

MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
January 11, 2023, 8:30 a.m.

Due to the current state of emergency related to the spread of COVID-19 and pursuant to Government Code Section 54953(e), MWDOC will be holding this Board and Committee meeting by Zoom Webinar and will be available by either computer or telephone audio as follows:

Computer Audio: You can join the Zoom meeting by clicking on the following link:

<https://zoom.us/j/8828665300>

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

A&F Committee:

Director Seckel, Chair
Director Thomas
Director Dick

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

Ex Officio Member: Director Yoo Schneider

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

ROLL CALL

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

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

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

PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – December 2022
 - b. Disbursement Approval Report for the month of January 2023
 - c. Disbursement Ratification Report for the month of December 2022

- d. GM Approved Disbursement Report for the month of December 2022
 - e. Consolidated Summary of Cash and Investment – November 2022
 - f. OPEB and Pension Trust Fund statements
2. FINANCIAL REPORT - Combined Financial Statements and Budget Comparative for the Period Ending November 30, 2022

ACTION ITEM

3. AUTHORIZE REVISIONS TO PERSONNEL MANUAL
4. PROFESSIONAL SERVICES CONTRACT AWARD FOR BREAKROOM/KITCHEN AND ATRIUM REMODEL
5. AUTHORIZE ATTENDANCE AT CSDA'S LEADERSHIP ACADEMY, FEBRUARY 26-MARCH 1, 2023, LA QUINTA, CA

DISCUSSION ITEMS

6. FISCAL YEAR (FY) 2022-23 BUDGET YEAR-END PROJECTIONS & CONCEPTUAL FY 2023-24 BUDGET REVIEW
7. RESERVE FUND POLICY UPDATE

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

8. SOLE SOURCE PROCUREMENT JUSTIFICATION WITH DOPUDJA & WELLS CONSULTING
9. DEPARTMENT ACTIVITIES REPORTS
- a. Administration
 - b. Finance and Information Technology
10. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

OTHER ITEMS

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

ADJOURNMENT

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

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

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

**Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
December 2022**

WATER REVENUES

<u>Date</u>	<u>From</u>	<u>Description</u>	<u>Amount</u>
12/01/2022	Trabuco Canyon Water District	October 2022 Water deliveries	183,112.90
12/05/2022	City of La Habra	October 2022 Water deliveries	27,133.90
12/05/2022	City of La Palma	October 2022 Water deliveries	189.38
12/05/2022	South Coast Water District	October 2022 Water deliveries	483,812.74
12/08/2022	City of Westminster	October 2022 Water deliveries	130,472.28
12/08/2022	El Toro Water District	October 2022 Water deliveries	566,089.19
12/08/2022	Laguna Beach County Water District	October 2022 Water deliveries	330,091.44
12/09/2022	City of Seal Beach	October 2022 Water deliveries	9,468.44
12/12/2022	City of Buena Park	October 2022 Water deliveries	228,274.21
12/12/2022	City of Garden Grove	October 2022 Water deliveries	1,227,023.69
12/13/2022	East Orange Co Water District	October 2022 Water deliveries	958,681.16
12/14/2022	City of Orange	October 2022 Water deliveries	134,648.10
12/14/2022	Santa Margarita Water District	October 2022 Water deliveries	2,441,343.29
12/14/2022	Santa Margarita Water District (ID9)	October 2022 Water deliveries	573,243.31
12/15/2022	Golden State Water Company	October 2022 Water deliveries	928,675.76
12/15/2022	Irvine Ranch Water District	October 2022 Water deliveries	1,116,477.59
12/15/2022	Moulton Niguel Water District	October 2022 Water deliveries	2,257,717.59
12/15/2022	Orange County Water District	October 2022 Water deliveries	9,259,588.66
12/15/2022	Yorba Linda Water District	October 2022 Water deliveries	394,280.94
12/22/2022	City of Buena Park	November 2022 Water deliveries	182,562.70
12/22/2022	Trabuco Canyon Water District	November 2022 Water deliveries	148,448.12
12/27/2022	City of La Palma	November 2022 Water deliveries	597.42
12/27/2022	City of Newport Beach	November 2022 Water deliveries	252,319.13
12/27/2022	Mesa Water District	November 2022 Water deliveries	92.96
12/30/2022	City of Huntington Beach	November 2022 Water deliveries	1,243,021.90

TOTAL WATER REVENUES \$ 23,077,366.80

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
December 2022

MISCELLANEOUS REVENUES

<u>Date</u>	<u>From</u>	<u>Description</u>	<u>Amount</u>
12/02/2022	WePay	OCEMO Luncheon	1,562.08
12/05/2022	Diana Larusso	OCEMO Luncheon	40.00
12/27/2022	Laguna Beach County Water District	2/9/2023 Water policy dinner registration	90.00
12/05/2022	Karl Seckel	December 2022 Retiree Health insurance	179.55
12/05/2022	Keith Lyon	December 2022 Retiree Health insurance	179.55
12/27/2022	Stan Sprague	January 2023 Retiree Health insurance	184.29
12/15/2022	Igoe and Company Inc	COBRA Health and Vision insurance	863.26
12/27/2022	Joan Finnegan	Sep 2022-Jan 2023 COBRA Vision insurance	120.65
12/27/2022	Igoe and Company Inc	Refund for FSA charges in error	918.00
12/27/2022	Westerly Meter Service Co.	Refund for incorrect billing rate	1,750.00
12/05/2022	US Bank	CAL Card rebate check	995.13
12/30/2022	US Bank	Monthly Interest	146.17
12/13/2022	East Orange Co Water District	Deposit for modifications near Service Connection OC-43	18,000.00
12/09/2022	City of Seal Beach	September 2022 Turf Removal rebate program	222.00
12/08/2022	City of Fountain Valley	October 2022 Turf Removal rebate program	111.00
12/08/2022	Laguna Beach County Water District	October 2022 Spray to Drip rebate program	111.00
12/05/2022	City of La Habra	September 2022 Turf Removal and Spray to Drip rebate program	666.00
12/05/2022	Mesa Water District	September 2022 Turf Removal and Spray to Drip rebate program	1,221.00
12/27/2022	City of Newport Beach	September 2022 Turf Removal and Spray to Drip rebate program	720.72
12/09/2022	City of Tustin	October 2022 Turf Removal and Spray to Drip rebate program	777.00
12/16/2022	City of Brea	October 2022 Turf Removal and Spray to Drip rebate program	1,007.24
12/16/2022	City of San Clemente	October 2022 Turf Removal and Spray to Drip rebate program	647.12
12/22/2022	City of Buena Park	October 2022 Turf Removal and Spray to Drip rebate program	333.00
12/23/2022	City of Seal Beach	October 2022 Turf Removal and Spray to Drip rebate program	801.89
12/27/2022	City of Newport Beach	October 2022 Turf Removal and Spray to Drip rebate program	555.00
12/27/2022	City of Orange	October 2022 Turf Removal and Spray to Drip rebate program	1,443.00
12/27/2022	Mesa Water District	October 2022 Turf Removal and Spray to Drip rebate program	1,554.00
12/05/2022	Moulton Niguel Water District	October 2022 Smartimer, Rotating Nozzle and Turf Removal rebate program	32,847.90
12/12/2022	Irvine Ranch Water District	October 2022 So Cal Watersmart rebate program	399.00
12/22/2022	Trabuco Canyon Water District	November 2022 So Cal Watersmart rebate program	145.00
12/23/2022	City of San Clemente	November 2022 So Cal Watersmart rebate program	375.00
12/27/2022	Moulton Niguel Water District	November 2022 So Cal Watersmart rebate program	2,800.00
12/02/2022	City of Fullerton	Water Loss Control Shared Services FY 2022-23	990.00
12/12/2022	City of Santa Ana	Water Loss Control Shared Services FY 2022-23	48,090.00
12/08/2022	City of Anaheim	Water Loss Control technical assistance - E Source	3,000.00
12/09/2022	City of San Clemente	Water Loss Control technical assistance - E Source	7,886.00
12/09/2022	City of Seal Beach	Water Loss Control technical assistance - E Source	20,560.00
12/23/2022	City of San Clemente	Addition to the Choice School Program FY 2022-23	708.72
12/27/2022	South Coast Water District	Addition to the Choice School Program FY 2022-23	1,998.88
12/12/2022	City of Santa Ana	WEROC Funding for FY 2022-23	20,493.48
TOTAL MISCELLANEOUS REVENUES			\$ 175,492.63
TOTAL REVENUES			\$ 23,252,859.43


 Robert J. Hunter, General Manager


 Hilary Chumprazi, Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of January 2023**

Vendor/ Invoice	Description	Amount to Pay
Core Disbursements:		
Ace Print Agency-Francisco Flores		
3767	11/8/22 Business cards for staff member	70.69
3892	1/5/23 Business cards for director	112.44
Total		<u>183.13</u>
Ackerman Consulting-Richard C Ackerman		
1357	December 2022 Legal and regulatory specialized consulting services	3,500.00
Total		<u>3,500.00</u>
Alta FoodCraft		
12260320	12/13/22 Coffee and tea supplies	166.84
12261840	12/29/22 Coffee and tea supplies	103.96
12263078	1/1/23 Coffee and tea supplies	125.00
Total		<u>395.80</u>
Black & Veatch		
1387767	November 2022 Hydraulic Model Work with SCWD	6,865.00
Total		<u>6,865.00</u>
Calif Environmental Edu Foundation		
12152022	WEEA Sponsorship for CEEF Teacher Institute on Best Practices in Environmental Education and Stewardship	5,000.00
12152022B	Sponsorship for CEEF Teacher Institute on Best Practices in Environmental Education and Stewardship	5,000.00
Total		<u>10,000.00</u>
California Water Efficiency Partnership		
MD-2023-168	2023 Annual membership renewal	6,134.23
P2P202274	CALWep Peer to Peer Virtual Conference May 31 to June 2, 2022 - Registration for B. Fahl, R. Waite, C. Castro, and L. Aguilar	200.00
Total		<u>6,334.23</u>
CDM Smith		
90168494	December 2022 Services for water resource planning	9,292.50
Total		<u>9,292.50</u>
CDW Government		
CR97452	Crowdstrike Malware/Ransomware protection annual renewal	42,409.37
FL28492	Cisco Backbone Switch and Voice Gateway-Router, Digital Signal, Channel Data, and Expansion Module	7,948.85
Total		<u>50,358.22</u>

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of January 2023**

Vendor/ Invoice	Description	Amount to Pay
CSU Fullerton ASC		
AR172534	10/1/22-12/31/22 Center for Demographic Research support	14,365.50
Total		14,365.50
Davis Farr LLP		
13037	October 2022 Progress billing for FY 2021-22 Financial audit	10,000.00
13397	December 2022 Final progress billing for FY 2021-22 Financial audit	10,000.00
Total		20,000.00
Green Thumb (Indoor Plant Care) LLC		
20230070	January 2023 Indoor plant service	305.50
Total		305.50
Dopudja & Wells Consulting Inc		
1175	October 2022 Consulting services on MET Strategic Issues and Priorities	4,277.50
1189	November 2022 Consulting services on MET Strategic Issues and Priorities	2,950.00
Total		7,227.50
Flume Inc		
1649	Final billing on Flume End Use Study services	5,000.00
Total		5,000.00
GovConnection Inc		
73617950	Microsoft Visio and Project licenses for Senior Executive Assistant and Network Systems Engineer	804.46
73618630	One TB Cloud Storage add-on for online backup	712.87
Total		1,517.33
Hashtag Pinpoint Corporation		
1695	December 2022 Social Media consultation and services	7,913.00
Total		7,913.00
Jill Promotions		
11583	500 Seeded bomb bags for promotional items	2,198.56
Total		2,198.56
Lawnscape Systems Inc		
431585	December 2022 Landscape Maintenance for Atrium	495.00
Total		495.00
Keith Lyon		
123122	October-December 2022 Retiree medical premium	1,020.60
Total		1,020.60

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of January 2023**

Vendor/ Invoice	Description	Amount to Pay
Means Consulting-Edward G Means III		
MWDOC-1109	December 2022 MET issues & strategic guidance to staff	1,562.50
Total		<u>1,562.50</u>
Patricia Meszaros		
123122	October-December 2022 Retiree medical premium	510.30
Total		<u>510.30</u>
Natural Resource Results LLC		
4171	December 2022 Federal legislative advocacy services	8,000.00
Total		<u>8,000.00</u>
NDS		
810808	12/2 & 12/9/22 Board packet delivery service	321.84
810864	12/16/22 Board packet delivery service	160.92
810978	12/29/22 Board packet delivery service	133.17
Total		<u>615.93</u>
ODP Business Solutions LLC		
284182543001	12/20/22 Office Supplies	212.91
Total		<u>212.91</u>
Office Solutions		
I-02073213	12/13/22 Office supplies	79.12
I-02075396	12/20/22 Office supplies	383.62
I-02075569	12/20/22 Office supplies	68.33
I-02077843	1/3/23 Office supplies	39.23
I-02079005	1/5/23 Office supplies	156.95
Total		<u>727.25</u>
Orange County Council of Governments		
2022-203	Cycle 2 Digital Aerial Data - Online Platform	3,000.00
Total		<u>3,000.00</u>
Orange County Water District		
24880	November 2022 Postage, shared office & maintenance expense	15,833.27
Total		<u>15,833.27</u>
Paul Redvers Brown Inc		
DOC015	December 2022 MWDOC Facilitated Member Agency Discussions Project services	1,305.00
Total		<u>1,305.00</u>

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of January 2023**

Vendor/ Invoice	Description	Amount to Pay
PeopleSpace		
INV69698	Dismantle and reassemble workstations in the accounting area to have window film replaced under warranty-reimbursed by Optima	1,364.82
Total		1,364.82
Judy Pfister		
123122	October-December 2022 Retiree medical premium	510.30
Total		510.30
Joey C Soto		
GA-DEC-70	December 2022 Grant Research and Acquisition Assistance	3,250.00
Total		3,250.00
Water System Consulting Inc		
7454	October-November 2022 Water Use Efficiency Economic Analysis	356.25
Total		356.25
Total Core Expenditures		184,220.40
Choice Expenditures:		
Building Block Entertainment Inc		
3542-2	December 2022 Choice Elementary School Program grades K-2	9,500.00
Total		9,500.00
Goldak Inc		
143732	Sewerin Ground Mic Wind Covers	1,497.49
Total		1,497.49
Office Solutions		
I-02076501	12/22/22 Supplies for Water Loss Control Shared Services	56.93
Total		56.93
Orange County Dept of Education		
94SI2131	November 2022 Choice School Programs for grades 3-5	9,932.64
Total		9,932.64
Orange County Water District		
24880	November 2022 Postage for Water Use Efficiency rebate programs	71.82
Total		71.82

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of January 2023**

Vendor/ Invoice	Description	Amount to Pay
Westerly-Lane M Matsuno		
17181	November 2022 Meter Accuracy Testing for the City of Seal Beach	1,840.00
17208	December 2022 Meter Accuracy Testing for Yorba Linda Water District	2,480.00
17218	December 2022 Meter Accuracy Testing for Yorba Linda Water District	150.00
Total		4,470.00
Total Choice Expenditures		25,528.88
 Other Funds Expenditures:		
EcoTech Services Inc		
2487	November 2022 Landscape Design and Landscape Maintenance Assistance Program	6,948.20
Total		6,948.20
Mission RCD		
3335	December 2022 Field inspection and verification for Water Use Efficiency rebate programs	13,072.64
Total		13,072.64
The Plant Nerd		
7674	December 2022 Landscape Design and Landscape Maintenance Assistance Program	25,940.00
Total		25,940.00
TerraWorks Studio		
MW0018	December 2022 Landscape Design and Landscape Maintenance Assistance Program	5,670.00
Total		5,670.00
Total Other Funds Expenditures		51,630.84
Total Expenditures		261,380.12

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of December 2022**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
Heather Baez				
12/30/2022	EFT	113022	November 2022 Business expense	192.55
12/30/2022	EFT	121522	December 2022 Business expense	288.79
Total				481.34
Joseph Berg				
12/30/2022	EFT	113022	November 2022 Business expense	417.72
Total				417.72
Trenton Blue				
12/30/2022	EFT	110822	November 2022 Business expense	80.00
Total				80.00
Hilary Chumpitazi				
12/30/2022	EFT	121422	December 2022 Business expense	89.22
Total				89.22
Corodata Records Management Inc				
12/15/2022	EFT	RS4859140	November 2022 Records Storage Fees	58.67
Total				58.67
Katie Davanaugh				
12/30/2022	EFT	121222	December 2022 Business expense	108.00
Total				108.00
Harvey De La Torre				
12/30/2022	EFT	102622	October 2022 Business expense	211.51
12/30/2022	EFT	113022	November 2022 Business expense	328.50
12/30/2022	EFT	121922	December 2022 Business expense	544.06
Total				1,084.07
Leah Frazier				
12/30/2022	EFT	113022	November 2022 Business expense	104.23
Total				104.23
Lina Gunawan				
12/30/2022	EFT	111822	November 2022 Business expense	34.00
Total				34.00
Melissa Haley				
12/30/2022	EFT	121522	November and December 2022 Business expense	536.59
Total				536.59

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of December 2022**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Cathleen Harris				
12/30/2022	EFT	121222	December 2022 Business expense	467.59
Total				<u>467.59</u>
Home Depot Credit Services				
12/15/2022	141523	3514990	11/30/22 Office supplies	100.02
12/15/2022	141523	WE10858566	11/30/22 Office supplies	71.05
Total				<u>171.07</u>
Robert McVicker				
12/30/2022	EFT	120122	November & December 2022 Business expense	143.76
Total				<u>143.76</u>
Metropolitan Water District				
12/13/2022	141515	121222	Deposit for Modifications near Service Connection OC-43	18,000.00
Total				<u>18,000.00</u>
Al Nederhood				
12/30/2022	EFT	112922	November 2022 Business expense	64.38
Total				<u>64.38</u>
Judy Roberts				
12/30/2022	EFT	121722	December 2022 Business expense	47.51
Total				<u>47.51</u>
Janine Schunk				
12/30/2022	EFT	120822	November and December 2022 Business expense	321.47
Total				<u>321.47</u>
Karl Seckel				
12/30/2022	EFT	111722	November 2022 Business expense	15.00
Total				<u>15.00</u>
Nathan Shepherd				
12/30/2022	EFT	111722	October and November 2022 Business expense	50.98
Total				<u>50.98</u>
Spectrum Business				
12/15/2022	141528	343564121022	December 2022 Telephone expense for one fax line	39.99
12/06/2022	141513	375210113022	December 2022 Telephone and internet expense	1,425.39
Total				<u>1,465.38</u>
US Bank				
12/21/2022	141532	0208/4192/8910-NOV22	10/25/22-11/22/22 Cal Card Charges	11,725.18
Total				<u>11,725.18</u>

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of December 2022**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Verizon Wireless				
12/06/2022	141514	9921311188	November 2022 4G Mobile broadband unlimited service	114.03
Total				114.03
Katie Vincent				
12/30/2022	EFT	112922	November 2022 Business expense	18.89
Total				18.89
Total Core Disbursements				35,599.08

Choice Disbursements:

Joseph Berg				
12/30/2022	EFT	113022	November 2022 Business expense	259.44
Total				259.44
Rachel Davis				
12/30/2022	EFT	113022	November 2022 Business expense	169.48
Total				169.48
US Bank				
12/21/2022	141532	8910-NOV22	10/25/22-11/22/22 Cal Card Charges	771.20
Total				771.20
US Bank Voyager Fleet Systems				
12/15/2022	EFT	8694349932248	10/25-11/24/22 Fuel for Water Loss Control Shared Services vehicles	800.33
Total				800.33
Guillermo Zavala				
12/30/2022	EFT	11222022	November 2022 Business expense	134.00
Total				134.00
Total Choice Disbursements				2,134.45

Other Funds Disbursements:

AT&T				
12/15/2022	141518	19125794	November 2022 Telephone expense for WEROC Primary & N. EOC	461.66
Total				461.66
Eastern Municipal Water District				
12/15/2022	141520	111622A	Prop 1 Project Partner Reimbursement per Report 4	37,264.05
Total				37,264.05

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of December 2022**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Mesa Water District				
12/15/2022	EFT	10979	October 2022 Credit for Local Resources program	53,436.24
Total				53,436.24
Metropolitan Water District				
12/29/2022	EFT	122922 10944	October 2022 Water deliveries	23,053,363.78
Total				23,053,363.78
Santa Margarita Water District				
12/30/2022	EFT	102022	October 2022 SCP Operation Surcharge	28,114.75
Total				28,114.75
Santiago Aqueduct Commission				
12/30/2022	141670	102022	October 2022 SAC Pipeline Operation Surcharge	2,787.15
Total				2,787.15
Spray to Drip Rebate				
12/28/2022	141644	S2D5-C-IRWD-12274-18512	The Irvine Company (Irvine)	323.00
12/28/2022	141646	S2D5-C-IRWD-44434-19009	University Community Association (Goldenglow & University, Irvine)	785.00
12/28/2022	141647	S2D5-C-IRWD-44434-19010	University Community Association (Sandburg Way, Irvine)	2,747.50
12/28/2022	141545	S2D5-C-LH-47159-18783	CA Fund Investment Inc (La Habra)	846.29
12/28/2022	141629	S2D5-C-SM-46839-18782	San Juan Hills East Hoa 7 (San Juan Capistrano)	1,976.50
12/28/2022	141605	S2D5-C-SOCO-46775-18808	Monarch Beach Master Association (Dana Point)	5,780.00
12/28/2022	141543	S2D5-R-BP-46602-18615	J. Blakely	612.00
12/28/2022	141583	S2D5-R-ETWD-46433-18562	M. Kohl	2,489.50
12/28/2022	141598	S2D5-R-IRWD-46364-18586	E. Madsen	567.00
12/28/2022	141565	S2D5-R-LH-46825-18861	M. Griffin	665.95
12/28/2022	141595	S2D5-R-MESA-47120-18778	D. Locke	707.50
12/28/2022	141633	S2D5-R-O-47028-19016	M. Shen	846.50
12/28/2022	141585	S2D5-R-SM-46740-18658	S. Kudza	206.50
12/28/2022	141534	S2D5-R-SWD-46406-18765	S. Ali	1,091.50
12/28/2022	141622	S2D5-R-TUST-47794-18982	D. Rice	832.00
12/28/2022	141572	S2D6-R-IRWD-47223-19130	M. Horowitz	2,757.60
12/28/2022	141550	S2D6-R-IRWD-48907-19254	C. Chen Ooi	756.80
12/28/2022	141616	S2D6-R-LB-48298-19341	L. Potichke	870.00
12/28/2022	141570	S2D6-R-MESA-42590-19348	M. Hirsch	251.50
12/28/2022	141659	S2D6-R-MESA-48717-19187	J. York	1,852.50
12/28/2022	141635	S2D6-R-NWPT-47952-19168	A. Shepard	272.50
12/28/2022	141637	S2D6-R-O-47697-19137	R. Sheridan	595.00
12/28/2022	141645	S2D6-R-SOCO-49180-19330	E. Turlik	510.00
12/28/2022	141577	S2D6-R-TUST-47296-19201	W. Jarvis	671.00
12/28/2022	141653	S2D6-R-YLWD-48925-19264	L. Wang	2,251.50
12/28/2022	141624	S2D6-R-YLWD-48957-19259	A. Rinard	2,040.00
Total				33,305.14

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of December 2022**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Turf Rebate				
12/05/2022	141471	TR15-R-O-46105-44739	M. Miraftab	599.00
12/06/2022	141512	TR14-R-MESA-41804-40546	Sanders RVOC Living Tr	711.18
12/28/2022	141631	TR14-R-MESA-41804-40546-ADJ	Sanders RVOC Living Tr	3,136.82
12/28/2022	141627	TR14-R-MNT-42397-41112	S. Roppa	720.00
12/28/2022	141536	TR14-R-TUST-41435-40221	C. Amy	2,198.00
12/28/2022	141649	TR15-C-IRWD-38663-46286	Village Glen Maintenance Assc (Hollowglen, Irvine)	29,864.00
12/28/2022	141650	TR15-C-IRWD-38663-46705	Village Glen Maintenance Assc(Elderglen, Irvine)	18,180.00
12/28/2022	141657	TR15-C-IRWD-46767-45398	Woodbridge Village Assn(Irvine)	15,717.00
12/28/2022	141546	TR15-C-LH-47159-45761	CA Fund Investment Inc (La Habra)	11,558.00
12/28/2022	141642	TR15-C-MESA-46715-45347	Creekside Business Condo Assc (Costa Mesa)	17,314.00
12/28/2022	141609	TR15-C-MNT-38652-46312	Ocean Ranch at Bear Brand (Laguna Niguel)	4,989.00
12/28/2022	141553	TR15-C-MNT-38663-45109	Coast Hills Comm Church (Aliso Viejo)	18,768.00
12/28/2022	141547	TR15-C-MNT-4463-46443	Canyon Villas HOA (Aliso Viejo)	33,733.24
12/28/2022	141552	TR15-C-MNT-45861-44495-PA	City of Mission Viejo (Las Ondas)	118,700.00
12/28/2022	141597	TR15-C-MNT-45888-44560	Lomas Laguna HOA (Laguna Hills)	77,351.00
12/28/2022	141538	TR15-C-MNT-45960-45849	Beacon Hill Planned Comm Assc (Parkman Rd, Laguna Niguel)	10,254.00
12/28/2022	141539	TR15-C-MNT-45960-45865	Beacon Hill Planned Comm Assc (Sentry Hill Way, Laguna Niguel)	4,713.00
12/28/2022	141540	TR15-C-MNT-45960-45866	Beacon Hill Planned Comm Assc (Goodwin Place, Laguna Niguel)	2,112.00
12/28/2022	141541	TR15-C-MNT-45960-45867	Beacon Hill Planned Comm Assc (Ponders End, Laguna Niguel)	2,652.00
12/28/2022	141648	TR15-C-NWPT-4463-44979	Villa Balboa Comm Assoc (Newport Beach)	5,006.88
12/28/2022	141621	TR15-C-SC-38652-44722	Rancho Del Rio Master Assc (San Clemente)	120,498.00
12/28/2022	141619	TR15-R-BP-46109-44743	M. Raj	4,446.00
12/28/2022	141544	TR15-R-BP-46602-45242	J. Blakely	6,480.00
12/28/2022	141630	TR15-R-BP-46960-45578	E. Sanchez	5,909.92
12/28/2022	141615	TR15-R-EOCWD-46966-45581	B. Phillips	8,904.00
12/28/2022	141584	TR15-R-ETWD-46433-45071	M. Kohl	12,152.00
12/28/2022	141611	TR15-R-FV-47323-45925	M. Parsons	2,418.00
12/28/2022	141574	TR15-R-GG-46686-45317	J. Hourigan	2,247.00
12/28/2022	141600	TR15-R-GG-47024-45636	C. May	1,600.02
12/28/2022	141607	TR15-R-GG-47510-46093	A. Nguyen	2,166.00
12/28/2022	141652	TR15-R-HB-47948-46523	J. Wadsworth	5,019.00
12/28/2022	141599	TR15-R-IRWD-46364-44999	E. Madsen	2,735.00
12/28/2022	141603	TR15-R-IRWD-46489-45129	M. Meserlian	1,030.00
12/28/2022	141556	TR15-R-IRWD-46492-45133	R. De La Garza	3,470.00
12/28/2022	141575	TR15-R-IRWD-46751-45384	C. Hung	3,288.00
12/28/2022	141573	TR15-R-IRWD-47223-45821	M. Horowitz	6,600.00
12/28/2022	141589	TR15-R-IRWD-47230-45969	A. Kwon	4,968.00
12/28/2022	141576	TR15-R-IRWD-47394-45992	A. Jabbari	1,096.00
12/28/2022	141582	TR15-R-IRWD-47737-46322	M. Kinney	2,424.00
12/28/2022	141620	TR15-R-IRWD-48045-46610	P. Rajha	5,072.00
12/28/2022	141566	TR15-R-LH-46825-45462	M. Griffin	4,824.00
12/28/2022	141571	TR15-R-MESA-42590-45691	M. Hirsch	1,509.00

