup Meeting<br/>Orange County<br/>Water Use Efficiency<br/>Coordinator Workgroup Meeting – continued</b>           | <ul style="list-style-type: none"> <li>○ What WSCP Levels are retailers?</li> <li>○ Bill Insert Orders Update</li> <li>• Agency Problem Solving Roundtable</li> <li>• Water Supply Update</li> <li>• Conservation as a California Way of Life <ul style="list-style-type: none"> <li>○ Panel Discussion on Proposed Changes to Standards <ul style="list-style-type: none"> <li>▪ Outdoor Residential</li> <li>▪ CII Dedicated Irrigation Meters</li> <li>▪ CII Mixed-Use Meters Landscape Area Threshold</li> <li>▪ In-Lieu Technologies</li> </ul> </li> <li>○ Consultant for Compliance Calculations?</li> <li>○ Upcoming DWR Stakeholder Meetings</li> </ul> </li> <li>• Water Use Efficiency Updates <ul style="list-style-type: none"> <li>○ Turf and Drip Program Activity Update</li> <li>○ Grant Funding Update</li> </ul> </li> <li>• CALWEP Update <ul style="list-style-type: none"> <li>○ Winter Plenary – December 9th (10:00 am to 12:00 pm)</li> </ul> </li> </ul> <p>The next meeting is scheduled for December 2.</p> |
| <b>Orange County Water Use Efficiency Coordinator Workgroup Meeting State Water Resources Control Board (SWRCB) Meeting</b> | <p>On November 5, Joe, Rachel W., and Alex met with SWRCB staff via Zoom. Topics discussed included:</p> <ul style="list-style-type: none"> <li>• Indirect Potable Reuse <ul style="list-style-type: none"> <li>○ Conservation Framework Bonus Incentive <ul style="list-style-type: none"> <li>▪ New vs. Existing Facility</li> <li>▪ Calculation Methodologies</li> </ul> </li> <li>○ Monthly Water Production Reporting</li> </ul> </li> <li>• Dedicated Irrigation Meter Area Measurements <ul style="list-style-type: none"> <li>○ MWDOC Approach</li> <li>○ Project Cost</li> </ul> </li> </ul>   |
| <h2 style="margin: 0;">PUBLIC/GOVERNMENT AFFAIRS</h2>   |   |
| <b>Member Agency Relations</b>  | <p>Public Affairs Staff:</p> <ul style="list-style-type: none"> <li>• Hosted a workshop on Search Engine Optimization (SEO), with guest speakers Mac Clemmens and Maria Lara, for the MWDOC Public Affairs Workgroup</li> </ul> <p>Government Affairs Staff:</p> <ul style="list-style-type: none"> <li>• Distributed a notice from the State Water Resources Control Board with information about the California Water and Wastewater Arrearages Payment Program a</li> <li>• Distributed the Grants Tracking and Acquisition Monthly Report</li> <li>• Responded to questions about COVID funding relief for water providers</li> </ul>   |