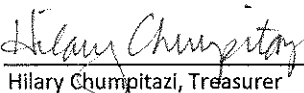
**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of December 2022**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Turf Rebate - Continued				
12/28/2022	141596	TR15-R-MESA-47120-45888	D. Locke	3,393.00
12/28/2022	141568	TR15-R-MNT-47365-45967	L. Haddock	1,284.00
12/28/2022	141590	TR15-R-MNT-47535-46116	J. Laderer	3,068.00
12/28/2022	141564	TR15-R-MNT-47693-46276	J. Goodman	317.64
12/28/2022	141628	TR15-R-MNT-47889-46465	L. Sajadi	3,632.00
12/28/2022	141548	TR15-R-MNT-48054-46616	J. Cardmon	3,136.00
12/28/2022	141554	TR15-R-NWPT-46795-45435	T. Conard	5,013.00
12/28/2022	141537	TR15-R-NWPT-48042-46607	R. Baltera	251.69
12/28/2022	141587	TR15-R-O-46674-45304	L. Kunzman	3,484.65
12/28/2022	141634	TR15-R-O-47028-45639	M. Shen	5,007.00
12/28/2022	141641	TR15-R-O-47497-46082	J. Swindell	1,785.00
12/28/2022	141602	TR15-R-SC-46028-44830	G. McKnelly	7,119.00
12/28/2022	141557	TR15-R-SM-37-46485	D. Evans	999.00
12/28/2022	141586	TR15-R-SM-46740-45376	S. Kudza	849.00
12/28/2022	141618	TR15-R-SM-46998-45608	J. Quintanilla	951.00
12/28/2022	141561	TR15-R-SM-47016-45632	T. Geisz	978.00
12/28/2022	141569	TR15-R-SM-47590-46177	C. Harris	7,915.07
12/28/2022	141661	TR15-R-SM-47999-46567	M. Zemel	1,368.00
12/28/2022	141593	TR15-R-SOCO-46850-45512	W. Lew	2,748.00
12/28/2022	141535	TR15-R-SWD-46406-45430	S. Ali	6,549.00
12/28/2022	141639	TR15-R-TUST-46358-44992	C. Smith	2,145.00
12/28/2022	141632	TR15-R-TUST-46760-45392	S. Scheer	7,074.00
12/28/2022	141579	TR15-R-TUST-46841-45473	J. Keely	6,867.00
12/28/2022	141578	TR15-R-TUST-47296-45898	W. Jarvis	3,642.00
12/28/2022	141592	TR15-R-TUST-47445-46038	V. Lee	1,788.00
12/28/2022	141623	TR15-R-TUST-47794-46375	D. Rice	4,437.00
12/28/2022	141562	TR15-R-TUST-47894-46470	N. Gerhard	2,745.00
12/28/2022	141608	TR15-R-WEST-44543-43196	V. Nola	1,140.00
12/28/2022	141581	TR15-R-YLWD-46304-44932	S. Kim	7,545.00
12/28/2022	141613	TR15-R-YLWD-47004-45633	J. Payn	527.29
12/28/2022	141625	TR15-R-YLWD-47743-46328	A. Rinard	8,157.00
12/28/2022	141643	TR16-C-NWPT-38663-47349	Granville Community Assc (Newport Beach)	7,992.00
12/28/2022	141604	TR16-C-SOCO-44091-42739	Mira Costa HOA (San Clemente)	70,992.00
12/28/2022	141626	TR16-R-BP-48367-46911	J. Rodriguez	1,776.00
12/28/2022	141558	TR16-R-BREA-48207-46758	A. Fair	1,482.00
12/28/2022	141542	TR16-R-ETWD-48414-47074	V. Bidarian	2,072.00
12/28/2022	141655	TR16-R-IRWD-48317-46864	J. Ward	6,305.00
12/28/2022	141658	TR16-R-IRWD-48895-47421	K. Wu	2,615.00
12/28/2022	141551	TR16-R-IRWD-48907-47437	C. Chen Ooi	3,475.00
12/28/2022	141563	TR16-R-IRWD-49270-47789	O. Gonzalez	5,505.00
12/28/2022	141533	TR16-R-IRWD-49484-48001	C. Abatjoglou	2,835.00
12/28/2022	141617	TR16-R-LB-48298-46846	L. Potichke	6,592.63
12/28/2022	141651	TR16-R-LB-48736-47255	S. Vogel	4,455.00
12/28/2022	141660	TR16-R-MESA-48717-47243	J. York	8,199.00
12/28/2022	141591	TR16-R-MNT-47891-46467	L. Lausten	4,580.00
12/28/2022	141606	TR16-R-MNT-48249-46802	M. Neumann	2,768.00
12/28/2022	141555	TR16-R-MNT-48362-46907	K. Costello	2,368.00
12/28/2022	141612	TR16-R-MNT-48577-47103	N. Patel	1,556.00
12/28/2022	141614	TR16-R-MNT-49097-47622	M. Pham	4,056.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of December 2022**

Name/ Date	Check/ EFT	Invoice	Description	Amount
Turf Rebate - Continued				
12/28/2022	141580	TR16-R-MNT-49124-47649	M. Khoudaghoulia	7,016.00
12/28/2022	141588	TR16-R-MNT-49237-47760	G. Kvesic	1,512.00
12/28/2022	141640	TR16-R-MNT-49292-47807	K. Sohn	1,100.00
12/28/2022	141636	TR16-R-NWPT-47952-46528	A. Shepard	1,101.00
12/28/2022	141638	TR16-R-O-47697-46281	R. Sheridan	3,213.00
12/28/2022	141594	TR16-R-O-47956-46723	J. Lewellen	1,578.00
12/28/2022	141549	TR16-R-O-48409-46948	L. Carolino	1,611.00
12/28/2022	141560	TR16-R-SM-48412-46951	D. Garant	2,814.00
12/28/2022	141610	TR16-R-SM-48509-47043	S. Pande	1,953.00
12/28/2022	141567	TR16-R-SM-48583-47109	C. Gruden	1,488.00
12/28/2022	141559	TR16-R-SM-49110-47642	B. Frankos	747.00
12/28/2022	141601	TR16-R-TUST-48419-46957	R. McCord	2,652.00
12/28/2022	141654	TR16-R-YLWD-48925-47451	L. Wang	6,633.00
12/28/2022	141656	TR16-R-YLWD-49100-47625	D. Wong	2,634.00
Total				868,724.03
US Bank				
12/21/2022	141532	6066-NOV22	10/25/22-11/22/22 Cal Card Charges	2,039.19
Total				2,039.19
Verizon Wireless				
12/06/2022	141514	9921311188	November 2022 4G Mobile broadband unlimited service	76.02
Total				76.02
Western Municipal Water District				
12/15/2022	141529	111622B	Prop 1 Project Partner Reimbursement per Report 4	12,985.27
Total				12,985.27
Total Other Funds Disbursements				24,092,557.28
Total Disbursements				24,130,290.81


Robert J. Hunter, General Manager


Hilary Chumvitazi, Treasurer

Cal Card Charges
Statement Date: November 22, 2022
Payment Date: December 21, 2022

Date	Description	Amount
R. Hunter Card:		
10/24/2022	Refund duplicate ACWA Fall Conference registration for Director McVicker	(775.00)
11/01/2022	Colorado River Water Users Association Annual Conference from December 12-16, 2022 in Las Vegas, NV - Registration for H. De La Torre, H. Baez, M. Baum-Haley, Director Thomas & Director Nederhood	2,650.00
11/01/2022	Colorado River Water Users Association Annual Conference from December 12-16, 2022 in Las Vegas, NV - Accommodation deposit for H. De La Torre	157.60
11/04/2022	Colorado River Water Users Association Annual Conference from December 12-16, 2022 in Las Vegas, NV - Airfare for H. De La Torre	188.96
11/08/2022	Annual Government Tax Webinar from December 6-7, 2022 - Registration for L. Gunawan	475.00
11/09/2022	Colorado River Water Users Association Annual Conference from December 12-16, 2022 in Las Vegas, NV - Accommodations deposit for H. Baez, M. Baum-Haley, D. Micalizzi, Director Nederhood and Director Thomas	788.00
11/09/2022	Colorado River Water Users Association Annual Conference from December 12-16, 2022 in Las Vegas, NV - Airfare for Director Nederhood	128.96
11/09/2022	State Lands Commission meeting on December 9, 2022 in Sacramento, CA - Airfare for C. Busslinger	274.96
11/09/2022	Water Resource Control Board meeting on November 15, 2022 in Sacramento, CA - Airfare for J. Berg and M. Baum-Haley	1,141.92
11/09/2022	Refund ACWA Fall Conference in Indian Wells, CA from November 29 - December 1, 2022 for volume discount - Registration for H. De La Torre	(775.00)
11/09/2022	Colorado River Water Users Association Annual Conference from December 12-16, 2022 in Las Vegas, NV - Registration for D. Micalizzi	530.00
11/16/2022	Colorado River Water Users Association Annual Conference on December 12-16, 2022 in Las Vegas, NV - Airfare for H. Baez and M. Baum-Haley	599.90
Total:		5,385.30
C. Harris Card:		
10/24/2022	9/25-10/24/22 MWDOC web hosting service	15.65
10/25/2022	Conference room cameras, iPad chargers, and wireless keyboard and mouse combos	433.87
10/26/2022	Administration department staff luncheon	100.11
10/26/2022	Amazon return from 10/17/22 Office supply order	(23.90)
10/27/2022	Toll Road replenishment charge for Water Loss Control Shared Services vehicles	100.00
10/27/2022	10/31/22 Office supplies	54.31
11/01/2022	Boots for Water Loss Control Shared Services staff member	110.81
11/01/2022	Uniform pants for Water Loss Control Shared Services staff member	100.48
11/04/2022	Office Christmas tree from JIJ Enterprises	227.50
11/07/2022	Supplies for office and Water Loss Control Shared Services	296.40
11/08/2022	CSMFO Orange County Chapter Meeting on December 1, 2022 in Tustin, CA - Registration for H. Chumpitazi, S. Hung, J. Roberts, and L. Gunawan	260.00
11/08/2022	California Society of Municipal Finance Officers annual membership renewal for H. Chumpitazi	125.00

Cal Card Charges
Statement Date: November 22, 2022
Payment Date: December 21, 2022

Date	Description	Amount
C. Harris Card - Continued:		
11/15/2022	Uniform pants for Water Loss Control Shared Services	120.67
11/15/2022	Amazon return from 11/1/22 Water Loss Control Shared Services uniform pants order	(62.64)
11/15/2022	ACT! Annual support renewal for FY22-23	3,150.00
11/16/2022	Deposit for MWDOC Holiday Staff Luncheon at Woody's Wharf on December 9, 2022	256.00
11/17/2022	Server hard drive replacement	52.20
11/17/2022	Water Loss Control Shared Services truck oil change and tire sensor	378.51
11/21/2022	Society of Human Resource Managers annual membership renewal for C. Harris	229.00
Total:		5,923.97

Public Affairs Card:


11/02/2022	11/2/22-12/1/22 Zoom Video Communications fee with audio licenses	174.93
11/03/2022	November 2022 Public Storage Unit for Public Affairs	360.00
11/07/2022	Team lunch for drought messaging workshop	87.79
11/09/2022	Boy Scouts of America Soil and Water Conservation eBook and pamphlet	4.99
11/10/2022	Poster Contest prize sent to winner using UPS	25.34
11/13/2022	Two year subscription to Slidemodel for power point template downloads	99.90
11/14/2022	Printing for a proclamation	1.02
11/15/2022	Proclamation for Director Bell's retirement	158.41
11/17/2022	Bottles for engraving for speaker and presentation gifts	54.82
11/17/2022	Engraving for Director Tamaribuchi's gift	61.50
11/18/2022	Proclamation for Director Tamaribuchi	158.41
Total:		1,187.11

WEROC Card:

10/28/2022	Deposit for the OCEMO Annual Holiday Business Meeting and Luncheon on December 1, 2022	500.00
11/01/2022	Breakfast for WEROC Member Agency Quarterly Meeting on November 1, 2022	53.84
11/15/2022	Orange County Emergency Managers Organization Business Meeting and Holiday luncheon on December 1, 2022 - Registration for V. Osborn, D. Anderson and J. Schunk	120.00
11/17/2022	Final payment for the OCEMO Annual Holiday Business Meeting and Luncheon on December 1, 2022 at Black Gold Golf Club	1,365.35
Total:		2,039.19

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the Month of December 2022

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
Best Best and Krieger LLP				
12/30/2022	EFT	55401-NOV22	November 2022 Legal Services	7,638.00
12/30/2022	EFT	953427	November 2022 State Advocacy Agreement services	8,000.00
Total				15,638.00
Economic Group Pension Services Inc				
12/15/2022	141521	143316	Pension administrative services for 2022 Plan Year	2,925.00
Total				2,925.00
Total Core Disbursements				18,563.00
Choice Disbursements:				
Total Choice Disbursements				-
Other Funds Disbursements:				
Total Other Funds Disbursements				-
Total Disbursements				18,563.00


 Robert J. Hunter, General Manager


 Hilary Chumpitazi, Treasurer

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



Municipal Water District of Orange County
Consolidated Summary of Cash and Investment
November 30, 2022

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

Megan Yoo Schneider, P.E.
President

Bob McVicker, P.E., D.WRE
Vice President

Al Nederhood
Director

Larry D. Dick
Director

Karl W. Seckel, P.E.
Director

Sat Tamaribuchi
Director

Jeffrey 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
Santa Margarita Water District
City of Seal Beach
Serrano Water District
South Coast Water District
Trabuco Canyon Water District
City of Tustin
City of Westminster
Yorba Linda Water District

District investments and cash balances are held in various funds designated for certain purposes as follows:


Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$3,738,505	21.45%
Grant & Project Cash Flow	1,500,000	8.61%
Election Expense	461,678	2.65%
Building Repair	436,542	2.51%
OPEB	297,147	1.71%
Total Designated Reserves	6,433,872	36.93%
General Fund	\$9,344,079	53.61%
Water Fund	1,998,582	11.47%
Conservation Fund	(857,748)	(4.93%)
WEROC Fund	489,057	2.81%
Trustee Activities	18,447	0.11%
Total	\$17,426,289	100.00%


The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	1.77%	\$308,675	\$308,675
Short-term investment			
• LAIF	57.15%	9,960,680	9,960,680
• OCIP	23.29%	4,057,013	4,057,013
Long-term investment			
• US Government Issues	1.43%	249,921	223,255
• Corporate Bond	6.89%	1,200,000	1,081,541
• Certificates of Deposit	9.47%	1,650,000	1,573,370
Total	100.00%	\$17,426,289	\$17,204,534

The average number of days to maturity/call as of November 30, 2022 equaled 121 and the average yield to maturity is 2.105%. During the month, the District's average daily balance was \$25,642,495.79. Funds were invested in US Bank Checking Account, Negotiable Certificate of Deposits, Corporate Bonds, US Government Issues, Local Agency Investment Funds (LAIF) and Orange County Investment Pool (OCIP) during the month of November 2022.

The (\$221,755) difference between the book value and the market value on November 30, 2022 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 Chumplitazi
Treasurer



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary November 30, 2022

11/30/2022	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,650,000.00	1,573,370.00	1,650,000.00	9.64	890	2.762
Corporate Bond	1,200,000.00	1,081,541.00	1,200,000.00	7.01	474	1.518
US Government Issues	250,000.00	223,255.00	249,920.76	1.46	88	0.860
Local Agency Investment Funds	9,960,679.92	9,960,679.92	9,960,679.92	58.19	1	1.999
Orange County Investment Pool	4,057,012.90	4,057,012.90	4,057,012.90	23.70	1	2.350
Total Investments	17,117,692.82	16,895,858.82	17,117,613.58	100.00	121	2.105
Cash						
Cash	308,675.67	308,675.67	308,675.67		1	0.00
Total Cash and Investments	17,426,368.49	17,204,534.49	17,426,289.25		121	2.105

Total Earnings	Month Ending November	Fiscal Year to Date
Current Year	41,916.79	171,786.42
Average Daily Balance	25,642,495.79	
Effective Rate of Return	2.105%	

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
Robert J. Hunter, General Manager

01/05/2023
Date

Hilary Chumbitazi
Hilary Chumbitazi, Treasurer

01/05/2023
Date

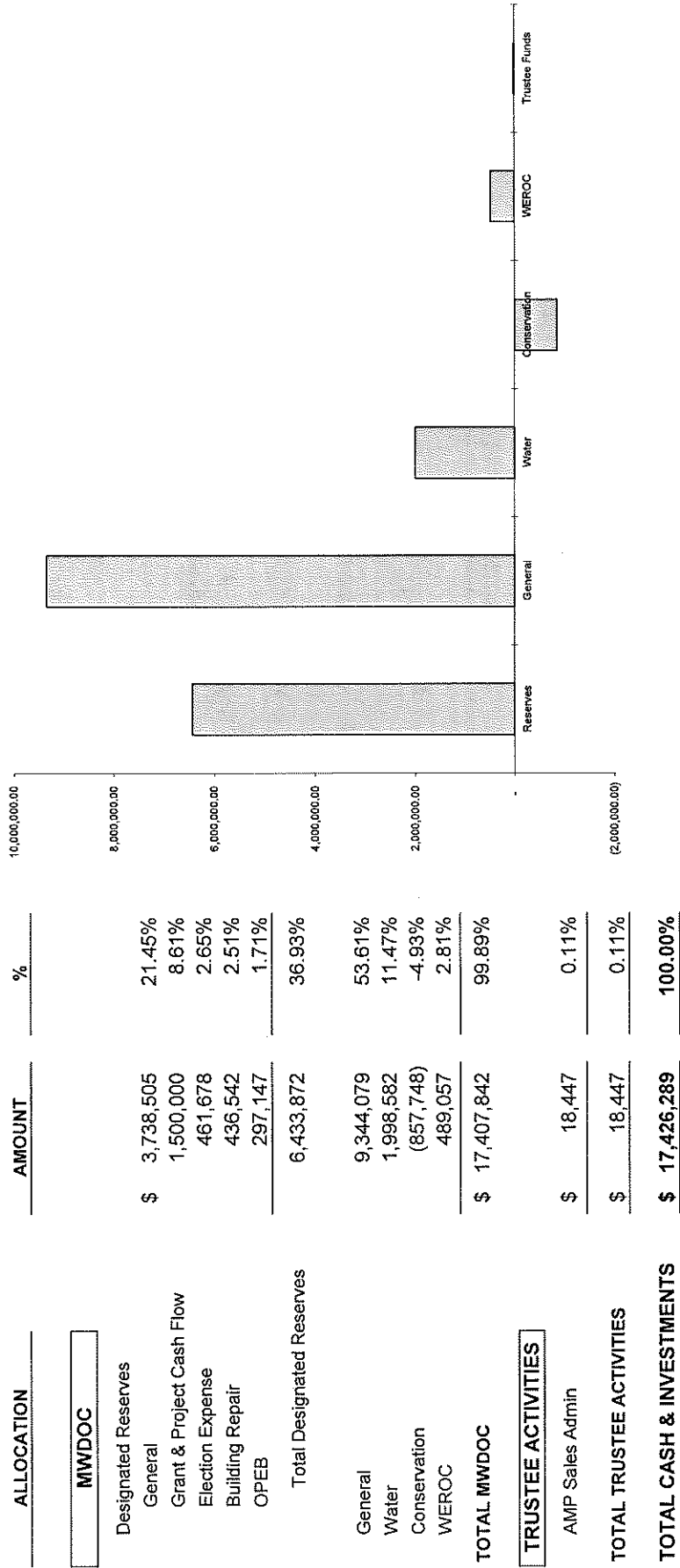
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
November 30, 2022

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Negotiable Certificate Of Deposit									
American Express Bank	02588ADE9	7/20/2022	200,000.00	187,404.00	200,000.00	3.350	3.350	1,693	7/20/2027
Capital One Bank	14042TBQ9	8/7/2019	250,000.00	239,422.50	250,000.00	2.250	2.250	616	8/7/2024
Capital One NA	14042RMJ7	7/24/2019	250,000.00	239,477.50	250,000.00	2.200	2.200	602	7/24/2024
Discover Bank	254673RV0	7/25/2018	250,000.00	247,872.50	250,000.00	3.300	3.300	237	7/25/2023
Goldman Sachs Bank	38148PT98	8/8/2018	250,000.00	247,795.00	250,000.00	3.350	3.350	251	8/8/2023
Sallie Mae Bank	7954507A7	7/14/2021	200,000.00	174,566.00	200,000.00	1.000	1.000	1,322	7/14/2026
Toyota Financial SGS Bank	89235MPD7	9/27/2022	250,000.00	236,832.50	250,000.00	3.650	3.650	1,757	9/22/2027
Sub Total			1,650,000.00	1,573,370.00	1,650,000.00	2.762	2.762	890	
US Government Issues									
FHLB	3130ALGR9	3/1/2021	250,000.00	223,255.00	249,920.76	0.850	0.860	88	2/26/2026
Sub Total			250,000.00	223,255.00	249,920.76	0.850	0.860	88	
Corporate Bond									
Bank of America Corp	06048WK41	12/7/2020	250,000.00	219,490.00	250,000.00	0.850	0.800	1,091	11/25/2025
Citigroup Global Markets	17328WFZ6	9/16/2020	250,000.00	220,777.50	250,000.00	1.000	1.000	16	9/16/2025
JP Morgan Chase	48128GV56	8/18/2020	250,000.00	224,237.50	250,000.00	0.800	0.800	627	8/18/2025
Morgan Stanley Fin LLC	61766YKH3	6/29/2022	200,000.00	192,196.00	200,000.00	4.500	4.500	577	6/29/2027
Societe Generale	83369MD25	8/19/2020	250,000.00	224,840.00	250,000.00	1.000	1.068	81	8/19/2025
Sub Total			1,200,000.00	1,081,541.00	1,200,000.00	1.510	1.518	474	
Total Investments			3,100,000.00	2,878,166.00	3,099,920.76	2.123	2.127	664	
Total Earnings									
			Month Ending November	Fiscal Year To Date					
Current Year			5,345.81	26,382.55					

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
November 30, 2022

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds									
LAIF LGIP	LAIF	6/30/2010	9,960,679.92	9,960,679.92	9,960,679.92	1.999	1.999	1	N/A
Sub Total			9,960,679.92	9,960,679.92	9,960,679.92	1.999	1.999	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	4,057,012.90	4,057,012.90	4,057,012.90	2.350	2.350	1	N/A
Sub Total			4,057,012.90	4,057,012.90	4,057,012.90	2.350	2.350	1	
Total Investments			14,017,692.82	14,017,692.82	14,017,692.82	2.101	2.101		
Cash									
Petty Cash Cash	CASH	7/1/2010	500.00	500.00	500.00	0.000	0.000	1	N/A
US Bank Cash	CASHUSBANK	7/25/2018	308,175.67	308,175.67	308,175.67	0.000	0.000	1	N/A
Total Cash			308,675.67	308,675.67	308,675.67	0.000	0.000	1	
Total Cash and Investments			14,326,368.49	14,326,368.49	14,326,368.49	2.101	2.101	1	
Total Earnings									
Current Year		Month Ending November	36,570.98	Fiscal Year To Date	145,403.87				

Municipal Water District of Orange County
Cash and Investments at November 30, 2022



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS Post-Employment Benefits Trust**Account Report for the Period**
11/1/2022 to 11/30/2022Hilary Chumpitazi
Accounting Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Balance as of 11/1/2022	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 11/30/2022
OPEB	\$2,361,536.01	\$0.00	\$106,845.22	\$491.99	\$0.00	\$0.00	\$2,467,889.24
PENSION	\$1,027,915.26	\$0.00	\$46,506.95	\$214.15	\$0.00	\$0.00	\$1,074,208.06
Totals	\$3,389,451.27	\$0.00	\$153,352.17	\$706.14	\$0.00	\$0.00	\$3,542,097.30

Investment Selection

Source	
OPEB	Moderate HighMark PLUS
PENSION	Moderate HighMark PLUS

Investment Objective

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

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	4.52%	0.74%	-10.61%	3.12%	4.22%	5.90%	10/26/2011
PENSION	4.52%	0.74%	-10.58%	3.09%	-	-	7/31/2018

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

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

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

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2022 THRU NOVEMBER 30, 2022

**Municipal Water District of Orange County
Combined Balance Sheet
As of November 30, 2022**

	<u>Amount</u>
<u>ASSETS</u>	
Cash in Bank	308,675.67
Investments	17,117,613.58
Accounts Receivable	37,905,379.77
Accounts Receivable - Other	547,680.96
Accrued Interest Receivable	100,833.51
Prepays/Deposits	445,789.08
Leasehold Improvements	7,001,517.44
Furniture, Fixtures & Equipment	885,094.81
Less: Accumulated Depreciation	<u>(3,787,383.67)</u>
TOTAL ASSETS	<u><u>60,525,201.15</u></u>
<u>LIABILITIES AND FUND BALANCES</u>	
<u>LIABILITIES</u>	
Accounts Payable	39,038,036.10
Accounts Payable - Other	182.00
Accrued Salaries and Benefits Payable	775,410.30
Other Liabilities	978,162.26
Unearned Revenue	<u>1,063,950.05</u>
TOTAL LIABILITIES	<u><u>41,855,740.71</u></u>
<u>FUND BALANCES</u>	
<u>Unrestricted Fund Balances</u>	
<u>Designated Reserves</u>	
General Operations	3,738,505.00
Grant & Project Cash Flow	1,500,000.00
Election Expense	461,678.00
Building Repair	436,542.00
OPEB	<u>297,147.00</u>
Total Designated Reserves	<u>6,433,872.00</u>
General Fund	5,811,879.95
General Fund Capital	83,747.32
WEROC	<u>286,584.21</u>
Total Unrestricted Fund Balances	<u>12,616,083.48</u>
<u>Excess Revenue over Expenditure</u>	
Operating Fund	6,470,425.11
Other Funds	<u>(417,048.15)</u>
TOTAL FUND BALANCES	<u><u>18,669,460.44</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>60,525,201.15</u></u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2022 thru November 30, 2022

	<u>Month to Date</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Encumbrance</u>	<u>Budget Remaining</u>
<u>REVENUES</u>						
Retail Connection Charge	0.00	8,885,401.25	8,885,401.25	100.00%	0.00	0.00
Ground Water Customer Charge	0.00	367,806.00	367,805.72	100.00%	0.00	(0.28)
Water Rate Revenues	0.00	9,253,207.25	9,253,206.97	100.00%	0.00	(0.28)
Interest Revenue	42,686.31	174,580.63	145,971.00	119.60%	0.00	(28,609.63)
Subtotal	42,686.31	9,427,787.88	9,399,177.97	100.30%	0.00	(28,609.91)
Choice Programs	592.25	1,200,020.56	1,757,951.87	68.26%	0.00	557,931.31
Miscellaneous Income	0.94	597.38	3,000.00	19.91%	0.00	2,402.62
School Contracts	10,085.11	25,853.58	0.00	0.00%	0.00	(25,853.58)
Transfer-In from Reserve	0.00	0.00	457,061.00	0.00%	0.00	457,061.00
Subtotal	10,678.30	1,226,471.52	2,218,012.87	55.30%	0.00	991,541.35
TOTAL REVENUES	53,364.61	10,654,259.40	11,617,190.84	91.71%	0.00	962,931.44

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2022 thru November 30, 2022

	<u>Month to Date</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Encumbrance</u>	<u>Budget Remaining</u>
<u>EXPENSES</u>						
Salaries & Wages	378,460.84	1,858,839.21	4,429,129.50	41.97%	0.00	2,570,290.29
Salaries & Wages - Grant Recovery	0.00	(1,799.93)	(20,000.00)	(9.00)%	0.00	(18,200.07)
Director's Compensation	20,628.09	111,653.63	275,041.20	40.60%	0.00	163,387.57
MWD Representation	10,150.33	57,627.68	157,166.40	36.67%	0.00	99,538.72
Employee Benefits	119,276.58	599,961.49	1,441,831.24	41.61%	0.00	841,869.75
Employee Benefits - Grant Recovery	0.00	(368.66)	0.00	0.00%	0.00	368.66
CalPers Unfunded Liability Contribution	0.00	207,000.00	207,000.00	100.00%	0.00	0.00
Director's Benefits	8,272.23	44,006.67	132,976.50	33.09%	0.00	88,969.83
Health Insurance for Retirees	5,054.01	27,197.64	94,554.00	28.76%	0.00	67,356.36
Training Expense	815.00	2,690.90	53,000.00	5.08%	0.00	50,309.10
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Personnel Expenses	542,657.08	2,906,808.63	6,780,698.84	42.87%	0.00	3,873,890.21
Engineering Expense	12,033.50	69,617.46	410,000.00	16.98%	174,746.07	165,636.47
Legal Expense	7,827.62	51,578.55	235,750.00	21.88%	183,421.45	750.00
Audit Expense	10,000.00	17,000.00	35,000.00	48.57%	14,500.00	3,500.00
Professional Services	116,196.62	365,707.15	1,516,256.00	24.12%	601,679.75	548,869.10
Professional Fees	146,057.74	503,903.16	2,197,006.00	22.94%	974,347.27	718,755.57
Conference - Staff	1,545.00	9,642.00	56,205.00	17.16%	0.00	46,563.00
Conference - Directors	285.00	5,169.00	23,905.00	21.62%	0.00	18,736.00
Travel & Accom. - Staff	3,708.39	14,386.60	90,325.00	15.93%	0.00	75,938.40
Travel & Accom. - Directors	460.70	3,032.49	32,900.00	9.22%	0.00	29,867.51
Travel & Conference	5,999.09	32,230.09	203,335.00	15.85%	0.00	171,104.91
Membership/Sponsorship	75,552.76	134,048.01	145,847.00	91.91%	0.00	11,798.99
CDR Support	0.00	14,365.50	57,462.00	25.00%	43,096.50	0.00
Dues & Memberships	75,552.76	148,413.51	203,309.00	73.00%	43,096.50	11,798.99
Business Expense	247.29	553.86	2,500.00	22.15%	0.00	1,946.14
Office Maintenance	16,503.05	71,377.33	151,400.00	47.14%	27,828.98	52,193.69
Building Repair & Maintenance	1,989.38	4,563.73	22,056.00	20.69%	7,631.04	9,861.23
Storage Rental & Equipment Lease	58.67	291.55	1,800.00	16.20%	508.45	1,000.00
Office Supplies	1,382.64	8,384.48	35,000.00	23.96%	3,022.85	23,592.67
Supplies - Water Loss Control	592.87	1,792.03	4,000.00	44.80%	1,497.49	710.48
Postage/Mail Delivery	512.68	3,846.04	11,300.00	34.04%	1,673.57	5,780.39
Subscriptions & Books	0.00	203.40	1,000.00	20.34%	0.00	796.60
Reproduction Expense	80.16	9,196.38	84,000.00	10.95%	4,679.28	70,124.34
Maintenance - Computers	486.07	3,959.17	7,000.00	56.56%	0.00	3,040.83
Software Purchase	19,799.21	52,073.89	95,093.00	54.76%	1,224.51	41,794.60
Software Support	4,702.86	25,143.40	55,615.00	45.21%	0.00	30,471.60
Computers and Equipment	10,168.14	20,729.54	43,950.00	47.17%	712.87	22,507.59
Maintenance Expense	0.00	0.00	6,000.00	0.00%	0.00	6,000.00
Automotive Expense	369.59	1,266.85	13,500.00	9.38%	0.00	12,233.15
Vehicle Expense	1,312.84	5,608.15	7,343.00	76.37%	0.00	1,734.85
Toll Road Charges	100.00	100.00	2,100.00	4.76%	0.00	2,000.00
Insurance Expense	15,343.62	76,072.97	140,000.00	54.34%	0.00	63,927.03
Utilities - Telephone	2,976.91	16,279.76	43,690.00	37.26%	798.21	26,612.03
Bank Fees	0.00	780.58	2,600.00	30.02%	0.00	1,819.42
Miscellaneous Expense	3,932.49	12,875.17	69,520.00	18.52%	2,520.00	54,124.83
MWDOC's Contrb. to WEROC	24,690.83	123,454.19	296,290.00	41.67%	0.00	172,835.81
Depreciation Expense	7,951.32	39,756.56	0.00	0.00%	0.00	(39,756.56)
Other Expenses	113,200.62	478,309.03	1,095,757.00	43.65%	52,097.25	565,350.72
Election Expense	0.00	0.00	300,728.00	0.00%	0.00	300,728.00
Capital Acquisition	0.00	92,589.09	113,280.00	81.73%	58,240.81	(37,549.90)
Building Expense	0.00	21,580.78	723,077.00	2.98%	16,376.00	685,120.22
TOTAL EXPENSES	883,467.29	4,183,834.29	11,617,190.84	36.01%	1,144,157.83	6,289,198.72
NET INCOME (LOSS)	(830,102.68)	6,470,425.11	0.00	0.00%	(1,144,157.83)	(5,326,267.28)

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
July 1, 2022 thru November 30, 2022

	<u>Month to Date</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Budget Remaining</u>
<u>WATER REVENUES</u>					
Water Sales	14,381,230.90	85,623,231.20	157,620,717.70	54.32%	71,997,486.50
Readiness to Serve Charge	1,014,375.00	5,071,876.45	11,142,354.00	45.52%	6,070,477.55
Capacity Charge CCF	449,265.00	2,246,324.86	5,396,060.00	41.63%	3,149,735.14
SCP/SAC Pipeline Surcharge	24,461.72	157,189.36	318,000.00	49.43%	160,810.64
Interest Revenue	0.00	0.00	4,547.00	0.00%	4,547.00
TOTAL WATER REVENUES	15,869,332.62	93,098,621.87	174,481,678.70	53.36%	81,383,056.83
<u>WATER PURCHASES</u>					
Water Sales	14,381,230.90	85,623,231.20	157,620,717.70	54.32%	71,997,486.50
Readiness to Serve Charge	1,014,375.00	5,071,876.31	11,142,354.00	45.52%	6,070,477.69
Capacity Charge CCF	449,265.00	2,246,325.00	5,396,060.00	41.63%	3,149,735.00
SCP/SAC Pipeline Surcharge	24,461.72	157,189.36	318,000.00	49.43%	160,810.64
TOTAL WATER PURCHASES	15,869,332.62	93,098,621.87	174,477,131.70	53.36%	81,378,509.83
EXCESS OF REVENUE OVER EXPENDITURE	0.00	0.00	4,547.00	0.00%	4,547.00

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Use Efficiency
July 1, 2022 thru November 30, 2022

	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
Spray To Drip Conversion			
Revenues	113,107.70	434,927.51	26.01%
Expenses	190,133.35	434,927.51	43.72%
Excess of Revenues over Expenditures	(77,025.65)	0.00	
Member Agency Administered Pass-Thru			
Revenues	0.00	255,000.00	0.00%
Expenses	0.00	255,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	0.00	1,000.00	0.00%
Expenses	0.00	1,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	19,657.77	60,000.00	32.76%
Expenses	17,570.00	60,000.00	29.28%
Excess of Revenues over Expenditures	2,087.77	0.00	
CII Rebate Program			
Revenues	399.00	2,000.00	19.95%
Expenses	399.00	2,000.00	19.95%
Excess of Revenues over Expenditures	0.00	0.00	
Turf Removal Program			
Revenues	1,937,352.79	6,061,364.00	31.96%
Expenses	2,468,744.35	6,061,364.00	40.73%
Excess of Revenues over Expenditures	(531,391.56)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	54,352.60	321,700.00	16.90%
Expenses	67,992.72	321,700.00	21.14%
Excess of Revenues over Expenditures	(13,640.12)	0.00	
Recycled Water Program			
Revenues	0.00	50,000.00	0.00%
Expenses	0.00	50,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
WSIP - Industrial Program			
Revenues	0.00	32,645.00	0.00%
Expenses	0.00	32,645.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Land Design Program			
Revenues	178,498.10	331,303.00	53.88%
Expenses	178,498.10	331,303.00	53.88%
Excess of Revenues over Expenditures	0.00	0.00	
Pressure Regulation Program			
Revenues	21,675.00	26,960.50	80.40%
Expenses	21,675.00	26,960.50	80.40%
Excess of Revenues over Expenditures	0.00	0.00	
Rotating Nozzle			
Revenues	4.20	1,750.00	0.24%
Expenses	0.00	1,750.00	0.00%
Excess of Revenues over Expenditures	4.20	0.00	
Dedicated Irrigation Meters Measurement Project (DIMM)			
Revenues	0.00	966,624.00	0.00%
Expenses	0.00	966,624.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Use Efficiency
July 1, 2022 thru November 30, 2022

	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
Total WUE Projects			
Revenues	2,325,047.16	8,545,274.01	27.21%
Expenses	<u>2,945,012.52</u>	<u>8,545,274.01</u>	<u>34.46%</u>
Excess of Revenues over Expenditures	(619,965.36)	0.00	
 WEROC			
Revenues	393,105.21	565,941.00	69.46%
Expenses	<u>359,856.94</u>	<u>565,941.00</u>	<u>63.59%</u>
Excess of Revenues over Expenditures	33,248.27	0.00	



ACTION ITEM
January 18, 2023

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff: Cathy Harris, Director of Human Resources & Administration

SUBJECT: APPROVAL OF REVISIONS TO PERSONNEL MANUAL

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Approve revisions to the Personnel Manual, as presented.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Based on recent laws in effect as of January 1, 2023, changes to the Personnel Manual are required. Staff reviewed and made revisions to the Personnel Manual and provided to Legal Counsel for its review and the following changes are being recommended.

DETAILED REPORT

The following outlines the recommended revisions made to the manual:

- **Page 18 Mandatory Paid Sick Leave**
 - In accordance with AB 1049, Legal Counsel made revisions to the definition of family member, as defined under this policy.
 - Language was also added stating that the District reserves the right to request documentation when an employee requests leave.

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

- **Page 19 Bereavement Leave**
 - Legal Counsel made changes in accordance with AB 1949, which states that an employer must grant five days Bereavement Leave.
 - Currently, the District offers three days paid Bereavement Leave to Regular Full-time Employees. Under this new mandate, the District can continue to offer three paid days and request the employee use vacation, sick or unpaid time off for the two remaining days. However, staff is recommending the policy be revised to offer five paid days of Bereavement Leave to Regular Full-time employees.
 - In accordance with the mandate, employees are eligible for this leave following 30 days of employment.
- **Pages 21 to 23 FMLA and CFRA Leave**
 - FMLA and CFRA were previously combined in this section. Legal Counsel created separate sections for FMLA and CFRA since the qualifying reasons for leave and eligibility for each are slightly different.
 - Section 3207.2 - Eligibility section was deleted since it is now addressed under each section.
- **Pages 23 Special Rules Regarding Employment of Spouses**
 - Legal Counsel revised pursuant to SB 1383, which provides that CFRA will no longer allow employers to impose a limitation that when both employees are employed by the same employer, their leave entitlement shall be limited to 12 workweeks combined. New CFRA provisions allow that each employee would be entitled to their own 12 workweeks of leave for bonding purposes.
- **Denial of Restatement**
 - Legal Counsel deleted this section due to SB 1383 which removed “key employee” provisions from CFRA.
- **New Parent Leave**
 - Legal Counsel deleted this section since this is no longer in effect.
- **Page 29 No Retaliation And Whistleblower Protections**
 - Due to name change revised name for Department of Fair Employment and Housing (DFEH) to Civil Rights Department.
- **Page 42-43 Cell Phone Allowance**
 - In accordance with SB1044, Legal Counsel added language that prohibits the District from preventing an employee from accessing the employee’s mobile device or other communications device for seeking emergency assistance, assessing the safety of the situation, or communicating with a person to confirm their safety.
- **Page 54 Equal Opportunity Employment**
 - Legal Counsel added language to comply with SB523, which amends FEHA to make it unlawful to discriminate against an employee or job applicant based on their “reproductive health decision-making,” which includes, but is not limited to, a decision to use or access a particular drug, device, product or medical service for reproductive health.

- **Page 58 Option to Report to Outside Administrative Agencies**
 - Due to name change revised name for Department of Fair Employment and Housing (DFEH) to Civil Rights Department.
- **Page 65 General Prohibition Against Use Or Possession**
 - Legal Counsel added language stating that it is unlawful for employees to possess, be impaired or use marijuana on the job.
- **Page 71 Health and Safety**
 - In accordance with SB1044, Legal Counsel added a section regarding Health and Safety.
- **Page 73 Appendix A and Appendix B**
 - Staff is deleting this section since this information is included within the Pay Structure.

BOARD OPTIONS

Option #1

- Approve the proposed revisions to the Personnel Manual.

Option #2

- Do not approve the proposed revisions to the Personnel Manual as recommended by staff and Legal Counsel.

STAFF RECOMMENDATION

Option #_1

- Approve the proposed revisions to the Personnel Manual.



PERSONNEL MANUAL

Effective date: January 18, 2023

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1000 INTRODUCTION

1000 - 1600

1100 PURPOSE & MWDOC WORKPLACE GOALS

This Personnel Manual is intended to provide important information, guidance and insight into the work culture of MWDOC and the policies, benefits and behavioral expectations of the organization. It may not be your most exciting read of the year but the guidance is essential for you and MWDOC to improve and excel. And that is at the heart of MWDOC's workplace goals. In order to maximize value to Orange County, Southern California, our Staff and Directors, the workplace needs to support the professional growth and personal development of everyone in our organization. This requires the commitment of all involved and an emphasis on continuous improvement. It also requires that we respect each other and adhere to fundamental rules of behavior.

1200 PERSONNEL MANUAL ORGANIZATION

There is a very diverse set of information, policies and procedures in this manual. They have been organized into four main sections beyond this introductory piece.

- Rules & Definitions (Section 2000)
- Benefits (Section 3000)
- Policies, Protections & Process (Section 4000)
- Behavior & Consequences (Section 5000)

1300 EMPLOYEES AND DIRECTORS

Different portions of this manual apply to Employees, Directors, the General Manager and our associated partners including consultants, contractors and vendors. We have attempted to make the distinctions clear where they exist. For example, the benefits available to MWDOC Directors are distinctly different from those available to MWDOC Employees. In addition, the grievance and corrective action process is different for Employees, the General Manager and Directors. Specifically, grievances against the GM or a Director are made to the President of the Board, Executive Committee or the entire Board of Directors. The Board always retains the authority to discipline itself.

The MWDOC Board of Directors (Board of Directors, Board, Directors Board Members) and the MWDOC Metropolitan Water District Directors (MWDOC-MET Directors) are considered employees and therefore Director compensation is subject to Social Security taxation.

Directors are eligible to participate in a qualifying public retirement system in accordance with IRS guidelines and are eligible for benefits in accordance with applicable statutes and District policies. In addition, Directors are subject to sections in the Personnel Manual related to conduct and decorum. In all other aspects, Directors shall be subject to the laws and regulations as applicable to such officials.

1400 ADMINISTRATIVE CODE & CONTRACTS MANUAL

The Personnel Manual is one of three documents that primarily establishes the rules for MWDOC personnel (outside of local, state, and federal law).

The Administrative Code is the codification of the organization and operation of MWDOC. At its most basic level, the Administrative Code identifies the Board of Directors as the policy setting body which also hires the General Manager. The General Manager is responsible for the Employees and operation of the organization. Particularly relevant to the Personnel Manual are the Administrative Code sections covering Ethics (Chapter 7). There is significant interplay between Ethics in the Administrative Code and some of the provisions in Sections 4000 and 5000 of the Personnel Manual (i.e., Section 5100 Standard of Conduct, Section 4102 Prohibition Against Discrimination and Harassment, Section 4200 Grievance Procedure, Section 5101 Corrective Actions).

The MWDOC Contracts Manual outlines specific policies and procedures the Board of Directors has adopted relative to contracts and procurements. Those policies and procedures are outlined in the Administrative Code (Sections 8000 through 8004).

1500 LEGAL DISCLAIMERS

This Personnel Manual describes policies as set by the Board of Directors of the Municipal Water District of Orange County. These policies supersede any preceding or contradictory policies except where expressly authorized by the Board. This Manual is not a guarantee, expressed or implied, of continued employment for any specific duration. These policies are intended to be in compliance with applicable law and should be interpreted as such.

MWDOC reserves the right to make changes to this Personnel Manual and to any employment policy, practice, work rule, or benefit, at any time without prior notice. Except as otherwise provided in this Personnel Manual, no one has the authority to make any promise or commitment contrary to what is in this Personnel Manual. Employees are responsible for knowing about and understanding those changes once they have been disseminated. MWDOC also reserves the right to interpret the provisions of this Manual. For this reason, employees should check with the Human Resources to obtain information regarding specific employment guidelines, practices, policies, or procedures.

In addition, this Personnel Manual is not intended to cover all possible situations that may arise in your employment relationship with MWDOC. This Personnel Manual is the property of MWDOC, and it is intended for the personal use and reference by employees of MWDOC.

This Personnel Manual is designed to help employees get acquainted with MWDOC. It describes some of the basic terms and conditions of employment with MWDOC.

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Employees should sign the acknowledgement form at the back of this Personnel Manual, tear it out, and return it to Human Resources. This will provide MWDOC with a record that each employee has received this Personnel Manual.

1600 THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)

The Municipal Water District of Orange County (MWDOC) was formed by Orange County voters in 1951 under the Municipal Water District Act of 1911. Today, MWDOC is Metropolitan Water District of Southern California's (MET's) third largest member agency, providing and managing the imported water supplies used by over 2-million residents in Orange County.

The Municipal Water District of Orange County (MWDOC) is an independent public water agency that serves Orange County's regional imported water wholesaler. Our efforts focus on sound planning and appropriate investments in water supply development, water reliability, water resources management, and water use efficiency, public information, legislative advocacy, water education, and emergency preparedness. MWDOC's service area covers all of Orange County, with the exception of the cities of Anaheim, Fullerton and Santa Ana. We serve Orange County through 28 member agencies who in turn provide water to the public.

MWDOC is governed by a seven-member Board of Directors. Each Director is elected by the public to represent a specific portion of Orange County. MWDOC also appoints four representatives to advocate the interests of Orange County on the Metropolitan Board. MWDOC holds key leadership positions on the MET Board of Directors that oversee policy development, finances, strategy and implementation.

The General Manager is directly responsible to the Board of Directors for the administration of policies established by the Board.

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2000 RULES & DEFINITIONS

2100-2310

2100 EMPLOYMENT

The Municipal Water District of Orange County is an at-will employer and as such, employment with the District is without a specified term and may be terminated at the will of either the District or the employee, with or without cause and with or without prior notice to the other. Employees of the District are not entitled to due process procedures, hearings, or any so-called Skelly rights related to their employment. This policy of employment at-will can be changed only in a formal written contract signed by the employee and an authorized representative of the Board of Directors. No other representative of the District has any authority to make any agreement contrary to the foregoing.

2101 SELECTION OF EMPLOYEES

All persons considered for employment with the Municipal Water District of Orange County must be qualified to perform the duties of the position for which they are employed. Employees in certain classifications, after receiving a conditional offer of employment, will be required to complete a pre-employment job-related medical examination consistent with business necessity and, based on the safety sensitive nature of their job duties, a pre-employment drug screening before reporting for work. All employees shall be required to affirm Section 3, Article 20, first paragraph of the Oath of Allegiance pursuant to State law.

As required by law, all new employees must provide necessary documentation to prove identity and the right to work in the United States in accordance with federal and state laws. Failure to provide such documentation in a timely manner will result in disqualification from selection and is grounds for immediate termination.

2102 INTRODUCTORY PERIOD

The first six months of employment with the District represents an introductory period during which newly hired employees can demonstrate that they can meet the requirements of their position. This period may be extended upon notice by the supervisor to the employee. This period may also be waived, upon the General Manager's approval, when an employee is converted from temporary or intern status to full-time status. During this period, work habits, performance and attendance will be reviewed by the employee's supervisor and appropriate management staff, and written performance appraisal reports may be completed.

A newly hired employee shall become a regular full-time or part-time employee only upon receipt of written confirmation from the supervisor and appropriate management staff that this introductory period has been satisfactorily completed.

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During this review period, an employee is not eligible to take paid vacation time or receive a salary increase unless an adjustment of ranges indicates that the employee's current salary is below the adjusted range. The employee's original date of hire will be the anniversary date for computation of salary and benefits.

Successful completion of this initial six-month evaluation period in no way changes or modifies the employee's at-will status with the District.

2103 REGULAR FULL-TIME EMPLOYEES

An employee who has satisfactorily served the required six-month introductory period, who is regularly scheduled to work at least 32 hours per week in an established position on a regular basis is considered a regular full-time employee. Such employees are eligible for full benefits as provided herein; although, benefits as required by law shall be provided consistent with the requirements of the law.

Regular full-time employees who have worked less-than 40 hours per week (i.e. 32 to 39 hours per week) on a regular basis accrue paid leaves predicated on the number of hours worked and are eligible for holiday pay on a pro-rated basis, only if the holiday falls on a regularly scheduled workday.

No employee hired to work a 40-hour workweek can reduce their work schedule without written approval of the General Manager.

2104 REGULAR PART-TIME EMPLOYEES

An employee who regularly and customarily works less than 32 hours per week is considered a regular part-time employee and is not eligible for any benefits other than those mandated by law.

2105 TEMPORARY EMPLOYEES

An employee serving in a position in which the requirements of the services performed are of a temporary nature shall be classified as a temporary employee for a period not to exceed twelve months. This classification includes, but is not limited to, personnel employed for seasonal peak workloads, emergency extra workloads, necessary vacation or leave of absence relief, or special investigative study workloads. Temporary employees are not eligible for any benefits other than those mandated by law.

2106 LIMITED-TERM EMPLOYEES

A limited-term employee is an individual who is temporarily employed by entering into an employment contract for a specified period of time as approved by the Board of Directors. Limited-term employees are eligible for benefits as provided for in the employment contract. All limited-term employment contracts and renewals require Board approval.

2107 INTERNS

The District's Internship Program is designed to meet specific limited-term organizational needs while providing meaningful training and work experience for college students pursuing academic studies. The District will recruit and hire interns based on authorized budget expenditures and a specific purpose, program and project in accordance with the District's strategic goals and objectives and in accordance with the intern policy guidelines. Interns may be employed for a period of up to six months after their graduation. Interns are not eligible for benefits except as required by law. An intern's pay rate is established based on the District's classification schedule and in accordance with their level in college. Upon completion of one year, interns may be eligible for a pay increase based on the recommendation of their supervisor or department head upon the discretionary approval of the General Manager. Interns are not eligible for merit increases on the same basis as regular full-time and part-time employees.