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| <b>Community Relations</b> | <p>Public Affairs Staff:</p> <ul style="list-style-type: none"> <li>• Prepared and distributed October 2021 eCurrents newsletter</li> <li>• Provided rebate information and water-smart gardening resources to Bolsa Chica Conservancy for their native plant event</li> </ul> <p>Governmental Affairs Staff:</p> <ul style="list-style-type: none"> <li>• Attended a reception for Metropolitan Water District of Southern California's GM, Adel Hagekhalil</li> <li>• Participated in the OCBC Infrastructure Committee meeting</li> <li>• Attend the OC Water Summit</li> <li>• Attended the Southern California Water Coalition Annual Meeting and dinner</li> <li>• Participated in the ACC-OC Energy, Environment &amp; Water Committee meeting</li> </ul>   |
| <b>Education</b>           | <p>Public Affairs Staff</p> <ul style="list-style-type: none"> <li>• Participated in the bi-weekly Metropolitan Water District of Southern California's Education Coordinator's meetings</li> <li>• Prepared, hosted, and led the Water-Energy Education Alliance (WEEA) Leadership Roundtable Meeting #9</li> <li>• Met with Metropolitan Water District of Southern California (Metropolitan), Los Angeles Department of Water and Power, and California Environmental Education Foundation to discuss speakers and logistics for the Water-Energy Education Alliance (WEEA) Leadership Roundtable Meeting #9</li> <li>• Met with Metropolitan and Alison Loukeh &amp; Associates to discuss two water workshops for high school science teachers in December</li> <li>• Participated in the California Environmental Literacy Initiative (CAELI) Quarterly Leadership Council meeting</li> <li>• Participated in the bi-weekly CAELI Green Career Innovation Hub</li> <li>• Met with East Valley Municipal Water District to discuss Career Technical Education Externship opportunities for teachers</li> <li>• Met with Orange County Department of Education's Inside the Outdoors to discuss MWDOC Choice School Program progress</li> <li>• Attended the IEWorks virtual Apprenticeship Summit</li> <li>• Met with Metropolitan Water District of Southern California, Hashtag Pinpoint, and Orange County Department of Education's Inside the Outdoors to discuss an education video project</li> <li>• Met with Mesa Water to discuss MWDOC Choice School Programs</li> <li>• Provided information regarding the MWDOC Choice School Programs to the City of Newport Beach, Moulton Niguel Water District, and the City of La Palma</li> <li>• Coordinated requests to receive the MWDOC Choice School Programs with contractors and participating agencies based on interest requests received through the MWDOC website</li> <li>• Provided a quote on the MWDOC Choice School Programs for an article in the Orange County Department of Education Newsroom</li> <li>• Provided the MWDOC Water Awareness Poster Contest flyer for promotion in the Orange County Department of Education's Visual and Performing Arts newsletter</li> </ul> |



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| <b>Media Relations</b>     | <p>Public Affairs Staff</p> <ul style="list-style-type: none"> <li>• Met with Hashtag Pinpoint to create social media content for Imagine a Day Without Water, including a video of a local gym owner's perspective</li> <li>• Collaborated on a new Garden Smart video campaign with Hashtag Pinpoint</li> <li>• Discussed Drought Emergency Proclamation with OC Register</li> </ul>  |
| <b>Special Projects</b>    | <p>Public Affairs Staff:</p> <ul style="list-style-type: none"> <li>• Hosted the September 30 Water Policy Forum &amp; Dinner with Adel Hadgehkalil at The Westin in Costa Mesa</li> <li>• Completed registration and all event logistics for September 30 Water Policy Dinner</li> <li>• Worked with Orange County Water District to host the 2021 Orange County Water Summit on October 15</li> <li>• Met with the Wyland Foundation and Saddleback College representatives to discuss City of Westminster Pocket Park project progress</li> </ul> <p>Governmental Affairs Staff:</p> <ul style="list-style-type: none"> <li>• Drafted and distributed the ISDOC Quarterly Luncheon Invite</li> <li>• Staffed the WACO meeting featuring speakers from PPIC</li> <li>• Staffed the ISDOC Executive Committee meeting</li> <li>• Made updates to the ISDOC mailing list</li> <li>• Participated in the CSDA Professional Development Committee meeting</li> <li>• Reviewed, updated, and posted the County Advocacy Services contract for release and RFP</li> <li>• Staffed the WACO Planning Committee meeting</li> <li>• Invited speakers for an upcoming WACO program on the Colorado River</li> </ul> |
| <b>Legislative Affairs</b> | <p>Governmental Affairs Staff:</p> <ul style="list-style-type: none"> <li>• Attended the OCBC Governmental Affairs Committee meeting</li> <li>• Filed the Quarterly Lobbying Report for state advocacy</li> <li>• Coordinated dates for a meeting with MWDOC Directors and Supervisor Don Wagner</li> <li>• Attended the CMUA Regulatory Committee meeting</li> <li>• Participated in Met's Annual Legislative Planning meeting</li> <li>• Participated in a meeting with Directors Tamaribuchi, Dick, and Nederhood with Supervisor Don Wagner, seeking American Rescue Act funding for the WEROC EOC</li> </ul>   |



**INFORMATION CALENDAR**

**MWDOC GENERAL INFORMATION  
ITEMS**

**MWDOC BOARD OF DIRECTORS**

- Al Nederhood
- Larry D. Dick
- Bob McVicker
- Karl W. Seckel
- Sat Tamaribuchi
- Jeffery M. Thomas
- Megan Yoo Schneider