For employees that transition from Part-Time, Temporary, Limited-Term or Intern status to Full-Time, the actual date of hire to Full-Time status will be the anniversary date for computation of leave accruals. Benefits will go into effect in accordance with the policies of the Benefits Administrator.

2200 WORK HOURS, WORKWEEK AND OVERTIME

2201 WORKWEEK

The legal definition of a workweek, as defined pursuant to the Fair Labor Standards Act (FLSA) is any consecutive 168-hour (equivalent to 7 days) period. For purposes of defining the legal workweek, the official workweek for all employees on a standard schedule shall begin at 12:01 a.m. each Monday and end at Midnight the following Sunday.

For all employees working a 9/80 work schedule, their legal workweek shall begin exactly four hours into the 8-hour shift on the day of the week which constitutes their alternating regular day off. 9/80 employees should note that their timesheets will reflect the District's pay period and not the legal workweek for overtime calculations.

2202 REST PERIODS

Employees are allowed rest periods not to exceed 15 minutes during each four consecutive hours of work. The time of each employee's rest period will be determined by the department supervisor. Rest periods shall be considered hours worked but employees shall be relieved of all duties and responsibilities during breaks.

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2203 LUNCH PERIODS

Lunch periods are unpaid and shall be staggered to permit the office to remain open during the lunch period. Any employee who works for at least five (5) hours in a work day is required to take a thirty (30) minute lunch within the first five (5) hours of work, and employees who work more than ten (10) hours in one day are eligible for a second meal period. An employee who works less than six (6) total hours in a day may waive such unpaid meal period. All other employees must take a thirty (30) minute lunch break within the first five (5) hours of the workday. Meal periods shall be duty-free with no restrictions placed on such periods.

2204 RECORD OF WORK HOURS

All employees must record their time worked on a standard electronic time sheet for payroll purposes. Each employee is responsible for the daily recording of all time worked and reported as sick, vacation, etc., and allocate the hours to the appropriate time codes. Timesheets are to be submitted electronically by 10:00 a.m. every Monday, unless requested earlier. Employees are responsible for reviewing their time records and confirming that their paychecks accurately reflect the actual hours worked. Supervisors are also responsible for reviewing all time records submitted by subordinates. An employee must report time sheet or paycheck errors immediately in writing to the Human Resources. Any pay correction will be included in the pay period for the time period in which the correction occurred, unless otherwise stated at the time of the correction.

Making any false statement in connection with time or payroll records and continuous errors may result in immediate discharge or other discipline.

2205 OVERTIME

As a governmental agency, the District is obligated to be in compliance with the requirements of the federal Fair Labor Standards Act (FLSA), and it shall be applied to all employees as defined as Exempt and Non-Exempt (See [District Salary Schedule](#)). The FLSA does not require overtime to be paid for hours worked over eight in a day. FLSA overtime is required only when the work actually performed exceeds 40 hours in the legal workweek – defined as a consecutive 168 hour period. For employees working a 9/80 work schedule, their workweek shall begin exactly four hours into their eight hour shift on the day of the week which constitutes their alternating regular day off. Contact Human Resources if you have questions regarding the calculation of overtime. Non- Exempt employees can accrue a maximum of 40 hours of compensatory time.

Overtime must be approved by the Supervisor prior to working. However, all overtime hours in excess of the allowable maximum will be paid, regardless of prior approval.

For purposes of defining overtime, employees are identified by the following two categories:

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2205.1 Non-exempt employee

Any employee may be directed to work in excess of the regular workday by the General Manager or their supervisor. The District will pay all Non-Exempt employees at the rate of one and a half times the regular rate of pay for all hours physically worked in excess of 40 in a workweek. Because paid leave hours (vacation, holiday, sick leave, bereavement leave, jury duty, etc.) do not constitute hours actually worked, they will not be included when assessing overall hours in a workweek in the overtime calculation. Non-exempt employees shall receive cash reimbursement or Compensatory Time Off (CTO) accrual. Maximum total accrued for any eligible employee shall not exceed forty hours.

2205.2 Exempt employee

Exempt employees are not eligible for additional compensation or compensating time off for hours worked in excess of 40 hours in the designated workweek and are required to work the hours necessary to fulfill the responsibilities of the position. Exempt employees are executive, administrative or professional employees and perform office or non-manual work and perform one or more of the exempt duties of an executive, administrative or professional employee, in accordance with the Fair Labor Standards Act guidelines.

Exempt employees shall not be subject to docking of pay for absences of less than a full day, except as provided by law. However, pursuant to District's sick leave policy, sick leave balances will be charged for absences greater than four hours in a work day.

2206 PAYMENT OF OVERTIME IN EVENT OF SEPARATION

In accordance with the Fair Labor Standards Act (FLSA), the use of accrued compensatory time to extend employment when an employee has actually vacated a position due to termination is not considered employment. Therefore, an employee separating from employment with the District who has performed authorized overtime service for which he/she has not been compensated as provided for, shall be paid at the employee's last regular rate of pay for such accrued service or the average regular rate of pay that the employee received during his last three years of employment, whichever is higher.

2207 MAKE-UP TIME

If a Non-Exempt employee needs to take time off for personal reasons and desires to make up the time rather than be docked or have the time charged to the appropriate accumulated leave balance, said employee may make up the time, with the approval of the employee's supervisor, provided said time is made up within the workweek in which the time off was taken and provided that making up such time does not cause the employee to exceed 40 hours in a workweek.

2208 HOLIDAY TIME

An employee may be required to work on a holiday, if approved at the discretion of the General Manager. Any employee working on a District-recognized holiday will be compensated at the employee's hourly rate in addition to any holiday pay he or she may otherwise receive. See the District Holiday policy section.

2209 TELECOMMUTING

Employees are required to perform their job responsibilities at the District office unless their job duties require them to perform work at a location outside of the District office. An employee requesting to work from home or another location to perform their normal work duties must seek final approval from the General Manager.

2300 PAY PRACTICES

2301 PAYDAYS

District paydays will be every two calendar weeks. Paychecks will be inclusive of pay for all hours in the two preceding calendar weeks. In the event a payday falls on a holiday, the direct deposit or paycheck will be distributed on the day prior to the holiday.

2302 PAYROLL DEDUCTIONS

Payroll deductions are taken from the pay of all employees in compliance with all mandated state and federal laws based on employee's earnings, marital status, and number of exemptions claimed. Payroll deductions also include required pension and health and welfare benefits and employee voluntary contributions. Garnishments will be applied only as required by law. Employees hired after April 1, 1986 are required to contribute to Medicare and payroll deductions are made accordingly.

2303 COMPENSATION AND BENEFITS SURVEYS AND PAY STRUCTURE ADJUSTMENTS

The compensation philosophy guiding the District's decisions related to employee compensation and benefits is that of desiring to provide salary ranges and benefit practices that are competitive with market practices. In conducting compensation surveys, the District establishes its salary ranges by considering the median of the marketplace. In administering benefits surveys, the District considers prevailing and emerging practices related to the District's labor market. This approach has been adopted in an effort to attract and retain the best available staff and continue in its commitment to quality service to the District's member agencies.

Human Resources shall conduct a planned pay structure adjustment survey in November of each year of the direct labor market agencies to determine the percentage

adjustment to the Pay Structure ranges for the upcoming fiscal year to go into effect July 1.

A comprehensive compensation and benefits survey shall be conducted every three years to evaluate market practices and job grading. Human Resources may conduct interim market analyses for newly established or modified job classifications between the comprehensive annual reviews.

2304 ANNUAL MERIT INCREASES

Merit increases for regular full-time and part-time employees are granted, in part, in proportion to an employee's demonstrated job performance and current placement within the employee's salary range. Supervisors and managers will establish performance standards and communicate these expectations to each of their staff. In addition, supervisors and managers will discuss with each employee concerning his or her performance during that employee's performance review process.

2305 MERIT GUIDELINES

The amount of each merit increase will be determined, in part, by the performance of the employee, as documented on the Performance Appraisal. The performance review should provide a fair and accurate evaluation of the employee's performance in the preceding fiscal year.

2306 PERFORMANCE APPRAISAL

The purposes of the performance appraisal process is to provide employees with an understanding of personal goals, reasonable standards of performance and timely feedback to facilitate professional improvement. The emphasis is on growth and improvement with coaching to modify behavior instead of corrective or disciplinary actions. This is a two-way communication process between the employee and supervisor and a collaborative engagement based on past performance but focused on future actions. The performance appraisal can result in the development of Performance Improvement Plans.

Newly hired or promoted employees will be appraised at six months from date of hire or position. Thereafter, performance will be appraised annually during the months of June and July, consistent with the timing of the annual merit increase process. Managers will meet with employees during the year to review the performance appraisal and assess performance and progress. Communication should be frequent and frank.

2307 PERFORMANCE CRITERIA AND DEFINITIONS

Performance criteria should be tied to specific employee goals and serve to provide ongoing feedback throughout the fiscal year. While the District reserves the right to modify the performance criteria, an example criteria framework includes:

- 1 = Unsatisfactory. Performance is below job requirements and level expected and it appears the employee is either unwilling or unable to perform successfully.
- 2 = Needs Improvement. Performance meets some, but not all job requirements. Improvement is needed to meet requirements. Employee has potential for successful performance.
- 3 = Successful. Performance meets job requirements. Overall performance has been at the level expected for the position.
- 4 = Exceeds Expectations. Performance consistently meets and frequently exceeds some job requirements.

2308 MERIT INCREASE PROCEDURES

Merit increases become effective the first full pay period following July 1. Employees, with the exception of the General Manager, with a minimum of six full calendar months of employment with the District may be eligible for merit increase consideration. Merit increases, within the established salary ranges, are not automatic, but will be granted based, in part, upon employee performance and budgetary considerations, as determined by the General Manager.

Merit increases will be granted within the established Salary Range only. If an employee has reached the maximum rate of the Salary Range, the employee's salary shall be frozen (remain unchanged) until such time that the Board of Directors approves a salary range adjustment that would result in the employee's pay rate being less than the range maximum. In the event that the employee is paid at the maximum rate of the salary range any additional compensation that is paid would be at the General Manager's discretion to grant in the form of a lump sum performance payment in accordance with the merit increase guidelines.

2309 PROMOTIONS

A promotion is defined as the movement of an employee from one classification to another classification in a higher salary range, i.e. Administrative Assistant to Senior Administrative Assistant. An employee who is promoted will receive, at the discretion of the General Manager, a promotional salary increase at least to the salary range minimum. The General Manager may, however, grant greater increases.

A promoted employee will be required to serve a six-month review period in the new position; retention of the employee in the promoted classification may be determined at any time during this review period. The six-month review period will have no effect on the timing of the promoted employee's annual salary review for merit consideration or salary range adjustments. If the promoted employee fails this review period, he or she would not have the automatic right to return to his/her former classification, unless there is a vacant position in said former classification. If an employee is returned to his/her former classification, the employee will return to their original pay status in the former classification.

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2310 POSITION RECLASSIFICATION

A position reclassification is the change of a position from one salary range to another salary range and will be implemented under the General Manager's authority in the management of the District.

If an employee is in a position that is reclassified to a higher salary range, the employee will maintain his/her current salary rate unless his/her current salary rate is below the minimum salary of the new range, in which case the employee will, at the discretion of the General Manager, be eligible to receive the beginning salary in the new range.

If an employee is in a position that is reclassified to a lower salary range, said employee will be placed at a salary level within the lower range at the discretion of the General Manager.

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3000 BENEFITS

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3100 EMPLOYEE BENEFITS

3101 VACATION

In order to realize the full benefit and purpose of a vacation policy, employees are encouraged to take at least a portion of their annual earned vacation time off each year, in a block of time preferably five consecutive working days. The scheduling of an employee's vacation time or the extension of accrued vacation beyond the designated 12-month accrual period will be at the discretion of the General Manager based on the needs of the District.

3101.1 Accrual Rate

Regular full-time employees working 40 hours per week shall earn vacation time off with pay in accordance with the following schedule. Employees working less than 40 hours a week but more than 32 hours per week, shall accrue vacation on a prorated basis. Part-time employees who later convert to full-time employees will begin to accrue vacation time beginning on the date of their full-time status. No vacation credit will be earned during any pay period an employee is absent without pay. Regular full-time employees who are temporarily working part-time may accrue vacation leave on a prorated basis, at the District's discretion. When an approved holiday falls within a vacation period, an employee, on vacation shall be entitled to the holiday and will not be required to use vacation hours that day.

<u>Years of Service</u>	<u>Hours Earned Biweekly</u>	<u>Yearly Equivalent</u>
Beginning with 1 st Year	3.08	80 Hours
Beginning with 4 th Year	4.62	120 Hours
Beginning with 11 th Year	5.23	136 Hours
Beginning with 15 th Year	6.15	160 hours
Beginning with 20 th Year	6.46	168 hours

3101.2 Accrual Cap

Once an employee's vacation accrual reaches twice his or her yearly annual accrual rate, the employee shall cease being eligible to accrue further vacation until such time as the accrual drops back below that figure. The General Manager maintains discretion to approve the raising of the accrual cap or authorize partial payout of accrued amounts to reduce below the maximum accrual. Unused vacation will be paid out to an employee, or his or her designated beneficiary, at the time he or she separates from employment based on the individual's then-current rate of pay.

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3102 HOLIDAYS

All eligible regular full-time employees are granted the following paid holidays (total of 11 days/88 hours). In order to be entitled to holiday pay, an employee must be eligible for full pay for the scheduled workday both before and after said paid holiday. The following dates are recognized District holidays:

New Year's Day	January 1
President's Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving	4 th Thursday in November
Day after Thanksgiving	4 th Friday in November
Christmas Eve	December 24
Christmas Day	December 25
One Floating Holiday	Designated by the employee each year

The granting of holiday pay does not guarantee any employee the day off. The General Manager may elect to maintain a minimum staff on any holiday.

3103 HOLIDAYS OCCURRING ON A DATE SCHEDULED OFF

When a paid holiday falls on a Sunday, the following Monday shall be deemed the holiday. When a paid holiday falls on a Saturday, the preceding Friday shall be deemed the paid holiday. When a paid holiday falls on an employee's scheduled day off per the modified work week schedule, the employee will receive eight hours of CTO accrual in lieu of the following day off.

If the floating holiday is not used within the calendar year it will be credited to the employee's CTO or vacation accrual.

3104 EMPLOYEE ASSISTANCE PROGRAM (EAP)

The EAP provides confidential, professional assistance program for use when personal problems affect an employee's life and work. The program provides information, consultation, and counseling for employees, dependents, and domestic partners, as well as offering training and consultation to management.

The EAP encourages employees to use services early in the progression of a problem before situations significantly impact work. This is accomplished by promoting service for "normal problems in living" such as relationships, stress, legal and financial problems, career concerns, anxiety and depression. The EAP also services more serious concerns such as alcohol and drug problems, family violence, and threats of suicide. This benefit is provided for all regular full-time employees. The District will pay a portion toward the cost of the monthly premiums based on the amounts approved by the Board and in accordance with insurance policy guidelines. This benefit goes into effect on the first day of the month following 30 days of service.

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Please contact Human Resources for additional information.

3105 EMPLOYEE RECOGNITION PROGRAMS

3105.1 Service Awards

The Service Award Program is designed to formally recognize all regular full and part-time employees for continuous years of dedicated service with the District. Employees will be formally recognized at completion of five-years of service and at five-year increments thereafter. Following completion of the required years of service, a certificate will be presented to the employee at the Board meeting during the employee's anniversary month.

At completion of five years, the employee will be granted one compensation day (8 hours) to be used within the following 12 months. At completion of ten years and every five years thereafter, the employee will be granted two compensation days (16 hours) to be used within the following 12 months. These compensation days will be allocated to CTO or vacation accrual if not used within the 12 month period.

3105.2 Employee/Team Excellence

This program has been established to recognize outstanding District employees, encourage teamwork and acknowledge contributions to the District. The goal is to encourage quality work, continuous improvement, teamwork, efficiency, customer service, and a high level of dedication. The program recognizes that District employees are the source of our strength, reputation, and innovation.

Recipient/s will receive recognition at either a District Staff meeting or Regular Board Meeting by way of an Outstanding Performance Certificate and either a gift card or check up to a maximum of \$200 for individuals, and larger awards to departments or groups, as determined by the General Manager. Based upon the act or accomplishment, the General Manager may grant a special award of up to \$1,000. Award amounts over \$25 are taxable in accordance with IRS guidelines.

3200 LEAVE PROVISIONS

3201 PAID SICK LEAVE

Paid sick leave is granted as a benefit to eligible regular, full-time employees to be used for illness or injury. It is not to be used as vacation or an earned right to time off from work. Eligible employees are entitled to use this sick leave following completion of thirty days of employment. Employees on sick leave will be paid from their accumulated sick

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leave hours. For absences of five working days or more, a request for leave and/or a medical certification, stating expected date of return, must be submitted to Human Resources. Upon return to work, a written doctor's release must be submitted to Human Resources. Sick leave may also be used to attend to the illness or injury, or due to medical and dental office appointments, of an employee's immediate family member. For purposes of this section, immediate family member shall mean the employee's spouse, child, parent, registered domestic partner or any family member with whom the employee resides, biological or foster children, stepchildren and stepparents, legal wards and guardians, children of domestic partners, siblings, parent-in-law, and grandparents.

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3201.1 Method of Accrual

Regular, eligible full-time employees working 40 hours per week shall accrue 3.69 hours (equivalent to 96 hours per year) of sick leave with pay for each biweekly pay period of service. Eligible employees working less-than 40 hours per week shall accrue sick leave on a prorated basis. An employee on leave of absence without pay shall earn no sick leave during the absence without pay. Employees on a leave of absence and or temporarily working part-time due to a medical disability shall accrue sick leave on a prorated basis, based on the number of hours actually worked (see section under Disability for clarification of use while on disability leave). Employees are required to allocate the number of hours to sick time accordingly on their electronic time sheet.

3201.2 Maximum Accrual

A maximum of 488 hours of sick leave may be accumulated. Any non-exempt employee accumulating sick leave in excess of 488 hours will be cashed out for those excess sick leave hours on the first check of each September at the rate expressed in the chart below; thereafter, the employee's leave accrual will be reduced down to the 488 hour maximum. Exempt employees, on the other hand, will have their sick leave accrual capped at 488 hours, and will cease to be eligible for sick leave accrual until such time as their sick leave accrual drops back below 488 hours. Employees will not be paid for any accrued but unused sick leave upon termination of employment.

Hours of sick leave used in preceding 12
months excess from July 1 to June 30

Cash out of hours in of 488

0 hours sick leave	50%
8 hours of sick leave	33.33%
9-32 hours of sick leave	25%
33-64 hours of sick leave	8.33%
65 or more hours of sick leave	0%

3201.3 Partial Day Absence

Exempt employees shall be required to use sick leave to cover any absence of four hours or greater on a regular work day. Non-Exempt employees shall use sick leave to cover any absence in in one-half hour increments.

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Upon request, the employee may utilize paid vacation time in lieu of sick leave, at the discretionary approval of the District.

3202 MANDATORY PAID SICK LEAVE

Employees who are not otherwise provided paid sick leave are entitled to sick leave as required by the Healthy Workplaces/Healthy Families Act of 2014 ("HWHF") Paid Sick Leave. Any non-exempt employee not otherwise provided paid sick leave pursuant to the District's policy or practice shall be entitled to paid sick leave pursuant to this policy, as follows

An employee qualifies to accrue paid sick leave under this policy upon the start of the employee's employment. An employee shall be entitled to use any accrued and available paid sick leave as of the 90th day of employment. Eligible employees shall accrue paid sick leave at the rate of one hour for every 30 hours worked, not to exceed six days (48 hours). Once the employee accrues six days of sick leave, accrual will cease until the employee uses leave and brings his or her accrual balance below six days. Accrued but unused sick leave shall carry over year to year. Employees are not entitled to any pay out of sick leave accrual upon separation from employment; although if an employee is re-hired within a year, the previously accrued but unused sick leave will be reinstated.

Leave may be used for any purpose where sick leave is otherwise typically used at the District, including but not limited to the diagnosis, care, or treatment of an existing health condition of, or preventive care for the employee or the employee's family member. An employee who is a victim of domestic violence, sexual assault, or stalking, may also use this leave to: (1) attempt to obtain any relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the victim or his or her child; (2) seek medical attention for injuries caused by domestic violence, sexual assault, or stalking; (3) obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence, sexual assault, or stalking; (4) obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking; or (5) participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.

A "family member" for the purposes of this policy is defined as a child (a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis), a parent (a biological, adoptive or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child), a spouse or registered domestic partner, a grandparent, grandchild and sibling, a designated person which is a person identified by the employee at the time the employee requests paid sick days.

The District reserves the right to require further documentation depending on the qualifying reason the employee is requesting leave under this policy.

Commented [1]: Please note:

- Definition varies from the one in CFRA
- Under AB 1041 an employer may limit an employee to one designated person per 12-month period for paid sick days. Gov Code § 12945.2(b)(2)

See: Gov Code § 12945.2; AB 1041
https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=20210220AB1041

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Commented [2]: Employers can ask for documentation including a copy of the jury duty summons, subpoena, or other court orders, police report if the employee requests PSL (Cal. Lab. Code § 230.2; 230(a)).

(g) An employer may lend paid sick days to an employee in advance of accrual, at the employer's discretion and with proper documentation. (Cal. Lab. Code § 246(g)).

If the need for paid sick leave is foreseeable, the employee shall provide reasonable advance notification. If the need for paid sick leave is unforeseeable, the employee shall provide notice of the need for the leave as soon as practicable.

3203 BEREAVEMENT LEAVE

In the event of a death of a member of an employee's immediate family, employees are eligible to take up to five days under this policy.

Five days will be paid time off.

"Employee" in this instance, means a person employed by the District for at least 30 days prior to the commencement of the leave. Employees are to allocate the number of hours to Bereavement Leave accordingly on their electronic time sheet.

The District may require documentation to support the leave.

For purposes of this policy, a family member is defined as a spouse, registered domestic partner, child, step-child, parent, step-parent, brother, sister, step-brother, step-sister, grandparent, grandchild, father-in-law, or mother-in-law, or any family member with whom the employee resides, foster children, legal wards and guardians, children of domestic partners.

3204 SERIOUS FAMILY ILLNESS LEAVE

Following completion of 30 days of employment, regular full-time employees are eligible to take up to four days with pay per fiscal year for serious family illness to attend the birth of an employee's child, operation of an immediate family member, to attend the serious illness or injury of an immediate family member, or where death of an immediate family member appears imminent. Immediate family includes those mentioned in the Bereavement Leave policy above. This form of leave does not extend the leave period provided under the family leave laws. Employees are to allocate the number of hours to Serious Family Illness Leave accordingly on their electronic time sheet.

3205 JURY OR WITNESS DUTY LEAVE

Jury Duty is considered an excused absence. Any regular, full-time employee of the District who is called or required to serve as a trial juror or witness will be excused from work during the period of such service or while present in court as a result of such a call. Eligible full-time employees required to serve as jurors are granted jury duty leave with pay, less any fees paid to them by the court, except mileage up to a maximum period of thirty (30) working days. Employees serving on a jury exceeding the thirty (30) day period shall do so without pay. This benefit is effective immediately upon employment. An employee serving jury duty must obtain an attendance slip from the court and submit it to the accounting department in order to be eligible for pay for those hours. Employees are to allocate the number of hours to Jury Duty Leave accordingly on their electronic time sheet. Any employee relieved from jury duty after less than 3 hours shall report to work unless impracticable because of travel time. If the employee is unable to return to work, time will be taken as unpaid, or vacation or compensatory time.

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Deleted: (spouse, registered domestic partner, child, step-child, parent, step-parent, brother, sister, step-brother, step-sister, grandparent, grandchild, father-in-law, or mother-in-law, or any family member with whom the employee resides, foster children, legal wards and guardians, children of domestic partners), regular full-time

Deleted: three days with pay in any one instance to arrange for or attend a funeral of a member of their immediate family. This benefit is effective immediately upon employment.

Commented [3]: "Employee" means a person employed by the employer for at least 30 days prior to the commencement of the leave. (Gov. Code. § 12945.7 (a)(1)(A)).

AB 1949
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Commented [4]: The employee, if requested by the employer, within 30 days of the first day of the leave, shall provide documentation of the death of the family member. As used in this subdivision, "documentation" includes, but is not limited to, a death certificate, a published obituary, or written verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution, or governmental agency. . (Gov. Code. § 12945.7(f)).

Commented [5]: Family member" means a spouse or a child, parent, sibling, grandparent, grandchild, domestic partner, or parent-in-law as defined in Section 12945.2. (Gov. Code. § 12945.7)

An employee who is subpoenaed to appear in court in a matter regarding an event or transaction which he or she perceived or investigated in the course of his or her job duties will do so without loss of compensation. An employee will not be paid to appear in court in a matter unrelated to his/her duties or in a matter initiated by the employee.

3206 DISABILITY LEAVE

3206.1 Short-Term Disability Leave

The District participates in the State of California, Employment Development Department (EDD) Disability Insurance program. Workers who suffer a loss of wages when they are unable to work due to a non-work-related illness or injury, pregnancy or childbirth, may be eligible for disability insurance benefits. Generally, the program goes into effect on the eighth day of disability (since SDI requires a seven-day waiting period) up to a maximum of 52 weeks (as determined by EDD) based on the requirements of the Plan. Visit <http://edd.ca.gov/> for complete program details, eligibility, weekly benefit amount, exclusions, etc.

The weekly and maximum benefit amounts are based on the wages paid during a specific 12-month base period, which is determined based on the date the claim begins. Use of sick leave accruals may be coordinated with the SDI benefit to make up the difference between disability benefits and an employee's regular pay. In cases where there is not sufficient sick leave to make up the difference, an employee may elect to use vacation and/or compensatory time off to supplement the difference. The program is administered by the EDD, and employees should seek clarification as to eligibility and scope of benefits from the EDD. EDD guidelines and rulings supersede any statement made herein.

3206.2 Long-Term Disability leave

Long term disability insurance (LTD) is an insurance policy that provides partial income replacement in the event that an employee is unable to work due to illness, injury, or accident for an extended period of time. All regular, full-time employees are eligible for long-term disability insurance per the terms of the insurance policy in force. See Human Resources for a complete outline of coverage, exclusions, and policy information. An employee receiving long-term disability benefits may elect to apply accrued earned leave time to make up the difference between disability benefits received and the employee's regular salary.

3206.3 Employee Filing Requirements

It is the employee's responsibility to file for disability insurance benefits as soon as possible in order to eliminate undue delay in the receipt of their disability pay. See Human Resources on where to obtain the appropriate forms.

3206.4 Verification of Disability

Employees are required to provide Human Resources with a certification of disability from a licensed physician within fifteen days of the District's request for such certification. The employee may be asked to provide re-certifications as allowed by law.

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3206.5 Employee Benefits While on Disability Leave

Employees on an authorized medical leave of absence without pay may continue disability, health, and life coverage for a period in which the leave is protected by law, during which time the employee will continue to pay his or her portion of the benefits premium. Where the leave is not protected by law, the employee may continue such coverage upon the District's approval for a period of no more than four months, during which time the employee will continue to pay his or her portion of the benefits premium.

The employee's failure to pay his or her portion of the benefit premium may subject the employee to loss of coverage. Upon return to work, the employee will become eligible to have coverage reinstated in accordance with the terms of agreement with the carriers then in effect.

An employee on disability leave without pay from the District will not be eligible to accrue vacation or sick leave and shall not be eligible for any paid leaves or pension plan contributions. An employee on paid leave will accrue vacation and sick leave based on the number of hours being paid.

3207 FAMILY/MEDICAL LEAVE OF ABSENCE (FMLA/CFRA) CALIFORNIA & FEDERAL FAMILY MEDICAL LEAVE

In accordance with the Federal Family and Medical Leave Act ("FMLA"), the FMLA's Service member leave provisions ("Service member FMLA"), and the California Family Rights Act ("CFRA"), the District has adopted the following policy regarding the rights and responsibilities of employees absent for a family leave purpose. This policy shall supersede the provisions of any District policy, practice, rule or procedure to the extent that such policy, practice, rule or procedure is in conflict or inconsistent with this policy.

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3207.1 Qualifying Reasons for Leave and Eligibility

Commented [6]: The qualifying reasons for FMLA/CFRA leave differ slightly, so we revised this section accordingly

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FMLA LEAVE

In accordance with the FMLA, Service member FMLA and this Policy, the District shall provide up to twelve (12) work weeks of FMLA leave to any "eligible employee" who requests leave for any of the following purposes:

- The birth or adoption of a child by the employee or placement of a child in foster care with the employee (all family leave taken for one of these purposes must be concluded within one year of the event);
- To care for a child, parent, or spouse of the employee who has a serious health condition;
- For an employee's own serious health condition which makes the employee unable to perform the essential functions of the employee's position, including incapacity due to pregnancy and for prenatal medical care; or
- For the care of a covered family member's injuries or qualifying exigencies stemming from qualifying service in the Armed Forces as provided for under the Service member FMLA's provisions.

Commented [7]: See: Employers Guide to FMLA p. 6; 29 C.F.R. § 825.102

Commented [8]: Cal. Unemp. Ins. Code § 3302.2 (West)

PERSONNEL MANUAL
Effective Date: January 2023

- Up to 26 weeks, (1,040 hours) in a rolling year of leave is permitted for:
 - Care of an employee's spouse, child, parent, or next of kin who is a covered service member with a serious illness or injury.

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An employee is eligible for FMLA leave if the employee:

- Has been employed by the District for at least 12 months.
- Has worked for at least 1,250 hours during the 12-month period immediately preceding the leave.
- Is employed at a worksite that has 50 or more employees within 75 miles

CFRA LEAVE

In accordance with the CFRA and this Policy, the District shall provide up to twelve (12) work weeks of CFRA leave to any "eligible employee" who requests leave for any of the following purposes:

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- The birth or adoption of a child by the employee or placement of a child in foster care with the employee (all family leave taken for one of these purposes must be concluded within one year of the event);
- To care for a child, parent, parent-in-law, spouse, registered domestic partner, or designated person of the employee who has a serious health condition;
- For an employee's own serious health condition which makes the employee unable to perform the essential functions of the employee's position; or
- Leave because of a qualifying exigency related to the covered active duty or call to covered active duty of an employee's spouse, domestic partner, child, or parent in the Armed Forces of the United States.
- For purposes of this policy, a designated person, means any individual related by blood or whose association with the employee is the equivalent of a family relationship. A designated person may be identified by the employee at the time the employee requests paid sick days.

Commented [9]: Gov Code § 12945.2; AB 1041
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Gov Code § 12945.2; AB 1041
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Commented [11]: An employer may limit an employee to one designated person per 12-month period for paid sick days. Gov Code § 12945.2(b)(2)

Gov Code § 12945.2; AB 1041
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1041

An employee is eligible for CFRA leave if the employee:

- Has been employed by the District for at least 12 months.
- Has worked for at least 1,250 hours during the 12-month period immediately preceding the leave.

Deleted: 3207.2 **Eligibility**
Employees are eligible for family leave if, at the time leave commences, all of the following apply:
¶ The employee must have at least 12 months (not necessarily consecutive months) of service with the District;
¶ The employee must have worked at least 1,250 hours during the 12 months immediately prior to the period of FMLA, Service member FMLA or CFRA leave; and
¶ As of the date of the employee's leave request, the District employs at least 50 full- or part-time employees at the employee's worksite or within 75 road miles of the employee's worksite.
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3207.2 Special Rules for Pregnancy Disability Leave

The right to take CFRA/FMLA leave is separate and distinct from the right to take a pregnancy disability leave. In other words, leave taken by an employee disabled by pregnancy, childbirth or related medical conditions is not family leave under the CFRA, even though it may be FMLA leave.

In light of the above, the District may require that pregnancy disability and FMLA leave run concurrently (hereinafter "pregnancy disability/FMLA leave"), but CFRA leave can

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never run concurrently with a pregnancy disability leave. This means that, at the end of the employee's period(s) of pregnancy disability or pregnancy disability/FMLA leave, whichever occurs first, a CFRA eligible employee may take up to 12 workweeks of CFRA leave due to the birth of her child or for other family leave purposes.

Where an employee has exhausted her entitlement to pregnancy disability/FMLA leave prior to the birth of her child, and her health care provider certifies that continued leave is medically necessary, the District may, but is not required to, allow the employee to utilize CFRA leave prior to the birth of her child.

The maximum combined leave entitlement for pregnancy disability, FMLA and CFRA leave for the birth of a child is four months and 12 workweeks. This assumes that the employee has exhausted all four months of pregnancy disability leave; she exhausted her entitlement to up to 12 weeks of FMLA leave during the period of pregnancy disability leave; and the employee requested and was eligible for a 12 week CFRA leave following the birth of her child.

For more information regarding rights to pregnancy disability leave contact the Human Resources Department.

3207.3 Special Rules Regarding Employment of Spouses

If both employees work for the District and are required to take leave pursuant to FMLA, their combined leave entitlement shall be limited to twelve (12) workweeks in a 12-month period.

If both employees work for the District and are required to take leave pursuant to CFRA, each employee is entitled to twelve (12) workweeks of CFRA bonding leave.

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3207.4 Calculating the 12-month Period

For the purpose of this Policy, "12-month period" shall mean a 12-month period measured backward from the date employee first uses family leave. The District uses a "backward rolling" calculation.

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3207.5 Notice Requirements

The employee, or a representative for the employee (e.g., spouse, adult family member, or other responsible party), must notify Human Resources, preferably in writing, as soon as it becomes apparent that the employee will be needing leave for a family leave purpose.

Employees must provide at least 30 calendar days advance notice before leave is to begin if the need for leave is foreseeable, or notice as soon as practicable under the circumstances.

The employee must consult with his or her supervisor regarding the need for a leave and must make a reasonable effort to schedule any planned medical treatment or supervision so as to minimize disruption of District operations. Actual scheduling is, however, subject to the approval of the patient's health care provider.

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Failure to comply with these notice requirements is grounds for, and may result in, deferral of the requested leave until the employee complies with these provisions. However, the District shall not deny a leave, the need for which is an emergency or is otherwise unforeseeable, on the basis that the employee did not provide advance notice of the need for the leave.

Where leave is requested on the basis of a serious health condition affecting an employee's family member, the District may require evidence of the family relationship.

3207.6 District Determination and Notification

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It is up to the District to designate leave, paid or unpaid, as CFRA or CFRA/FMLA leave based on information provided by the employee or the employee's representative.

In the event that the District determines that a leave of absence is for a FMLA/CFRA family leave purpose, the District shall, within two business days, if feasible, notify the employee in writing of its determination that the leave constitutes FMLA or CFRA leave.

Where CFRA leave is running separate and apart from FMLA leave (such as following a pregnancy disability/FMLA leave), the District shall respond to the leave request as soon as possible and, in any event, no later than 10 calendar days after receiving the request. Once given, approval of CFRA leave shall be deemed retroactive to the first day of the leave.

The District's written notice to the employee shall, among other things:

- Specify the obligations of the employee while on family leave and explain the consequences of a failure to meet these obligations;
- Provide notice to the employee in the event that a period of paid leave is to be counted as family leave;
- Provide notice to the employee in the event that the District requires paid leave to be substituted for unpaid leave.

Where the employee fails to provide sufficient information until after the leave commenced, the District may make a preliminary determination that the employee's absence is for a family leave purpose, subject to later confirmation by medical certification.

If either the District or the employee designate an absence as family leave after the leave of absence has begun, such as when an employee advises the District during the leave of absence or after his/her return to work that the entire leave of absence or any part of it was for a family leave purpose, that portion of the leave period which was for a family leave purpose may be retroactively counted as family leave.

If the employee fails to advise the District that a leave of absence was for a family leave purpose either before, during or within two days after he/she returns to work, the employee will not be able to assert the protections of the family leave laws for the leave of absence.

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Any dispute between the District and an employee as to whether paid leave qualifies as family leave should be resolved through discussions between the employee and Human Resources.

3207.87 Medical Certification

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An employee's request for leave due to a serious health condition affecting the employee or the employee's child, parent or spouse must be supported by a medical certification issued by the health care provider of the individual requiring care.

For leave to care for the employee's child, parent, or spouse, this certification need not identify the serious health condition involved, but shall contain:

- The date, if known, on which the serious health condition commenced;
- The probable duration of the condition;
- An estimate of the amount of time which the health care provider believes the employee needs to care for the child, parent or spouse; and
- A statement that the serious health condition warrants the participation of the employee to provide care during a period of treatment or supervision of the child, parent or spouse.

For leave to care for the employee's own serious health condition, this certification need not, but may, at the employee's option, identify the serious health condition involved. It shall contain:

- The date, if known, on which the serious health condition commenced;
- The probable duration of the condition; and
- A statement that, due to the serious health condition, the employee is unable to work at all or is unable to perform any one or more of the essential functions of his or her position.

This type of medical certification is not required where leave is requested for the birth, adoption or placement of a child in foster care with the employee. (However, the District may request written verification of family relationship for the birth, adoption or placement of a child in foster care with the employee).

Medical certification must be provided within 15 calendar days of the District's request and generally prior to the commencement of a foreseeable leave of absence, unless it is not practicable to do so despite the employee's diligent, good faith efforts to do so.

With regard to leave due to the employee's own serious health condition:

- Where the District has reason to doubt the validity of the employee's medical certification, the District may require, at the District's expense, that the employee obtain a second medical opinion from a health care provider designated by the District and who is not regularly used by the District; and
- Where the second opinion differs from the first, the District may require that the employee obtain a third and binding medical opinion, again at the District's expense, from a health care provider designated or approved jointly by the

District and the employee.

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The District may require recertification only where additional leave is requested.

The District may also require certification at the time the employee seeks reinstatement from family leave due to the employee's own serious health condition that the employee is fit for duty and able to return to work.

3207.8 Minimum Period of Leave

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Leave may be taken in one or more periods and does not have to cover a continuous period of time.

Where leave is taken due to the serious health condition of the employee or his/her parent, child or spouse, the minimum leave increment shall be the shortest period of time the District's payroll system uses to account for absences or use of leave.

Where CFRA leave is running separate and apart from FMLA leave (such as CFRA leave following pregnancy disability/FMLA leave), the minimum duration for leave taken in connection with the birth, adoption or foster care placement of a child is two weeks, except that the District shall grant a request for CFRA leave of less than two weeks on any two occasions during the one year period following the birth or placement of the child with the employee.

3207.9 Substitution of Leave

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The District may require that sick leave be used to provide pay during any period of otherwise unpaid family leave due to the employee's own serious health condition. Sick leave may also be used in connection with family leave taken for other purposes in accordance with applicable District Policy (ies), California Labor Code section 233, and upon the mutual agreement of the District and the employee. The District may require that vacation and other accrued time off (other than sick leave and compensatory time off) be used for any family leave qualifying event other than pregnancy disability leave. Where pregnancy disability leave and FMLA leave are running concurrently, accrued vacation or compensatory time may be used at the employee's option. CFRA and FMLA leave may also run concurrently with a leave of absence covered by workers' compensation or temporary disability. Upon reinstatement, all employee benefits will be resumed without any new qualification period, physical examination or exclusion of preexisting conditions.

3207.10 Reinstatement

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Where a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated to the same or a comparable position by the date agreed upon. If the reinstatement date differs from the District's and employee's original agreement, the employee will be reinstated to the same or a comparable position within two business days, where feasible, after the employee notifies the District of his or her readiness to return. The employee's use of family leave may not result in the loss of any employment benefit that the employee earned or was entitled to before going on family leave. Upon reinstatement, all employee benefits will be resumed without any new qualification period, physical examination or exclusion of preexisting

conditions.

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3207.1.1 Denial of Reinstatement

An employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during family leave. For example, if an employee is laid off while on family leave, the District's responsibility to maintain group health plan benefits and reinstate the employee ceases at the time the employee is laid off.

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The District may also deny reinstatement to:

- An employee who gives notice that he or she no longer desires to return to employment with the District;
- An employee who fails to provide certification that he or she is fit for duty and able to return to work after taking family leave based on the employee's own serious health condition; or

3208 SERVICEMEMBER FAMILY & MEDICAL LEAVE

The federal Family and Medical Leave Act (FMLA) entitles eligible employees to take leave for a covered family member's service in the Armed Forces. This Policy supplements our FMLA Policy and provides general notice of employee rights to this leave. Except as stated below, such rights and obligations for Service member FMLA are governed by our existing FMLA Policy. Service member FMLA runs concurrent with other leave entitlements provided under federal, state and local law.

3208.1 Entitlement to Service member FMLA

Service member FMLA provides eligible employees unpaid leave for any one, or combination, of the following reasons:

- A 'Qualifying Exigency' arising out of a covered family member's active duty or call to active duty in the Armed Forces in support of a contingency plan: or
- To care for a covered family member who has incurred an injury or illness while in the Armed Forces provided that such injury or illness renders the family member medically unfit to perform duties of the member's office, grade, rank or rating and is certified by the service member's health care provider.

3208.2 Duration of Service member FMLA

(1) When leave is due because of a 'Qualified Exigency' concerning the military duty of a family member: an eligible employee may take up to 12 workweeks of leave during any 12-month period. (2) When leave is to care for an injured or ill service member: an eligible employee may take up to 26 workweeks of leave during a single 12-month period to care for the service member. Leave to care for an injured or ill service member, when combined with other FMLA-qualifying leave, may not exceed 26 workweeks in a single 12-month period. (3) Where spouses are both employed by the District, they may take up to, in aggregate, 26 workweeks of service member FMLA, provided that any portion of the aggregate leave that is not for care of a family service member does not exceed 12 workweeks.

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Deleted: <#>salaried "key employee" who is among the highest-paid 10% of employees employed within 75 road miles of the employee's worksite, if:¶
<#>It is necessary to prevent substantial grievous economic injury to the operations of the District.¶
<#>Notice is given to the employee at the time of the leave request that the District will grant the leave request, but that the District may deny reinstatement, and¶
<#>The employee is given a reasonable opportunity to return to employment after receiving such notice, but elects not to return, or¶
<#>After the leave expires, the employee requests reinstatement, and the District makes a determination at the time of the reinstatement request and notifies the employee of its determination that reinstatement would cause substantial grievous economic injury to the operations of the District.¶

3208.3 Notice of Intent to take Service member FMLA

In any case where it is foreseeable that an employee will need service member FMLA, that employee must provide notice of his or her intent to take leave as soon as reasonably possible and provide certification of either the 'qualified exigency' or family service member's need for care as soon as practicable.

3209 PREGNANCY DISABILITY LEAVE

Any employee who is disabled by pregnancy, childbirth, or related conditions may take a Pregnancy-Related Disability leave for the period of actual disability of up to four months, in addition to any family care or medical leave to which the employee may be entitled. Pregnancy-Related Disability Leaves may be taken intermittently, or on a reduced-hours schedule, as medically necessary.

Moreover, an employee is entitled to a reasonable accommodation for pregnancy, childbirth, or related medical conditions if she so requests and provides the District with medical certification from her health care provider. In addition to other forms of reasonable accommodation, a pregnant employee is entitled to transfer temporarily to a less strenuous or hazardous position or to less hazardous or strenuous duties if she so requests, the transfer request is supported by proper medical certification, and the transfer can be reasonably accommodated.

3209.1 Substitution of Paid Leave for Pregnancy-Related Disability Leave

An employee taking Pregnancy-Related Disability Leave must substitute any available sick pay for her leave and may, at her option, substitute any accrued vacation time for her leave. The substitution of paid leave for Pregnancy-Related Disability Leave does not extend the total duration of the leave to which an employee is entitled.

3209.2 Leave's Effect on Benefits

During a Pregnancy-Related Disability Leave, the District will continue to pay for the employee's participation in the District's group health plans, to the same extent and under the same terms and conditions as would apply had the employee continued in employment continuously for the leave period.

Thus, the employee must continue to pay his or her share of the health plan premiums during the leave. If paid sick leave is substituted for any portion of the leave that is unpaid leave, such payments will be deducted from the employee's pay through the regular payroll deductions. Otherwise, the employee must make arrangements with the District for the payment of such premiums.

The District may recover from the employee the premiums that the District paid to maintain coverage for the employee under the group health plan if the employee fails to return from leave after the period of leave has expired and the employee's failure to return is for a reason other than: (i) the employee is taking (i.e., has transitioned over to) leave under the California Family Rights Act, unless the employee chooses not to return after the CFRA leave, in which case the District can recover such premiums; (ii) the

continuation, recurrence, or onset of a health condition that entitles the employee to Pregnancy-Related Disability Leave, unless the employee chooses not to return after the Pregnancy-Related Disability Leave, in which case the District can recover such premiums; (iii) non-pregnancy related medical conditions requiring further leave, unless the employee chooses not to return to work following the leave, in which case the District can recover such premiums, or (iv) other circumstances beyond the employee's control.

It is the District's policy that, similar to other unpaid leaves, during any unpaid portion of a Pregnancy-Disability Leave, employees will accrue employment benefits, such as sick leave and vacation leave, only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual.

Employee benefits may be continued during the unpaid portion of the Pregnancy-Disability Leave according to the provisions of the District's various employee benefit plans.

3209.3 Return to Work Certification

Consistent with the District's practice for other employees returning from a disability leave for reasons other than pregnancy, the District requires that an employee returning from Pregnancy-Related Disability Leave provide a release to return to work from her healthcare provider stating she is able to resume her original job or duties.

3209.4 Leave's Effect on Reinstatement

Employees returning from Pregnancy-Related Disability Leave generally are entitled to be reinstated in the same position, subject to certain conditions, and consistent with applicable law.

3211 BENEFIT ACCRUALS WHILE ON UNPAID LEAVE

Employees on family leave, pregnancy disability leave or any other leave, with the exception of Military Leave, do not accrue vacation, sick leave, or other seniority based benefits during any portion of the leave that is unpaid. Upon completion of family leave, pregnancy disability leave or any other leave, any entitlement to benefits shall be governed by the applicable leave policy. Benefit accruals while on Military Leave are provided in accordance with USERRA and the California Military and Veterans Code, Section 395, et seq.

3212 NO RETALIATION & WHISTLEBLOWER PROTECTIONS

3212.1 No Retaliation

The District's policy and state and federal laws forbid retaliation against employees because they have exercised their rights under law, protested any violation of law, or participated in any proceeding under law. The U.S. Department of Labor and the California Civil Rights Department (CRD) are authorized to investigate and resolve complaints of any violation of the PDL, FMLA, CFRA, and other laws. Employees also have the right to bring a civil action for violations of the PDL, FMLA, CFRA, and other laws.

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Eligible employees who are not subject to both the federal FMLA and California CFRA may take new parent leave under California's New Parent Leave Act to bond with a new child within one year of the child's birth, adoption, or foster care placement, under the circumstances set forth below. Employees should direct any questions to Human Resources.¶

¶ 3210.1 Eligibility¶

To be eligible for New Parent Leave, employees must (1) have more than 12 months of service with the District during the 12-month period prior to the date on which the leave is to commence; (2) have at least 1,250 hours of service with the District during the previous 12-month period; and (3) work at a worksite in which the District employs at least 20 employees within 75 miles.¶

¶ 3210.2 Leave's Effect on Pay and Benefits¶

Leave under the New Parent Leave Act is unpaid, although employees are entitled to utilize accrued vacation pay, paid sick time, or other paid or unpaid time off negotiated with the District, during such leave. Also, employees may be eligible for Paid Family Leave wage replacement/insurance benefits administered as part of the California State Disability Insurance program during a New Parent Leave.¶

¶ During New Parent Leaves, the District will continue to pay for employees' participation (if applicable) in the District's group health plan for the duration of the leave but not to exceed 12 weeks over the course of a 12-month period, commencing on the date that the parental leave commenced, at the level and under the conditions that would have been provided if the employee had continued to work in his or her position for the duration of the leave. Thus, the employee must continue to pay his or her share of any group health plan premiums during the leave. If an employee has other voluntary plans and/or dependent medical insurance coverage, he/she also will be required to pay the regular contributions for those benefits while on leave.¶

¶ The District may recover the premiums that it paid for maintaining coverage for the employee under any group health plans, if (1) the employee fails to return from leave after the expiration of the period of leave to which he/she is entitled, and (2) such failure to return is for a reason other than the continuation, recurrence, or onset of a serious health condition or other circumstances beyond the employee's control.¶

¶ 3210.3 Guaranteed Reinstatement¶

Eligible employees who take New Parent Leave should note that they are guaranteed employment in the same or a comparable position upon termination...

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3212.2 Whistleblower Protections

The District is committed to operating in compliance with all applicable laws, rules and regulations, including those concerning accounting and auditing, and prohibits fraudulent practices by any of its Board of Directors, officers, employees, agents, or volunteers. This policy outlines a procedure for employees to report actions that an employee reasonably believes violate a law, or regulation or that constitutes fraudulent accounting or other practices. This policy applies to any matter which is related to District business and does not relate to private acts of an individual not connected to District business.

If an employee has a reasonable belief that an employee, District officer, or other District agent has engaged in any action that violates any applicable law or regulation, including those concerning accounting and auditing, or constitutes a fraudulent practice, the employee is expected to immediately report such information to the Director of Human Resources. If the employee does not feel comfortable reporting the information to the Director of Human Resources, he or she is expected to report the information to the General Manager. If the employee does not feel comfortable reporting the information to the General Manager, he or she is expected to report the conduct to the Board of Directors, either collectively or by relaying the information to any individual Director to be relayed to the Board. All reports should be submitted in writing to properly characterize the concerns.

The District will not retaliate against an employee in the terms and conditions of employment because that employee: (a) reports to a supervisor, to Human Resources, General Manager, the Board of Directors or to a federal, state or local agency what the employee believes in good faith to be a violation of the law; or (b) participates in good faith in any resulting investigation or proceeding, or (c) exercises his or her rights under any state or federal law(s) or regulation(s) to pursue a claim or take legal action to protect the employee's rights.

The District may take disciplinary action (up to and including termination) against an employee who in management's assessment has engaged in retaliatory conduct in violation of this policy. The District will not, with the intent to retaliate, take any action harmful to any employee who has provided to law enforcement personnel, or court, truthful information relating to the commission or possible commission by District or any of its employees of a violation of any applicable law or regulation. Supervisors will be trained on this policy and the District's prohibition against retaliation in accordance with this policy.

3213 MILITARY LEAVE

Military leave shall be granted in accordance with State and Federal law.

3213.1 Active Service

An employee who is engaged in military duty ordered for purposes of active military training or encampment is entitled to military leave with pay for up to 30 days per calendar year.

3213.2 Inactive Service

An employee who is required to attend scheduled service drill periods or perform other inactive duty reserve obligations is entitled to military leave without pay, not to exceed 180 calendar days per year. Such employee may, at his or her option, elect to use accrued vacation or compensatory time to attend the scheduled reserve drill periods or to perform other inactive drill period obligations.

3214 PERSONAL LEAVE OF ABSENCE WITHOUT PAY

Upon written request, approved by the General Manager's sole discretion, a regular full-time employee may be granted a personal leave of absence without pay not to exceed 30 working days. The General Manager, based on the District's needs and requirements, will determine conditions of such leave of absence. The Board of Directors must approve requests for personal leaves of absence longer than 30 days' duration. This benefit is effective following successful completion of six months of service.

No sick or vacation leave will be accrued during any pay period an employee is absent without pay.

The employee and the District will each continue to pay its share of the premiums in accordance with District policy for qualified employees on authorized personal leave of absence without pay for up to 30 days on such leave. Thereafter, continuing such premium payments will be at the sole discretion of the Board of Directors. Should coverage be terminated under the District's long-term disability plan, coverage may be converted to an individual plan at the expense of the employee. Upon return to work, employees become eligible for reinstatement in accordance with the terms of the agreement with the insurance carrier then in effect.

Refer to the appropriate sections regarding continuation of premium payments for disability, medical, dental, vision and life insurance coverage while on other leaves without pay.

3215 UNAUTHORIZED ABSENCE

Any unauthorized absence from work is considered cause for immediate dismissal. Absence from work without permission and without notification to the District for three consecutive days will be considered a voluntary resignation.

3216 DISCRETIONARY EXECUTIVE LEAVE

At the General Manager's discretion, the District may provide up to five days of paid executive leave to its executive management employees. This leave is meant for business-related purposes as a means of encouraging full-time management employees to participate in and attend meetings, activities, and events on behalf of the District, and to spend time outside of normal working hours otherwise in the service of the District. Paid executive leave is not considered vacation and is a privilege of paid time away from the work place. Employees eligible for paid executive leave are required to obtain approval from the General Manager or designee prior to the scheduled use of paid executive leave. The use of any paid executive leave must be recorded in the District's payroll records for each calendar year. Paid executive leave does not accrue or cash out upon termination.

3217 CATASTROPHIC LEAVE

The District has adopted a program that allows employees who have accrued vacation, CTO or sick leave hours the option to voluntarily donate hours to another employee who has exhausted his/her sick, vacation and CTO leaves, due to a non-work related catastrophic illness or injury to allow the employee to recover from their illness or injury. The calculation for the hours will be based on the number of hours donated times the donor's hourly rate divided by the recipient's hourly rate. The Program guidelines and forms can be obtained from Human Resources.

3218 WORKER'S COMPENSATION (WORK-RELATED ILLNESS OR INJURY)

Whenever an employee sustains an injury or disability arising out of, and in the course of, District employment and requires medical care, the employee shall obtain treatment according to the provisions of the California Labor Code, sections 4600 et seq. and shall receive compensation for hours not worked while obtaining such medical care without loss of accrued leave hours. **Employees are required to immediately report a work-related injury/incident to their supervisor and Human Resources. The supervisor of the affected employee shall ensure that the report is made.**

Whenever, due to a work-related injury, an employee is compelled by direction of his or her physician to be absent from duty on account of such injury or disability, such employee will be placed on a Medical Leave of Absence under Workers' Compensation Leave. The employee will receive full compensation for the first three (3) calendar working days following the date of the injury without loss of accrued leave hours. Thereafter, the employee may elect to apply pro-rated sick leave first, vacation, or Compensatory Time Off (CTO), if sick leave is exhausted, to such absence to receive

compensation in an amount equal to the difference between the compensation to which he/she is entitled under Workers' Compensation Act and his or her regular pay, not to exceed the amount of accrued leave.

Workers' Compensation benefits begin with the fourth full consecutive calendar day of missed work (including weekends); however, if the absence continues beyond fourteen (14) days, Workers' Compensation will then pay the applicable benefits for the first three (3) days of missed work. When this occurs, the employee will be docked for the first three (3) days the District previously paid him/her in an amount equal to the Workers' Compensation benefits received.

An employee, who is on Workers' Compensation leave of absence and covered by disability insurance when the work related injury occurred, may be eligible for disability benefits. (Compensation to which an employee is entitled from Workers' Compensation and disability shall not exceed an employee's regular pay).

Supervisors are required to complete the required reporting forms whenever an employee is injured and/or placed on Workers' Compensation Leave. A doctor's release must be provided to the District upon the employee's return to work from a Workers' Compensation Leave. See Human Resources for the appropriate forms.

3219 RETURN TO WORK (RTW) FROM INDUSTRIAL INJURY OR ILLNESS

The decision to return an employee to work or place an employee back on the job, with or without modified work, shall be made by the District, independent of any decision made in the Workers' Compensation process, as follows:

- The employee shall submit to a fitness-for-duty assessment.
- Where there is an indication of continued physical or mental limitations, the employee and the District shall engage in the interactive process to determine whether reasonable accommodations to the limitations exist.
- If there is no permanent disability, no work restrictions, and the absence has not been longer than thirty days, the employee shall be returned to work.
- If there is no permanent disability, but temporary work restrictions, or there has been an absence of thirty days or more, a review of the employee's medical records from the Workers' Compensation case and RTW medical evaluation may be conducted. An employee shall be returned to work if the work restrictions are compatible with job demands or modified job demands, if available pursuant to reasonable accommodations.
- If there is a permanent disability, placement of the employee in the position last held by the employee will be considered following a RTW medical evaluation and complete assessment of potential reasonable accommodations.

The employee must obtain a release to work or be properly discharged from the medical provider utilized by the District prior to returning to his or her job. If it is determined that the job demands of the position last held by the employee are not compatible with the employee's restrictions and the employee is willing to return to work, placement in an alternative position, if available, will be considered. The employee shall be reclassified as "medically disqualified" and placed on unpaid leave while alternative positions are being considered. However, the employee may elect to use accrued leave hours, such as vacation, to receive compensation. Placement of an employee in an alternate position requires a pre-placement medical evaluation for the alternative job.

3300 INSURANCE PROGRAMS

3301 MEDICAL INSURANCE

Group medical insurance is provided to eligible regular full-time District employees or where otherwise required by law (including the Affordable Care Act or the state paid sick leave laws). Coverage is also offered to spouses, dependents and registered domestic partners of eligible employees in accordance with the terms of the plan documents. The District pays a portion toward the monthly premiums based on employee and dependent status for medical coverage as approved by the Board and in accordance with the District Benefit Administrators policy guidelines. Employees are required to contribute toward their monthly medical insurance premiums. This benefit goes into effect on the first day of the month following 30 days of service.

3302 DENTAL INSURANCE

Group dental insurance is provided for all regular full-time employees and their dependents by the District as specified in the dental insurance policies. The District will pay a portion toward the cost of the monthly premiums based on the amounts approved by the Board and in accordance with the District's Benefit Administrators policy guidelines. Employees are required to contribute a portion toward their monthly dental insurance premiums. This benefit goes into effect on the first day of the month following 30 days of service.

3303 VISION INSURANCE

Group vision insurance is provided for all regular full-time employees and their dependents by the District as specified in the vision insurance policy. The District will pay a portion towards the cost of the monthly premiums based on the amounts approved by the Board and in accordance with the benefit administrator's policy guidelines. This benefit goes into effect on the first day of the month following 30 days of service.

Employees on an authorized medical leave of absence without pay may continue medical, dental, and vision coverage for the duration of any protected leave or, discretionary leave up to four months, with the District paying its share of the premiums and the employee paying their respective portions of the premiums. Thereafter,

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coverage is terminated under the District's group plans unless continuation coverage is elected as explained below. Upon return to work, employees become eligible for re-enrollment in accordance with the benefit administrator's policy guidelines.

3304 FLEXIBLE BENEFITS SPENDING PLAN

The Flexible Benefits Spending Plan is a voluntary program and is available to all full-time employees. The plan allows eligible participants the opportunity to defer a portion of their compensation to pay for certain health-related and dependent care expenses on a pre-tax basis. The plan also allows for employee contributions for District group health insurance premiums to be deducted from earnings on a pre-tax basis.

3305 HEALTH SAVINGS ACCOUNT (HSA)

A Health Savings Account (HSA) is available to employees who are enrolled in a Consumer Driven Health Plan (CDHP). An employee must be enrolled in a CDHP in order to participate in an HSA. Contributions to the HSA account are tax-free as long as the withdrawals from the account are used for eligible medical expenses. The District makes a contribution to eligible HSA accounts, as determined by the Board of Directors and in compliance with IRS guidelines. Contact Human Resources for additional Information about this plan together with enrollment forms. The plan is administered by an outside consultant.

These benefits are available on the first of the month following 30 days of employment.

For employees enrolled in the Consumer Driven Health Plan, the District will deposit contributions, based on the amount approved by the Board, into the employee's HSA on the first payroll in January for employees enrolled in a CDHP, or switched to the CDHP during open enrollment. Employees hired in January and thereafter will receive a pro-rated initial contribution to their HSA effective with their benefit eligibility date. Employees already enrolled in an HSA and have increased coverage during the calendar year will receive partial proration, not to exceed maximum tier contribution.

The MWDOC Board of Directors reserves the right to review, revise and alter the District's contributions to HSAs, depending on the cost of the program and the fiscal condition of the District.

(Rev. Board approved October 21, 2020)

3306 LIFE INSURANCE

Group life insurance, which may include death and dismemberment benefits, is provided to eligible regular full-time employees. The District will pay a portion toward the cost of the monthly premiums based on the amounts approved by the Board and in accordance with the benefit administrator's policy guidelines. This benefit becomes effective on the first day of the month following 30 days of service. The current coverage is two times the eligible employee's annual salary to a maximum of \$250,000 coverage. See benefit administrator's policy guidelines for details on benefits and restrictions. Voluntary, supplemental life insurance coverage is also available to regular

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full-time employees as a voluntary benefit with the employee paying 100% of the cost, which may be made through payroll deductions.

Employees on an authorized medical leave of absence without pay may continue basic and supplemental coverage for the period of any protected leave or, if discretionary leave up to four months, with the District paying its share of the premiums and the employee paying their respective share of the premiums for basic coverage only, based on the amounts approved by the Board and in accordance with the benefit's administrator's policy guidelines. Employees are responsible for paying 100% for supplemental life insurance coverage. Thereafter, coverage is terminated under the District's group plan unless individual coverage is elected. Upon return to work, such employees become eligible for re-enrollment in accordance with the terms of agreement with the insurance carriers then in effect.

3307 RETIREE MEDICAL BENEFITS

Retiree health and welfare benefits upon retirement (Applies to Regular Full-Time employees hired prior to July 1, 2012)

The District shall provide retiree health and welfare benefits as set forth in this policy for retired employees who are at least 55 years of age, including their spouses or domestic partner registered with the State of California (at the time of retirement), and that have accrued a specified number of years of service.

In order to be eligible for retiree medical benefits, there shall be no lapse in service. Employee must transfer directly from active status directly to retired status.

3307.1 10 Years of Service

Employees with a minimum of 10 consecutive years of full-time service with the District shall receive retiree medical benefits on the following terms:

- Retirees are not eligible for District paid dental and vision benefits.
- Retiree will have the option to continue participation in dental and vision coverage at their own cost in accordance with the Consolidated Omnibus Reconciliation Act (COBRA).
- The District shall pay health coverage premiums for retiree only or couples coverage on the same basis as active employees.
- The District does not make contributions to Health Savings Accounts (HSAs) on behalf of retirees.
- Once the retiree becomes Medicare eligible, coverage will cease for the retiree and any enrolled dependents. COBRA enrollment will be offered at that time.
- Upon becoming Medicare eligible, the retiree must enroll in Medicare in order to obtain reimbursement from the District. The District will not reimburse the retiree for any penalties associated with deferred enrollment in Medicare.
- In the event a spouse or registered domestic partner survives a retiree before the District-paid group coverage would normally end, the District will continue paying the premium for the surviving spouse or registered domestic partner for retiree only coverage until the earliest to occur of the following: remarriage or enrollment under another plan, or becoming eligible for Medicare.

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- If retiree discontinues enrollment in a retiree medical care plan, re-enrollment is not permitted.
- Annual open enrollment is not offered to retirees.

3307.2 25 Years of Service

Employees with a minimum of 25 consecutive years of full-time service with the District shall receive retiree medical benefits on the following terms:

- The District shall pay health coverage premiums for retiree only or couples coverage on the same basis as active employees.
- The District does not make contributions to Health Savings Accounts (HSAs) on behalf of retirees.
- Retirees and spouses or registered domestic partners are eligible to participate in the District's Dental and Vision Insurance Plan as follows:
 - Dental
 - Retiree Only Coverage: The District shall pay the monthly insurance premiums on the same basis as active employees.
 - Couples Coverage: The District shall pay 80% of the monthly premium for retiree plus spouse or registered domestic partner.
 - Vision
 - Retiree Only Coverage: The District shall pay the monthly insurance premiums on the same basis as active employees.
 - Couples Coverage: The District shall pay 80% of the monthly insurance premiums.
- Retirees and their spouses are required to enroll in Medicare parts A and B upon eligibility. This must occur when both criteria are met, Medicare eligible and retired. The District will not reimburse the retiree for any penalties associated with deferred enrollment in Medicare.
- In the event a spouse or registered domestic partner survives a retiree, the District will continue paying the premium for the surviving spouse or registered domestic partner for retiree only coverage until the earliest to occur of the following: remarriage or enrollment in another group medical plan.
- If retiree discontinues enrollment in a retiree medical care plan, re-enrollment is not permitted.
- Annual open enrollment is not offered to retirees.

3307.3 Process for Reimbursement

- Retirees with 10 years of service, the District will reimburse retiree, up to \$3,080.82 per calendar year, for a Medicare Advantage Plan, a supplemental Medigap insurance policy, Medicare Prescription Drug Insurance (Part D) or Medicare Part B coverage covering the retiree only.
- Retirees with 25 years of service, the District will reimburse for Medicare Part B for both retiree and his/her eligible spouse or registered domestic partner after submitting verification to the District of official enrollment in Medicare Part B.
- Reimbursements will be made on a quarterly to yearly basis, upon submission of proper documentation.

- Proper documentation for reimbursement includes a written or email request to the Finance Department, with the time period requested, amount to be reimbursed and proof of payment.
- Retirees may submit their requests no sooner than the last month of the coverage period being requested.
- Reimbursements submitted with proper documentation will be issued at the end of the following month from the date the request is received.
- Reimbursements are issued via check and mailed to retirees or by ACH payment.
- Reimbursements for eligible expenses incurred in a calendar year must be submitted no later than 30 days after the conclusion of that calendar year.

Retiree Health and Welfare contribution amounts are established in accordance with benefit administrator's plan Guidelines then in effect and as approved by the MWDOC Board.

Employees hired on or after July 1, 2012 are not eligible to receive District-paid retiree health and welfare benefits.

Any variance from these benefits and requirements requires approval by the MWDOC Board of Directors and is subject to approval by benefits administrator in compliance with its policy guidelines.

(Rev. Board approved December 8, 2021)

3308 CONTINUED MEDICAL, DENTAL AND VISION COVERAGE

Medical, dental and vision coverage may be continued if an individual's group health benefits end due to a "qualifying event" and if the employee elects to continue coverage under the plan. In order to continue coverage, the individual will be required to pay the total monthly premium payment plus two percent for administrative costs.

3308.1 Qualifying Events

For the employee: Termination of employment (other than for gross misconduct) or reduction of hours worked so as to render the employee ineligible for coverage. (2) For dependents: (a) Death of the employee; (b) Divorce or legal separation; (c) Loss of coverage due to the employee becoming entitled for Medicare, or (d) For a dependent child, ceasing to qualify as a dependent under the plan.

3308.2 Period of Coverage

If coverage is elected, the continued coverage will end on the earliest of the following:

- 18 months after the date of termination of employment (other than for gross misconduct) or reduction of hours worked so as to render the employee ineligible for coverage.
- Up to 29 months after termination of employee due to total disability within the meaning of the Social Security Act at the time of the qualifying event.
- 36 months after the date of any other qualifying event.

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- The date the employee or dependent fails to make any required premium payment when due.
- The date the employee or dependent becomes covered under any other group health plan unless the new plan contains any exclusion or limitation with respect to any pre-existing conditions in which event the individual may remain eligible for continued coverage in accordance with the Health Insurance Portability and Accountability Act (HIPAA) as amended.
- The date the employee or dependent becomes eligible for Medicare.
- In the case of a divorced or widowed spouse, the date on which the individual remarries and becomes covered by any other group medical plan unless the new plan contains any exclusion or limitation with respect to any pre-existing conditions in which event the individual may remain eligible for continued coverage in accordance with the Health Insurance Portability and Accountability Act (HIPAA), as amended.

The District and third-party Benefits Administrators have the responsibility of billing and collecting premiums for individuals who have terminated from the District's group health plans.

The foregoing is merely a summary of certain rules and regulations concerning COBRA, which are subject to revision at any time. Employees and others participating in the District's group medical plan should contact the District for further information at or before the time of a qualifying event in order to assure they understand the full extent of their rights and obligations under COBRA.

3308.3 Cost of Coverage

The monthly premiums are subject to change whenever the premiums are changed for active employees.

3308.4 Notification of Election to Continue Coverage

Employees are required to notify Human Resources of a qualifying event for themselves or dependents. The District will then begin the appropriate notification procedure. The eligible COBRA participant must provide an election notice and premium payment to the District within 60 days of notification of their right to continue coverage.

3400 RETIREMENT PROGRAMS

3401 MEDICARE COVERAGE

All District employees hired after April 1, 1986 are required by the passage of the Consolidated Omnibus Budget Reconciliation Act (COBRA), to contribute to the Medicare portion of the Social Security Program. Those employees shall contribute 1.45% of their salary with the District matching the fund by contributing 1.45% of the employee's salary, unless changed by federal law.

3402 DEFINED CONTRIBUTION PENSION PLAN (401A – MONEY PURCHASE PENSION PLAN)

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Effective March 3, 2003, this plan is no longer offered to District employees. The only eligible participants in this Plan are MWDOC Board of Directors, MWDOC/MET Board of Directors and the General Manager.

For details of the plan contact Human Resources.

3403 CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS)

3403.1 CalPERS Applicability

The District became a member of CalPERS effective March 3, 2003. In lieu of Social Security, the District offers to its eligible employees a retirement plan under (CalPERS). This policy is intended to comply with CalPERS regulations and the District's own CalPERS related Resolutions and should be interpreted accordingly. Where in contradiction, the CalPERS regulations and CalPERS interpretation of those regulations supersede.

3403.2 Persons Eligible

Regular full-time employees, and part-time employees reaching the minimum requirement of 1,000 hours in a fiscal year (July 1 to June 30).

3403.3 Waiting Period

Eligible from the first day of employment.

3403.4 Employee/Member Contribution

The maximum required employee/member contribution amount depends on the employee's hire date in accordance with Board approved policy and the Public Employee Pension Reform Act (PEPRA) as follows:

Per the Public Employees' Pension Reform act of 2012 (PEPRA), "classic members" currently employed in a reciprocal public agency are enrolled in a 2% at 55 CalPERS pension plan with a 7% employee contribution. "New members", either new to the public sector, or whose date of separation was more than 6 months before the start date with the District, are enrolled in a 2% at 62 CalPERS pension plan and fall under the Public Employees Pension Reform Act (PEPRA) with a required employee and employer contribution of approximately 50% of the "normal cost".

Employees working 1,000 or more hours during the plan year (July 1 to June 30) are eligible to participate.

Qualifying employees are eligible immediately upon hire by the District.

3403.5 Vesting Provisions

Participants become vested after completion of five years of public service, be it with the District or another public employer with reciprocity. Vesting means funds may be left on deposit for future retirement. Upon termination, an employee may withdraw their contributions or leave them with CalPERS. The employer contributions are only paid upon retirement.

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3403.6 Benefits Provided

Employees are eligible to retire upon completing five years of service and having attained the appropriate age based on the retirement formula. Retirement date can be any date the employee chooses; however, the amount of the monthly allowance can be affected. CalPERS will calculate retirement benefits based on three factors, (1) years of service, (2) percentage factor determined by age at retirement, and (3) the final average monthly pay rate based on the CalPERS formula.

Employees nearing retirement are urged to avail themselves of the retirement pre-counseling and planning available to them by CalPERS. CalPERS requires at least 90 days' notice in advance of planned retirement (as does Social Security for any previous services). However, the District strongly urges employees anticipating retirement to make their inquiries at least six months to one year in advance to avoid any unnecessary delays.

For additional information regarding CalPERS Options for the 2%@55 and 2%@62 Contracts, please see Human Resources or the calpers.org website.

3404 DEFERRED COMPENSATION PLAN (457 Plan)

A voluntary non-qualified deferred compensation Section 457 plan is available to any eligible employee who elects, pursuant to the plan, to defer a portion of his or her compensation and who fulfills the requirements for participation in the plan. Information on the plan is available through Human Resources. The District does not make any contributions to this plan.

3500 ADDITIONAL BENEFITS

3501 EDUCATION REIMBURSEMENT

The education reimbursement program is designed to provide financial assistance to regular, full-time employees with one or more years of service; who wish to continue their formal education, training and certification and to assist employees in obtaining skills or knowledge to become better qualified for their current work or for advancement in the District.

Courses must be related to the employee's position, occupation, or advancement within the District as determined by the Supervisor, General Manager and Human Resources. This includes courses that are prerequisites for work-related courses and those that are required to obtain a degree in a work-related field. Eligible courses are those taken at an accredited institution.

Correspondence courses from reputable institutions will be considered when equivalent courses are not available at local accredited schools, or when the employee's circumstances prevent attendance at courses offered locally.

Courses must be taken on the employee's time, unless special circumstances warrant otherwise and prior arrangements have been made with the supervisor and approved

by the General Manager.

Requests for tuition reimbursement may be denied based on district budgeting constraints for that particular fiscal year.

Employees may not use District computers to complete classes online or complete homework assignments during working hours.

Eligible expenses are tuition, parking, books, registration fees and laboratory/materials fees. The annual limit each year for educational expenses shall be based on the Cal State Fullerton adopted program fee schedule for undergraduate and graduate programs given the program which the employee is enrolled. Expenses for travel and other incidental costs are not reimbursable. Written approval for reimbursement must be obtained from Human Resources, the employee's supervisor and the General Manager prior to or within 30 days of enrollment in the course.

Funds received from outside sources such as scholarship grants or Veterans educational benefits must be applied toward the cost of the course before the District's reimbursement is applied.

Evidence of successful completion of the course with a minimum grade of "B" or higher and receipts for the allowable expenses must be submitted prior to reimbursement.

Expenses reimbursed may be considered taxable income and subject to tax withholding.

If an employee voluntarily terminates employment or is terminated for cause within 24 months of completing a course in which educational reimbursement has been paid, the employee shall reimburse the District based on the following pro-rated service requirement:

- Voluntary termination or termination for cause within one year of completing a course = 100% reimbursement to the District.
- Voluntary termination or termination for cause within 13 to 24 months of completing a course = 50% reimbursement to the District.

If an employee fails to reimburse the District, the District may sue the employee for breach of Agreement.

3502 COMPUTER LOAN PROGRAM

Interest-free loans to assist employees with the financing of a personal computer system are available to regular full-time employees who have completed one year of service. Loans can be in amounts from \$300 to \$2,000.

3503 CELL PHONE ALLOWANCE

MWDOC has identified a business need for eligible employees to use cell phones for certain business communications while away from the office, for emergency operations

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and after-hours communications. To meet this business need, MWDOC will provide a cell phone allowance to eligible employees. The policy is intended to define eligibility requirements for assignments of a cell phone allowance based on business necessity, define allowance levels and amounts, terms for usage and responsibility, and accommodate changes and advances in mobile technology. As used in the policy, a cell phone is a smart phone capable of cellular phone calls and data communication. The policy does not cover tablets, such as iPads or surfaces or air cards. No further reimbursement for cell phone costs is available to employees who receive such an allowance. Contact Human Resources for Policy details.

Please note, all District employees, regardless of eligibility for an allowance under this policy, are not prohibited from accessing their mobile device or other communications device, to get emergency assistance, assess a situation's safety or communicate with someone to verify their safety.

3504 UNIFORMS/TOOLS – FIELD PERSONNEL

The District provides uniforms to employees who are required to wear uniforms as a condition of their employment. The uniforms are provided as a ready substitute for the personal attire employees would otherwise have to acquire and maintain.

- Employees are responsible for laundering the uniforms and are to maintain them so that they are clean, neat and professional when employees are representing the District.
- Employees are responsible for the safekeeping of all uniforms they are furnished.
- Non-District issued shirts, pants, shorts, hats, etc. are not permitted.
- Normal wear and tear is expected; however, abuse or loss of a garment may result in replacement cost to employees and/or may be subject to discipline.
- Upon termination, such furnished clothing and equipment provided to employees must be turned in to the District or the depreciated cost thereof will be deducted from employee's final paycheck or otherwise charged to employees.
- District issued uniforms, tools, equipment, etc. are only for District business related use and may not be used for personal use at any time.
- Employees will be reimbursed per fiscal year for one pair of shoes/boots of each type required based on job requirements. If employees spend less than the amount eligible for reimbursement for each type required, the remaining amount will not be carried forward or accumulated for reimbursement toward future purchases.
- If employees purchase shoes from a store designated by the District, they must first confirm that the shoes meet the job and safety requirements by reviewing with their immediate Supervisor. After obtaining approval from Supervisor, employee must complete a business expense report and submit for reimbursement.
- If for some reason the shoes are worn out due to working conditions before the fiscal year end, the District will consider a request for replacement on an exception basis.
- Employees may submit a request for reimbursement of expenses incurred for the purchase of tools necessary to perform the essential functions of the job duties as pre-approved by the immediate Supervisor.

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Labor Code § 1139

SB 1044

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1044

3505 VEHICLE POLICY

Employees whose job duties require them to drive their own vehicle or are required to drive a District owned vehicle for District business will be required to follow the guidelines as outlined. The employee maintains a duty to notify the District of any license restriction or lapse of adequate insurance coverage. The District requires strict adherence to state and federal laws law regarding the operation of motor vehicles. The District participates in a system that regularly checks state Department of Motor Vehicles (DMV) records of all employees who are required to drive as part of their job.

3505.1 Driver Responsibility

The District requires strict adherence to state and federal laws law regarding the operation of motor vehicles.

All employees are to possess and maintain a valid California driver's license, as well as automobile insurance.

It is the responsibility of all employees who drive vehicles on District business to practice safe and defensive driving and follow all traffic laws.

All employees who drive vehicles on District business are to attend, at District cost, a defensive driver training course every four years or more often if driving record so dictates.

Employees may not use cellular devices while driving, in accordance with the law. It is against the law to drive while reading, writing, or sending a text message.

Employees are responsible for any driving infractions or fines as a result of their driving. Seatbelts must be used by the driver and all passengers. Violation of these or any vehicle code or traffic law is grounds for discipline.

3506 USE OF DISTRICT VEHICLES

Employees that are required to operate a District vehicle to fulfill the responsibilities of their job must comply with all applicable state and federal laws, insurance requirements and District guidelines.

Employees involved in a vehicle accident while operating a District vehicle will report such accident to their immediate Supervisor and the Human Resources Department before leaving the scene of the accident. The District employee-driver is required to provide pertinent information to other non-District drivers involved in the accident.

Employees are forbidden to use District-owned vehicles for personal use at any time.

District vehicles are subject to remote monitoring. Remote monitoring is intended to provide the District with the ability to account for vehicles at all times. Remote monitoring includes, but is not limited to, the ability to monitor vehicle location, vehicle

starts and stops and vehicle speed.

3507 MILEAGE REIMBURSEMENT

Employees may be reimbursed for mileage when using their private automobile while on official District business. Mileage will be reimbursed at the standard rate established by the IRS. Cost of gasoline or oil purchases, vehicle repairs or maintenance and vehicle insurance are incorporated into the mileage reimbursement rate. No employee who receives an automobile allowance shall receive mileage reimbursement. A business expense report must be completed and submitted in a timely manner in order to be reimbursed for mileage. Mileage should ordinarily be computed between the employee's worksite and the destination. Reimbursable mileage is calculated based on the lesser amount of miles driven from home to event or office to event.

3508 AUTOMOBILE ALLOWANCES

The General Manager and Assistant General Manager receive an automobile allowance in an amount established by resolution of the Board of Directors. The payment of automobile allowance is subject to review during the Total Benchmark and Compensation Study or at the Board's discretion.

3508.1 Exceptions

The General Manager may authorize exceptions to any of the provisions herein set forth and shall give written notification to the Administration & Finance Committee of such exception within 30 days of the date such exception is authorized. All exceptions shall be reviewed by the General Manager annually to determine whether continuation of such exception is justified.

3508.2 Implementation

The provisions of this policy will be implemented and administered by the General Manager. Annually, the General Manager shall conduct a review of automobile allowances to assure that continuation is justified. During this review, the following should be considered: employee's duties and responsibilities, including "on-call" duties, type of vehicle, classification, location of employee's residence and work station, justification for allowance and average monthly business mileage.

New requests for automobile allowance shall be made through the annual budget process and may be made from time to time as necessary throughout the year following the above review procedures. Requests may be made during the year when required by circumstances. All requests made as the result of the creation of a new position within the District are subject to the approval of the Administration & Finance Committee of the Board.

The General Manager shall submit an annual report to the Administration & Finance Committee listing employees receiving a vehicle allowance for use of privately-owned vehicles as defined in the Operating Rules for Automobile Allowance Section of this policy, and a listing of exceptions to the provisions of this policy authorized under the Exceptions Section of this policy.

The General Manager may authorize the payment of an automobile allowance to others in an amount not to exceed that established by resolution of the Board of Directors for executive use, when the interest of the District would best be served by paying an allowance rather than mileage; providing, however the following criteria are met:

1. Nature of Job Classification: Employee has specific job duties requiring the performance of official District business outside of regular working hours on a recurring basis and who meet the following criteria:
 - a) On-call availability;
 - b) Frequent attendance at conferences, seminars, meetings, and community affairs (after normal working hours);
 - c) Frequent participation in public affairs activities, such speaking engagements (after normal working hours);
 - d) Regular and frequent travel during working hours.
2. Nature of Work Activity: An automobile allowance may be offered to other management personnel for two-year renewable periods upon a review of the individual personnel requirements for an allowance based upon the criteria indicated in Section (1). This review shall be performed and documented by the Department Manager and approval of an assignment for automobile allowance shall be made only by the General Manager. The assignment shall be effective for a maximum period of two-years and shall be reviewed at that time to determine continued justification.

3508.3 Operating Rules for Automobile Allowance

1. Automobile allowance may only be provided to appropriate management positions as defined above.
2. An employee receiving an Automobile Allowance must provide a car which is in appropriate condition, well maintained, and capable of comfortably accommodating four adults.
3. Employees receiving an Automobile Allowance must maintain insurance to cover their normal private use of the vehicle (pursuant to Insurance Requirements outlined in this section).
4. The Automobile Allowance will be provided coinciding with the first pay period of the month following the month of use.
5. An employee receiving an Automobile Allowance is expected to use his or her personal automobile on all required District business.
6. An employee receiving an Automobile Allowance shall not be entitled to

receive any additional remuneration for the cost of gasoline, repairs or maintenance on his/her vehicle. Mileage expense claims of any type are prohibited.

3508.4 Insurance requirements

Employees who are paid an automobile allowance or mileage reimbursement for use of privately-owned automobile for District business, shall possess and maintain insurance on such automobile with liability coverage acceptable to the District. Each employee shall provide private automobile insurance information, which shall be maintained by the Human Resources Department and shall be reviewed and updated annually. The record maintained shall contain the following current information: Name of employee, insurance company, policy number, description of coverage, and license number and expiration date.

The provision of the Automobile Allowance is and shall remain at the discretion of the District.

3600 MWDOC DIRECTOR BENEFITS

3601 DISABILITY LEAVE

3601.1 Short-Term Disability Leave

The District participates in the State of California, Employment Development Department (EDD) Disability Insurance program. Workers who suffer a loss of wages when they are unable to work due to a non-work-related illness or injury, pregnancy or childbirth, may be eligible for disability insurance benefits. Generally, the program goes into effect on the eighth day of disability (since SDI requires a seven-day waiting period) up to a maximum of 52 weeks (as determined by EDD) based on the requirements of the Plan. Visit <http://edd.ca.gov/> for complete program details, eligibility, weekly benefit amount, exclusions, etc.

The weekly and maximum benefit amounts are based on the wages paid during a specific 12-month base period, which is determined based on the date the claim begins. The program is administered by the EDD, and Directors should seek clarification as to eligibility and scope of benefits from the EDD. EDD guidelines and rulings supersede any statement made herein.

3602 WORKER'S COMPENSATION (WORK-RELATED ILLNESS OR INJURY)

Whenever a Director sustains an injury or disability arising out of, and in the course of, District employment and requires medical care, the Director shall obtain treatment according to the provisions of the California Labor Code, sections 4600 et seq..

Directors are required to immediately report a work-related injury/incident to Human Resources. Human Resources shall ensure that the report is made.

This Program is administered by the Plan Administrator and Directors should seek clarification as to eligibility and scope of Worker's Compensation benefits. Administrator guidelines and rules supersede any statements made herein.

3603 RETURN TO WORK (RTW) FROM INDUSTRIAL INJURY OR ILLNESS

The decision to return a Director to work or place a Director back on the job, with or without modified work, shall be made by the District, independent of any decision made in the Workers' Compensation process.

The Director must obtain a release to work or be properly discharged from the medical provider utilized by the District prior to returning to his or her job.

3604 MEDICAL INSURANCE

Group medical insurance is provided to eligible Directors or where otherwise required by law (including the Affordable Care Act or the state paid sick leave laws). Coverage is also offered to spouses, dependents and registered domestic partners of eligible Directors in accordance with the terms of the plan documents. The District pays a portion toward the monthly premiums based on Director and dependent status for medical coverage as approved by the Board and in accordance with the District Benefit Administrators policy guidelines. Directors are required to contribute toward their monthly medical insurance premiums. This benefit goes into effect on the first day of the month following 30 days of service.

3605 DENTAL INSURANCE

Group dental insurance is provided for Directors and their dependents by the District as specified in the dental insurance policies. The District will pay a portion toward the cost of the monthly premiums based on the amounts approved by the Board and in accordance with the District's Benefit Administrators policy guidelines. Directors are required to contribute a portion toward their monthly dental insurance premiums. This benefit goes into effect on the first day of the month following 30 days of service.

3606 VISION INSURANCE

Group vision insurance is provided for Directors and their dependents by the District as specified in the vision insurance policy. The District will pay a portion towards the cost of the monthly premiums based on the amounts approved by the Board and in accordance with the benefit administrator's policy guidelines. This benefit goes into effect on the first day of the month following 30 days of service.

Directors on an authorized medical leave of absence without pay may continue medical, dental, and vision coverage for the duration of any protected leave or, discretionary leave up to four months, with the District paying its share of the premiums and the Directors paying their respective portions of the premiums. Thereafter, coverage is terminated under the District's group plans unless continuation coverage is elected as explained below. Upon return to work, Directors become eligible for re-enrollment in accordance with the benefit administrator's policy guidelines.

3607 FLEXIBLE BENEFITS SPENDING PLAN

The Flexible Benefits Spending Plan is a voluntary program and is available to Directors. The plan allows eligible participants the opportunity to defer a portion of their compensation to pay for certain health-related and dependent care expenses on a pre-tax basis. The plan also allows for Director contributions for District group health insurance premiums to be deducted from earnings on a pre-tax basis.

3608 HEALTH SAVINGS ACCOUNT (HSA)

A Health Savings Account (HSA) is available to Directors who are enrolled in a Consumer Driven Health Plan (CDHP). A Directors must be enrolled in a CDHP in order to participate in an HSA. Contributions to the HSA account are tax-free as long as the withdrawals from the account are used for eligible medical expenses. The District makes a contribution to eligible HSA accounts, as determined by the Board of Directors and in compliance with IRS guidelines. Contact Human Resources for additional Information about this plan together with enrollment forms. The plan is administered by an outside consultant.

These benefits are available on the first of the month following 30 days of employment.

3609 LIFE INSURANCE

Group life insurance, which may include death and dismemberment benefits, is provided to eligible Directors. The District will pay a portion toward the cost of the monthly premiums based on the amounts approved by the Board and in accordance with the benefit administrator's policy guidelines. This benefit becomes effective on the first day of the month following 30 days of service. The current coverage the maximum is up to \$25,000, subject to reductions. See benefit administrator's policy guidelines for details on benefits and restrictions.

Directors on an authorized medical leave of absence without pay may continue basic coverage for the period of any protected leave or, if discretionary leave up to four months, with the District paying its share of the premiums and the Director paying their respective share of the premiums for basic coverage only, based on the amounts approved by the Board and in accordance with the benefit's administrator's policy guidelines. Thereafter, coverage is terminated under the District's group plan unless individual coverage is elected. Upon return to work, such Directors become eligible for re-enrollment in accordance with the terms of agreement with the insurance carriers then in effect.

3610 CONTINUED MEDICAL, DENTAL AND VISION COVERAGE

Medical, dental and vision coverage may be continued if an individual's group health benefits end due to a "qualifying event" and if the Director elects to continue coverage under the plan. In order to continue coverage, the individual will be required to pay the total monthly premium payment plus two percent for administrative costs.

3610.1 Qualifying Events

For the Director: Termination of employment (other than for gross misconduct) or reduction of hours worked so as to render the Director ineligible for coverage. (2) For

dependents: (a) Death of the Director; (b) Divorce or legal separation; (c) Loss of coverage due to the Director becoming entitled for Medicare, or (d) For a dependent child, ceasing to qualify as a dependent under the plan.

3610.2 Period of Coverage

If coverage is elected, the continued coverage will end on the earliest of the following:

- 18 months after the date of termination of employment (other than for gross misconduct) or reduction of hours worked so as to render the Director ineligible for coverage.
- Up to 29 months after termination of Director due to total disability within the meaning of the Social Security Act at the time of the qualifying event.
- 36 months after the date of any other qualifying event.
- The date the Director or dependent fails to make any required premium payment when due.
- The date the Director or dependent becomes covered under any other group health plan unless the new plan contains any exclusion or limitation with respect to any pre-existing conditions in which event the individual may remain eligible for continued coverage in accordance with the Health Insurance Portability and Accountability Act (HIPAA) as amended.
- The date the Director or dependent becomes eligible for Medicare.
- In the case of a divorced or widowed spouse, the date on which the individual remarries and becomes covered by any other group medical plan unless the new plan contains any exclusion or limitation with respect to any pre-existing conditions in which event the individual may remain eligible for continued coverage in accordance with the Health Insurance Portability and Accountability Act (HIPAA), as amended.

The District and third-party Benefits Administrators have the responsibility of billing and collecting premiums for individuals who have terminated from the District's group health plans.

The foregoing is merely a summary of certain rules and regulations concerning COBRA, which are subject to revision at any time. Directors and others participating in the District's group medical plan should contact the District for further information at or before the time of a qualifying event in order to assure they understand the full extent of their rights and obligations under COBRA.

3610.3 Cost of Coverage

The monthly premiums are subject to change whenever the premiums are changed for active Directors.

3610.4 Notification of Election to Continue Coverage

Directors are required to notify Human Resources of a qualifying event for themselves or dependents. The District will then begin the appropriate notification procedure. The eligible COBRA participant must provide an election notice and premium payment to the District within 60 days of notification of their right to continue coverage.

3611 MEDICARE COVERAGE

All hires after April 1, 1986 are required by the passage of the Consolidated Omnibus Budget Reconciliation Act (COBRA), to contribute to the Medicare portion of the Social Security Program. Directors shall contribute 1.45% of their salary with the District matching the fund by contributing 1.45% of the Director's salary, unless changed by federal law.

3612 DEFINED CONTRIBUTION PENSION PLAN (401A – MONEY PURCHASE PENSION PLAN)

The only eligible participants in this Plan are MWDOC Board of Directors, MWDOC/MET Board of Directors and the General Manager.

Details of the plan are outlined in the Plan Document and Summary Plan Description. Contact Human Resources for additional information.

3613 DEFERRED COMPENSATION PLAN (457 Plan)

A voluntary non-qualified deferred compensation Section 457 plan is available to any eligible Director who elects, pursuant to the plan, to defer a portion of his or her compensation and who fulfills the requirements for participation in the plan. Information on the plan is available through Human Resources. The District does not make any contributions to this plan.

3614 COMPUTER LOAN PROGRAM

Interest-free loans to assist Directors with the financing of a personal computer system are available to Directors who have completed one year of service. Loans can be in amounts from \$300 to \$2,000.

3700 MWDOC-MET DIRECTOR BENEFITS

3701 DISABILITY LEAVE

3701.1 Short-Term Disability Leave

The District participates in the State of California, Employment Development Department (EDD) Disability Insurance program. Workers who suffer a loss of wages when they are unable to work due to a non-work-related illness or injury, pregnancy or childbirth, may be eligible for disability insurance benefits. Generally, the program goes into effect on the eighth day of disability (since SDI requires a seven-day waiting period) up to a maximum of 52 weeks (as determined by EDD) based on the requirements of the Plan. Visit <http://edd.ca.gov/> for complete program details, eligibility, weekly benefit amount, exclusions, etc.

The weekly and maximum benefit amounts are based on the wages paid during a specific 12-month base period, which is determined based on the date the claim begins. Use of sick leave accruals may be coordinated with the SDI benefit to make up the difference between disability benefits and an employee's regular pay. In cases where

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there is not sufficient sick leave to make up the difference, an employee may elect to use vacation and/or compensatory time off to supplement the difference. The program is administered by the EDD, and Directors should seek clarification as to eligibility and scope of benefits from the EDD. EDD guidelines and rulings supersede any statement made herein.

3702 WORKER'S COMPENSATION (WORK-RELATED ILLNESS OR INJURY)

Whenever a Director sustains an injury or disability arising out of, and in the course of, District employment and requires medical care, the Director shall obtain treatment according to the provisions of the California Labor Code, sections 4600 et seq.

Directors are required to immediately report a work-related injury/incident to Human Resources. Human Resources shall ensure that the report is made.

This Program is administered by the Plan Administrator and Directors should seek clarification as to eligibility and scope of Worker's Compensation benefits. Administrator guidelines and rules supersede any statements made herein.

3703 RETURN TO WORK (RTW) FROM INDUSTRIAL INJURY OR ILLNESS

The decision to return a Director to work or place a Director back on the job, with or without modified work, shall be made by the District, independent of any decision made in the Workers' Compensation process.

The Director must obtain a release to work or be properly discharged from the medical provider utilized by the District prior to returning to his or her job.

3704 MEDICARE COVERAGE

All hires after April 1, 1986 are required by the passage of the Consolidated Omnibus Budget Reconciliation Act (COBRA), to contribute to the Medicare portion of the Social Security Program. Directors shall contribute 1.45% of their salary with the District matching the fund by contributing 1.45% of the Director's salary, unless changed by federal law.

3705 DEFINED CONTRIBUTION PENSION PLAN (401A – MONEY PURCHASE PENSION PLAN)

The only eligible participants in this Plan are MWDOC Board of Directors, MWDOC/MET Board of Directors and the General Manager.

Details of the plan are outlined in the Plan Document and Summary Plan Description. Contact Human Resources for additional information.

3706 DEFERRED COMPENSATION PLAN (457 Plan)

A voluntary non-qualified deferred compensation Section 457 plan is available to any eligible Director who elects, pursuant to the plan, to defer a portion of his or her compensation and who fulfills the requirements for participation in the plan. Information

PERSONNEL MANUAL
Effective Date: [January 2023](#)

on the plan is available through Human Resources. The District does not make any contributions to this plan.

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4000 POLICIES, PROTECTIONS & PROCESSES

4000 - 4202

4100 EQUAL OPPORTUNITY EMPLOYMENT

It is the District's policy to provide equal employment opportunity for all applicants and employees. The District does not unlawfully discriminate on the basis of race, color, religion, religious creed (including religious dress and religious grooming practices), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity (including transgender identity), gender expression (including transgender expression), because an individual has transitioned (to live as the gender with which they identify), is transitioning, or is perceived to be transitioning), sex stereotyping, [reproductive health decision making \(protected under section 12920 of the Government Code in California\)](#), national origin, ancestry, citizenship, age (40 years and over), mental disability and physical disability (including HIV and AIDS), legally protected medical condition or information (including genetic information), protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), military and/or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the California Fair Pay Act, requesting a reasonable accommodation on the basis of disability or bona fide religious belief or practice, or any other basis protected by local, state, or federal laws.

Consistent with the law, the District also makes reasonable accommodations for disabled applicants and employees; for pregnant employees who request an accommodation [with the advice of their health care providers] for pregnancy, childbirth, or related medical conditions; for employees who are victims of domestic violence, sexual assault, or stalking; and for applicants and employees based on their religious beliefs and practices.

The District prohibits sexual harassment and the harassment of any individual on any of the other bases listed above. The District also prohibits retaliation against a person who reports or assists in reporting suspected violations of this policy, cooperates in investigations or proceedings arising from a violation of this policy, or engages in other activities protected under this policy.

This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfer, disciplinary action, and social and recreational programs. It is the responsibility of every manager and employee to conscientiously follow this policy. Any employee having any questions regarding this policy should discuss them with Human Resources.

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Under SB 523, which amends the FEHA to make it unlawful to discriminate against an employee or job applicant based on their "reproductive health decision-making," which includes, but is not limited to, a decision to use or access a particular drug, device, product or medical service for reproductive health.

SB 523, -
https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202102020SB523

4101 REASONABLE ACCOMMODATION OF DISABILITIES

The District complies with the Americans with Disabilities Act of 1990, the state Fair Employment and Housing Act, and all laws governing the treatment of employees with disabilities and the provision of protected medical leave when necessary. This policy protects any individual with a physical or mental impairment that limit major lifeactivities such as walking, seeing, hearing, speaking, communicating, and caring forthemselves provided the individual can perform the essential functions of the job safely and efficiently with or without reasonable accommodations. Depending on the particular employee's condition, this can include not only persons who traditionally have been regarded as disabled - such as those with impaired vision, hearing, or speech - but also those with "invisible" disabilities, such as AIDS or HIV-positive, cancer, or learning disabilities. These protections may apply if the individual currently suffers from a disability, or has a history or record of a disability, or is perceived by the employer to have a disability (even if that is not the case), or associates with persons with disabilities.

In accordance with the relevant laws, the District's policy strictly forbids all forms of intentional discrimination against qualified applicants or employees with disabilities, and requires reasonable accommodation if necessary, for such individuals to perform the essential functions of the job safely and efficiently, without serious risk to health and safety.

4101.1 Confidential Nature of Medical Diagnoses

Applicant or employee medical diagnoses and conditions are confidential, and the District prohibits any employee from attempting to require disclosure of such private information. Applicants or employees may be questioned only in the context of their ability to perform the essential functions of a particular job, and are not to be asked about specific diagnoses, medications, or if they are "disabled." Applicants or employees who indicate they have a physical or mental impairment that interferes with job performance will be directed to the interactive process and may be asked for medical certification of the purported limitation.

4101.2 The Interactive Process

The District is committed to making reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result. Applicants and employees who have disabilities or limitations affecting their ability to perform the essential functions of their job must inform the District of the issue and request an interactive process meeting to discuss possible accommodations. In many cases, the District will have no way of knowing whether an individual has a limitation unless he or she requests accommodation. Any applicant or employee who has physical or mental limitations that require an accommodation in order to participate in the application process or to perform the essential functions of the job should contact Human Resources and request such an accommodation. Human Resources shall engage the

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applicant or employee interactively to determine what, if any, reasonable accommodations are available.

The law requires only reasonable accommodation, which does not result in an undue hardship to the District or a direct threat to health and safety, and the individual must be able to perform the essential functions of the position. Whether a certain accommodation meets these standards must be determined on a case-by-case basis, after consultation with the individual and consideration of all the particular facts and circumstances.

4102 PROHIBITION AGAINST DISCRIMINATION AND HARASSMENT

The District strictly prohibits and has “zero tolerance” for discrimination and harassment in any phase of the employment and will investigate and take action as appropriate, including but not limited to recruitment, testing, hiring, upgrading, promotion/demotion, transfer, layoff, termination, rates of pay, benefits, and selection for training. This includes sexual harassment (which includes harassment based on sex, pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), as well as harassment, discrimination, and retaliation based on such factors as race, color, religion, religious creed (including religious dress and religious grooming practices), sex, national origin, ancestry, citizenship, age (40 years and older), mental disability and physical disability (including HIV and AIDS), legally-protected medical condition or information (including genetic information), protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), military and/or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, gender, gender identity (including transgender identity), gender expression (including transgender expression), because an individual has transitioned (to live as the gender with which they identify), is transitioning, or is perceived to be transitioning), sex stereotyping, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the California Fair Pay Act, requesting a reasonable accommodation on the basis of disability or bona fide religious belief or practice, or any other basis protected by federal, state, or local laws.

The District strongly disapproves of and will not tolerate harassment, discrimination, or retaliation against applicants, employees, interns, or volunteers by managers, supervisors, co-workers or third parties with whom employees come into contact, consistent with applicable law. Similarly, the District will not tolerate harassment, discrimination, or retaliation by its employees directed toward non-employees with whom the District’s employees have a business, service, or professional relationship (such as independent contractors, vendors, clients, volunteers, or interns).

4103 TYPES OF HARASSMENT

4103.1 Harassment includes, but is not limited to, the following:

- **Verbal Forms of Harassment**
Epithets, derogatory comments or slurs, propositions based upon a person's protected status.
- **Physical Forms of Harassment**
Assault, impeding or blocking movement, grabbing, patting, leering, mimicking, taunting or any physical interference with normal work or movement when directed at an individual on the basis of their protected status.
- **Visual Forms of Harassment**
Derogatory posters, cartoons or drawings or emails based on a person's protected status.
- **Sexual Harassment**
includes, but is not limited to, unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when (1) submission to such conduct includes either an explicit or implicit condition of employment; (2) submission to or rejection of such conduct is used as the basis for an employment decision affecting the harassed employee; or (3) the harassment substantially interferes with an employee's work performance or creates an intimidating, hostile or offensive work environment. Examples include unwelcome sexual propositions, hugging, kissing, or other offensive physical contact of a sexual nature; lewd gestures, remarks or innuendoes, unwelcome discussions of sexual practices or anatomy, and sexually offensive posters, photographs, drawings, cartoons, jokes, stories, nicknames, or comments about appearance.

Examples of Sexual Harassment: For the purpose of clarification, examples of what may constitute prohibited sexual harassment include, but are not limited to, the following:

- Making unsolicited sexual advances written, verbal, physical, or visual contact with sexual overtones. (Written examples: suggestive or obscene letters, notes, invitations. Verbal examples: derogatory comments, slurs, jokes, epithets. Physical examples: touching, assault blocking or impeding access, leering gestures, display of sexually suggestive objects or pictures, cartoons or posters.)
- Continuing to express sexual interest after being informed that the interest is unwelcome. (Reciprocal attraction is not considered sexual harassment.)

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- Making reprisals, threats of reprisal, or implied threats of reprisal following a negative response. (For example, implying or actually withholding support for an appointment, promotion, or change of assignment; suggesting a poor performance report will be prepared; or suggesting probation will be failed.)
- Engaging in implicit or explicit coercive sexual behavior which is used to control, influence, or affect the career, salary, or work environment of another employee.
- Offering favors or employment benefits, such as promotions, favorable performance evaluations, favorable assigned duties or shifts, recommendations, reclassifications, etc., in exchange for sexual favors. (Similar conduct when applied to other protected classes including but not limited to race, color, creed, national origin, age, disability, medical condition, religion, sexual orientation, or marital status may constitute harassment and a violation of this policy. For example, racial jokes or degrading comments about age or ethnic background can constitute harassment under this policy). Accordingly, in order to avoid the risk of discipline, such acts should be avoided in all circumstances.

4103.2 Internal Complaint Procedure

Any applicant or employee who believes that he or she has been the victim of sexual or other prohibited discrimination or harassment by co-workers, supervisors, clients or customers, visitors, vendors, Board Members or others must immediately notify his or her supervisor, or another supervisor or manager, depending on which individual the employee feels most comfortable contacting and the Director of Human Resources of the alleged conduct. In the event the complaint is against the Director of Human Resources, then the employee may report the incident to the General Manager or in the event the complaint is against the General Manager, the employee may report the incident to the Board President, Executive Committee or the full Board of Directors. Complaints will be investigated by Human Resources or, where appropriate, a designated neutral party, and the complainant will be advised of the general outcome of the investigation. In each case, the employee reporting the problem will receive an oral or written reply from management on the general results of the investigation and that remedial action has been taken, if any.

4103.3 Option to Report to Outside Administrative Agencies

Applicants, officials, contractors and employees may file complaints about harassment or other employment discrimination with any of the local offices of the U.S. Equal Employment Opportunity Commission (EEOC) or the Civil Rights Department (CRD), whose addresses may be found in the local telephone directory.

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The EEOC and CRD are authorized to accept and investigate complaints of employment discrimination and to mediate settlements. These agencies have authority to issue accusations against employers, conduct formal hearings, and award

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reinstatement, back pay, damages, and other affirmative relief. State and federal law also prohibit retaliation against employees because they have filed a complaint with the EEOC, CRD, or other relevant agency for participating in an investigation, proceeding, or hearing with the agency, or opposing any practice made unlawful by federal or state law.

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4103.4 Corrective Action

If any violation of this policy is found to have occurred, the District will take appropriate corrective action which may include discipline against the individual(s) involved. Violations of this policy will likely result in immediate termination. See Section 5101 for further discussion of corrective actions.

If an employee is not satisfied with the reply presented by the Director of Human Resources, they may file a grievance pursuant to the steps outlined in the Grievance Procedures, Section 4200.

4103.5 Cooperation

All employees are required to cooperate fully and in good faith with the District in any investigation under this policy. Knowingly making a false charge of harassment or a false statement in connection with an investigation, or deliberately interfering with any such investigation, is also a violation of this policy and grounds for discipline, up to and including termination.

4103.6 Confidentiality

The District will attempt to keep complaints and investigations under this policy confidential to the greatest extent possible, but some disclosure may be necessary to conduct a proper investigation and take appropriate corrective action. Employees are encouraged to use discretion in discussing complaints or investigations under this policy with others since unnecessary disclosure may prevent a fair investigation.

4103.7 No Retaliation

No employee will be subject to any form of retaliation for reporting any violation or participating in any investigation under this policy truthfully and in good faith. Employees who believe they have been retaliated against in violation of this policy should utilize the same complaint procedure described in Sections 4103.2 or 4200.

4103.8 Contractors, Consultants, Vendors, Customers and Other Third Parties

This policy applies to leased employees and individuals providing service to the District under contract such as consultants and other independent contractors. This policy also applies to vendors, customers and other third parties who are present in any workplace where District employees are performing duties (depending on degree of control that the District has over such individual).

4200 GRIEVANCE PROCEDURE

The grievance procedure provides a means for settling grievances or complaints that arise over the application of this manual as quickly as possible and at the lowest possible level of authority. Each step in the procedure must be completed before the next step may be taken. Failure to take the next step within the timeframes allotted herein will result in the conclusion that the prior step resolved the grievance and waiver of the right to continue the grievance. Grievance procedures are not used for contesting disciplinary actions or performance assessments, unless said actions are alleged to be pretextual.

A grievance must be filed within ten (10) calendar days of the occurrence of the event or within ten (10) calendar days following the date the grieving party could have reasonably known of the occurrence of the act or omission giving rise to the grievance. Any supervisor or other member of management who receives a grievance must notify Human Resources of the grievance as soon as practicable. The facts concerning the grievance and the grievance process are to remain confidential, to the extent possible given the requirements of District business.

4201 GRIEVANCE STEPS

The following are the "steps" utilized in grievance reporting. Grievances concerning the Director of Human Resources will be immediately reported to the General Manager. In the event the grievance is against the General Manager or a Board Member, the employee may report the incident to the Board President, the Executive Committee or the full Board of Directors and the Director of Human Resources, pursuant to Step 4 as stated in this policy.

Step 1

The employee should initially try to resolve any item of concern informally with his or her direct supervisor. The direct supervisor should hold a conference with the employee as soon as reasonably practicable, following the employee's request and attempt to informally resolve the issue. If the grievance is against the direct supervisor, the matter shall be taken directly to Step 2.

Step 2

If successful resolution is not reached in Step 1, the employee shall reduce his or her concern to writing and submit it to his or her department head. A copy of the formal written grievance must also be provided to Human Resources. This formal written grievance must be submitted within ten (10) calendar days of the date of the occurrence giving rise to the grievance or the right to file a grievance is waived. The manager, or his or her designee, shall meet with the grievant, and after the initial meeting, the manager or his or her designee will investigate the complaint. This investigation may involve separate conversations or meeting of all parties at the manager's discretion.

The manager shall attempt to provide his or her written decision with ten (10) calendar days of the date of the first meeting with the employee.

Step 3

If the employee believes the decision of the manager does not adequately resolve the

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issue, the employee may submit a written appeal of that decision to the General Manager. This appeal must be submitted within ten (10) calendar days of the date of the manager's written decision or the right to appeal is waived. The General Manager shall meet with the grievant and, after the initial meeting, the General Manager or his or her designee will investigate the complaint. This investigation may involve separate conversations or meeting of all parties, at the General Manager's discretion. The General Manager shall attempt to provide his or her written decision with ten (10) calendar days of the date of the first meeting with the employee.

Step 4

In order to submit an appeal to either the Board President, the Executive Committee or full Board of Directors, an employee must first go through Steps 1 through 3. If the employee believes the decision of General Manager does not adequately resolve the issue, the employee may request reconsideration. The written request must be submitted within ten (10) calendar days of the General Manager's decision. The Board President, Executive Committee or full Board of Directors will be furnished with the then-existing written record. The Executive Committee or full Board of Directors will meet as soon as practicable to consider the grievance. The Executive Committee or full Board of Directors may, in its discretion, rely on the existing record or conduct a hearing in whatever way deemed appropriate under the circumstances. The Committee or full Board of Directors may call any witnesses or parties, if it deems such testimony necessary. If the employee desires, he or she may be represented. The decision of the Executive Committee or full Board of Directors shall attempt to provide its decision in writing within ten (10) calendar days of the close of the hearing. The action of the Executive Committee or full Board of Directors is final and binding.

4202 PERSONNEL FILES

The District recognizes the confidentiality of personnel information and its obligation to maintain procedures to ensure the integrity of such files. Employees have the right to inspect or receive a copy of the personnel records. Any request to inspect or copy personnel records must be made in writing to Human Resources. If an employee requests a copy of the contents of their file, they will be charged the actual cost of copying. Employees can obtain a form for making such a written request from Human Resources.

Employees may designate a representative to conduct the inspection of the record or receive a copy of the records. However, any designated representative must be authorized by the employee in writing. MWDOC may take reasonable steps to verify the identity of any representative and the scope of the authorization.

The personnel records may be made available to the employee either at the place where they work or at a mutually agreeable location (with no loss of compensation for going to that location to inspect or copy the records). The records will be made available within the timeframe required by law; typically not later than 21 days.

Unauthorized disclosure of personnel information to outside sources, other than the employee's designated representative is prohibited and may form the basis of discipline.
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However, MWDOC will cooperate with a request from authorized law enforcement or local, state, or federal agencies conducting official investigations as legally required.

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5000 BEHAVIOR & CONSEQUENCES

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5100 STANDARDS OF CONDUCT

The following examples are given in order to provide some guidance concerning unacceptable behavior. If the District chooses to correct an employee who engages in unacceptable behavior, the employee may be subject to corrective action up to and including termination. Please note that it is impossible to provide an exhaustive list of behaviors that are not acceptable. The following is therefore intended to simply provide some examples:

1. Actions contrary to the rules and policies of the District, including but not limited to the safety rules set forth in the District's Illness Injury Prevention Program (IIPP).
2. Inefficiency, incompetence, inattention to or dereliction of duty, failure to perform assigned duties in a satisfactory manner.
3. Insubordination or failure to comply with District rules and policies.
4. Accepting gratuities or tips.
5. Dishonesty.
6. Theft or unauthorized use of District property.
7. Fighting, threat of injury, or horse play while on duty or on District premises.
8. Frequent or habitual tardiness, unexcused absences or unsatisfactory attendance.
9. Conducting non-District business activities during working hours.
10. Harassment or discrimination in any form.
11. Consumption of alcoholic beverages or drugs while on duty or on District premises.
12. Being under the influence of alcohol or drugs while on duty.
13. Use of, possession of, or transfer or sale of, non-prescribed drugs or narcotics while on duty or on District premises.
14. Disorderly, indecent or immoral conduct while on duty or while in District uniform.
15. Discourteous treatment of the public or other District employees.
16. Issuance of defaming or derogatory remarks, unrelated to performance issues, regarding a co-worker's character or personal life.
17. Conviction of any felony or of a misdemeanor involving moral turpitude, dishonesty or immoral conduct.
18. Unauthorized absence from work or excessive absences and tardiness.
19. Neglect of duty.
20. Actions incompatible with or offensive to the image or the goals of the District.
21. Failure to follow safe working practices.
22. Failure to report an injury or accident promptly.
23. Failure to report significant unsafe working practices to supervisor.
24. Misrepresentations in obtaining employment with or promotion within the District.
25. Misuse of District money or resources.
26. Falsification of forms, records, or reports; including, but not limited to, time sheets, employment applications and District documents.

27. Possessing or bringing firearms or weapons onto District property.
28. Destroying or willfully damaging District or employee property, records, or other materials.
29. Unauthorized opening or tampering with locks in desks, doors, cabinets, etc., or unauthorized use or duplication of keys.
30. Failure to immediately report the loss of driving privileges due to suspension, withdrawal, forfeiture, or confiscation by any authorized party, including court of law or the California Department of Motor Vehicles, by employees who must maintain such a license as a condition of employment.
31. Failure to maintain license or certification required for position. An employee will be subject to discipline, up to and including termination without progressive discipline, for the failure to maintain a license or certification required for that employee's job duties.
32. Violation of any established District rule, policy, or procedure.

These rules do not list every imaginable form of misconduct, and employment may be terminated due to lack of work, reorganization, or for any other reason in the discretion of the District. Corrective action or discipline is left to the sole discretion of the District, and nothing in this Manual requires the District to issue a warning or suspension prior to discharging any employee.

5101 CORRECTIVE ACTIONS

A range of corrective or disciplinary actions are available to the General Manager and the Board of Directors for application to employee cases based on administrative investigation and processes. These include but are not limited to:

- Formal Counseling
- Mandatory Training
- Verbal Warning/Reprimand
- Written Warning/Reprimand
- Formal Improvement Plan
- Suspension with Pay
- Suspension without Pay
- Reassignment
- Demotion
- Dismissal

The focus of the corrective action program is to make a positive improvement on behavior where possible but to impose consequences when necessary. The goal is to maintain a professional, respectful, safe, productive, and equitable work environment for everyone at MWDOC.

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5200 DRUG AND ALCOHOL FREE WORKPLACE

5201 GENERAL PROHIBITION AGAINST USE OR POSSESSION

At no time shall employees use, possess, carry, or transport alcoholic beverages, non-prescribed drugs, narcotics (including marijuana, whether obtained via prescription or not), or any other regulated item during working hours or on District premises, nor shall an employee report for work under the influence of alcoholic beverages, non-prescribed drugs or narcotics (including marijuana, whether obtained via prescription or not).

Human Resources may request information in written form from a doctor certifying that any prescribed drugs or medication that an employee is taking will not affect the employee's performance or the safety of the employee or others. Such use or possession is absolutely forbidden and will result in discharge or other discipline as the District deems appropriate.

PLEASE NOTE: Despite Proposition 64's legalization of marijuana under California law, it is unlawful for employees to possess, and be impaired, or use marijuana on the job. Furthermore, the District still considers marijuana an illegal drug for purposes of this policy and any use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of marijuana including being under the influence while at work are grounds for discipline, up to and including termination. Any positive test for marijuana – regardless of level of intoxication – is grounds for termination.

With prior approval of management and in management's sole discretion, the District may allow employees to consume moderate amounts of alcohol at District-sponsored social events outside of normal business hours where such use is appropriate in the circumstances or possess or transport alcohol for use at District sponsored events.

5202 PRESCRIPTION DRUGS

Where the usage of a drug, even where the drug is prescribed, affects District safety or an employee's ability to perform the essential functions of his or her job, the affected employee must notify the District. In the event there is a question regarding an employee's ability to perform assigned duties safely and effectively while under the influence of prescribed drugs, clearance from a licensed health care provider may be required before the employee is allowed to resume the employee's regular duties.

5203 DRUG & ALCOHOL TESTING

It is the policy of the District to prohibit its employees from using or being under the influence of alcohol or illegal drugs (including, without limitation, marijuana – whether or not the employee maintains a prescription for the same) in connection with their employment, as it constitutes a threat to the safe and efficient performance of employee's duties. At no time shall any employee be under the influence of any controlled drug or alcohol while on the job. (Employees who are taking medication pursuant to a physician's prescription – other than for medical marijuana – who has also certified that they may perform their duties without jeopardizing the health or safety of others will not be considered to have violated this policy for taking such prescription medicine within the range prescribed.

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AB 2188 - adds cannabis protection to the state's discrimination law. Specifically, employers will be prohibited from discriminating against an employee or job applicant based on the person's use of cannabis off the job and away from the workplace. Employers may still conduct preemployment drug testing, and an employer can still refuse to hire someone based on a valid preemployment drug screening that doesn't screen for non-psychoactive cannabis metabolites.

The law also doesn't permit an employee to possess, be impaired by or use cannabis on the job, and it maintains employers' rights and obligations in keeping a drug- and alcohol-free workplace.

https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=20210220AB2188

5203.1 Prohibitions

The following conduct is prohibited and may result in discipline, up to and including termination:

- Using or possessing alcohol or any illegal drug (including marijuana, whether or not the employee maintains a prescription for the same) while on duty;
- Reporting for duty or remaining on duty when the employee used alcohol or controlled substance, except if the use is pursuant to the instructions of a physician who has advised the employee that the substance (other than medical marijuana) does not adversely affect the employee's ability to safely operate a vehicle or otherwise perform the employee's job;
- Reporting for duty or remaining on duty if the employee tests as having a blood alcohol concentration of 0.04 or greater (or a blood alcohol concentration of 0.02 if the employee's duties require him or her to possess a valid Class A driver's license or otherwise be subject to the 0.02 limitation);
- Reporting for duty or remaining on duty if the employee tests positive for controlled substances (including marijuana, whether or not the employee maintains a prescription for the same);
- Refusing to submit to any alcohol or controlled substances test required by this Policy. An employee who refuses to submit to a required drug/alcohol test will be treated in the same manner as an employee who failed a blood alcohol test or tested positively for a controlled substances test. A "refusal to submit" to an alcohol or controlled substances test required by this Policy includes, but is not limited to:
 - An explicit or implied refusal to provide a urine sample for a drug test;
 - An inability to provide a urine sample without a valid medical explanation;
 - A refusal to complete and sign the breath alcohol testing form, or otherwise to cooperate with the testing process in a way that prevents the completion of the test;
 - An inability to provide breath or to provide an adequate amount of breath without a valid medical explanation;
 - Tampering with or attempting to adulterate the urine specimen or collection procedure;
 - Not reporting to the collection site in the time allotted by the supervisor or manager who directs the employee to be tested; or
 - Leaving the scene of an accident without a valid authorization.

Employees are obligated to report violations of this Policy to Human Resources. In addition to the above prohibitions, employees are reminded of their obligations under the Federal Drug Free Workplace Act of 1988. All employees covered by this Policy have previously been provided with a copy of the District's Drug Free Workplace Statement and have signed an acknowledgment that they have read the Statement and agree to comply with it.

5204 PRE-EMPLOYMENT TESTING

Applicants for positions designated as “safety sensitive” will be required to submit to pre-employment drug and/or alcohol testing.

5205 REASONABLE SUSPICION TESTING

All employees may be required to submit to an alcohol or drug test if a supervisor has reasonable suspicion to believe the employee is under the influence of alcohol or controlled substances. Reasonable suspicion shall be reported to Human Resources which shall arrange the testing. The observation should generally be based on short-term indicators, such as behavior that is inconsistent with the normal work status and including, but not limited to, blurry vision, slurred speech or alcohol on the breath. Reasonable suspicion alcohol and drug testing will generally be administered within two (2) hours of the observation. If not, the supervisor should provide written documentation as to why the test was not promptly conducted.

5206 POST-ACCIDENT TESTING

Employees will be required to undergo alcohol or controlled substance testing if they are involved in an on-duty accident and the District has reasonable suspicion to believe the employee is under the influence of alcohol or controlled substances.

In addition, a post-accident test will be conducted if an accident results in injuries requiring transportation to a medical treatment facility; or where one or more vehicles incurs disabling damage that requires towing from the site; and the employee receives a citation under State or local laws for a moving traffic violation arising from the accident. Following an accident, the safety-sensitive employee will be tested as soon as practicable (generally within 2 hours), but not to exceed eight (8) hours for alcohol and thirty-two (32) hours for controlled substances. Any employee who leaves the scene of the accident without appropriate authorization prior to submission to controlled substance and alcohol testing will be considered to have refused the test and subject to termination. Post-accident testing of safety-sensitive employees will include not only the operation personnel, but any other covered employees whose performance could have contributed to the accident.

5207 RETURN TO DUTY TESTING

All employees who have failed an alcohol test or tested positive for controlled substances, if retained, are unable and unfit to report to work until it can be verified that they are not under the influence of alcohol or controlled substances. Employees must be certified as being fit for duty and evaluated and released to duty by the Substance Abuse Professional (SAP) before being allowed to return to duty.

5207.1 Consequences of Failing an Alcohol or Drug Test

A positive result from a drug or alcohol test may result in disciplinary action, up to and including termination, even for a first offense. The District also reserves the right to discipline or terminate an employee convicted of an offense which involves the use, distribution, or possession of illegal drugs (including medical marijuana). If an employee is not terminated, the employee:

- Must be removed from performing any job function and immediately placed in an unpaid status for 1 day (unless they elect to use paid leave). If the employee does not obtain a fitness for duty certification within that day, or if the employee fails his or her alcohol or drug test, the employee shall remain on unpaid leave (unless they elect to use paid leave) until reinstatement or termination of employment;
- Must submit to an examination by a substance abuse professional. Upon a determination by the substance abuse professional, the employee may be required to undergo treatment for his or her alcohol or drug abuse. The District is not required to pay for this treatment;
- Shall not be returned to his or her former position until the employee submits to a return-to-duty controlled substance or blood alcohol test (depending on which test the employee failed) which indicates an alcohol concentration level of less than 0.02 or a negative result on a controlled substance test; and
- Will be required to submit to unannounced follow-up testing if he or she has been returned to his or her position.

5207.2 Compliance with State or Federal Law

At all times, the District will comply with current applicable state or federal law concerning drug and alcohol testing. Issues or inconsistencies that are not addressed in this Policy will be determined by referring to state or federal law and regulations governing drug and alcohol testing. The District reserves the right to make changes to this Policy at any time, for the purpose of complying with state or federal laws and regulations as it exists now or as it may be amended.

5207.3 Procedures for Drug Testing

The District will refer the applicant or employee to an independent, National Institute on Drug Abuse (NIDA)-certified medical clinic or laboratory, which will administer the test. The District will pay the cost of the test and reasonable transportation costs to the testing facility. The employee will have the opportunity to alert the clinic or laboratory personnel to any prescription or non-prescription drugs that he or she has taken that may affect the outcome of the test. All drug testing will be performed by urinalysis. Initial screening will be done by EMIT II. Positive results will be confirmed by gas chromatography/mass spectrometry. The clinic or laboratory will inform the District as to whether the applicant passed or failed the drug test. If an employee fails the test, he or she will be considered to be in violation of this Policy and will be subject to discipline accordingly.

The District maintains the right to require any employee to re-submit to testing, pursuant to the same terms and procedures as set forth for the initial test, where the employee's initial test results are inconclusive because of a diluted sample or any other reason.

5208 DRUG AND ALCOHOL REHABILITATION PROGRAMS

Employees may not avoid discipline or termination for violation of the District's Drug and Alcohol Free Workplace Policy by seeking leave to attend rehabilitation after a violation has occurred. However, prior to any violation, employees may contact Human

Resources for information about the District's Employee Assistance Program.

5300 OFFICE EQUIPMENT POLICY

The District provides a wide variety of office and telecommunications equipment for employee use, including telephones with voice mail, computers with email and internet access, fax machines, photocopiers, postage meters, and other equipment. All employees are expected to comply with this policy when using any of this office equipment.

5301 BUSINESS USE ONLY

All office equipment is intended strictly for business use in the course of performing assigned duties and responsibilities. All office equipment, as well as the content of voicemail, email, and other files, are District property. We recognize that some personal use cannot be avoided, as in the case of family, personal, or medical emergencies, but employees have no expectation of privacy of such messages. All such personal use should be kept to an absolute minimum and must not interfere with work performance.

5302 DISTRICT'S RIGHT OF ACCESS AND EMPLOYEE PRIVACY

All District voicemail, email, hard drives, and other electronic data storage is solely the property of the District, regardless of the nature of the email, physical location, or how maintained. The District, as owner has at all times the right to access all email, voicemail, or other data, including email protected by security measures. Human Resources may access email within any department or office. When necessary, assistance in obtaining authorized access shall be provided by the IT Administrator. The accessing of a department's email shall be coordinated with the department's Manager, unless Human Resources determines that the access should remain confidential. Email users shall cooperate in the access of email when requested by Human Resources. Employees should be aware that, as a public entity, all communications and data within the District's possession is potentially subject to a Public Records Act request. No employee has an expectation of privacy in any District email account, voicemail, hard drive, or other electronic data storage device.

5303 PASSWORDS AND SECURITY MEASURES

The District requires employees to use passwords or other security measures on its office equipment in order to channel communications to the proper persons. Unless authorized by Human Resources pursuant to District business, employees are expected to honor passwords and other security measures, and are not to access information unless it was intended for them. The District retains the right to override passwords and other security measures in order to assure full access to all office equipment. Employees must comply with all District requests for access to District-owned equipment, communications, or data.

5304 UNLAWFUL HARASSMENT OR DISCRIMINATION

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Employees are forbidden from using the District's office equipment for any form of unlawful harassment or discrimination based on race, color, national origin, ancestry, sex, sexual orientation, gender identity or expression, age, pregnancy or childbirth, religion, political beliefs, disability, marital status, veteran status, or any other criteria prohibited by District policy or applicable law.

5305 OTHER MISCONDUCT

Use of office and telecommunications systems is subject at all times to all other District rules concerning employee conduct. Under no circumstances are these systems to be used for pornography, gambling, sports, shopping, stock trading, hobbies, criminal or fraudulent activity, buying or selling goods and services, outside activities, or any other non-work related purpose.

5306 CONFIDENTIAL INFORMATION

Employees are expected to use special caution in handling any confidential or proprietary information. In general, email should not be used to transmit confidential information outside of the District unless extraordinary precautions are taken to assure confidentiality.

5307 GOOD JUDGMENT

Employees are expected to exercise good judgment and professional demeanor when using the District's voicemail, email, or internet systems, and must resist the temptation to use these systems for any purpose that violates this policy even when a client, applicant, or vendor initiates or welcomes inappropriate messages. Employees should not forward chain letters that are sent by email, even if they appear to be for a legitimate cause. Employees must also be careful in the overall tone and content of all messages they send. Unprofessional messages can prove embarrassing when read by an unintended recipient. Emails should include a clear and concise subject line for easy identification. They should be kept to a minimum in length, and proofread carefully before being sent.

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5308 INTELLECTUAL PROPERTY RIGHTS

The District's computer systems are not to be used to violate or infringe copyrights, trademarks, or other intellectual property rights of third parties. Employees are forbidden from installing or downloading software on to the District's computer system without authorization of management and the IT Administrator and must refrain from utilizing trademarks or other copyrighted material without proper permission from the owner.

5309 PENALTIES

Any violation of this policy can result in immediate termination or other discipline.

5310 HEALTH AND SAFETY

The District is concerned about the health and safety of all employees. Employees are expected to share that concern by practicing safe working habits for their own benefit, as well as that of their fellow employees.

The District policy and federal law require that employees be provided with the proper tools and equipment necessary to accomplish their work assignments in a safe manner and a workplace free from recognized safety hazards. Employees must immediately notify their supervisor of any safety risks they are aware of in their work area.

Under California law, in the event of an emergency condition, the District will not take or threaten adverse action against any employee for refusing to report to, or leaving, a workplace because the employee has a "reasonable belief that the workplace is unsafe." The law requires employees to, "when feasible," notify employers in advance of the emergency condition that requires they either leave the workplace or refuse to report to work. If it's not feasible, then the employee must notify the employer as soon as possible.

Commented [18]: Effective 1/1/2023

In accordance with applicable law, the District has adopted an Illness and Injury Prevention Program Plan (IIPP) which sets out the District's safety policies and practices in more detail.

Labor Code § 1139

Under this policy, "emergency condition" means conditions of disaster or extreme peril to the safety of persons or property at the workplace or worksite caused by natural forces or a criminal act. And, an order to evacuate a workplace, worksite, worker's home, or the school of a worker's child due to natural disaster or a criminal act.

SB 1044
https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1044

Under this policy, "a reasonable belief" means that the workplace or worksite is unsafe" means that a reasonable person, under the circumstances known to the employee at the time, would conclude there is a real danger of death or serious injury if that person enters or remains on the premises. The existence of any health and safety regulations specific to the emergency condition and an employer's compliance or noncompliance with those regulations shall be a relevant factor if this information is known to the employee at the time of the emergency condition or the employee received training on the health and safety regulations mandated by law specific to the emergency condition.

AT-WILL AGREEMENT

Acknowledgment of Personnel Manual Receipt and Compliance

I agree that I am employed by the Municipal Water District of Orange County on an at-will basis, and that my employment can be terminated at any time with or without cause or advance notice either by me or the District. I maintain no right to any due process hearing or so-called Skelly process prior to separation from employment or discipline.

I also acknowledge that I have received a copy of the Personnel Manual and have read, understood, and agree to comply with all of its provisions. I acknowledge that the District retains the right and sole discretion to modify, delete, or add to any of the policies set forth in the Personnel Manual, though I will be apprised of any such changes. I acknowledge that this agreement for employment at-will can be amended or modified only in a written contract signed by me and an authorized representative of the Board of Directors. I understand that no other party or entity has the authority to modify, delete, or add to the policies in the Personnel Manual or to change the at-will nature of my employment, and that in the event of a conflict between the terms of the Personnel Manual and anything told to me by a supervisor or co-employee, the terms of the Personnel Manual shall control.

Employee Signature

Printed Name

Date

NOTE: This original signed document is to be filed in the employee's personnel file

EMPLOYEE DESIGNATIONS – MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

The designations of employees into the categories of EXEMPT; Not eligible for Overtime and NON-EXEMPT; eligible for overtime, shall be in accordance with the FLSA and with the approval of the General Manager. The General Manager shall revise the designations as necessary in compliance with the FLSA and District policy. The designations are noted on the MWDOC Pay Structure which can be found on the District's website or contact Human Resources.

DISTRICT PAY STRUCTURE – MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

These documents can be found on the District's website or contact Human Resources.

DISTRICT ORGANIZATIONAL CHART – MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

These documents can be found on the District's website or contact Human Resources.

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Accounting Manager Accounting Supervisor¶
Administrative Services Manager Assistant General
Manager Associate General Manager Director of
Emergency Management Director of Finance/IS¶
Director of Human Resources/Administration Director
of Public Affairs¶
Director of Water Use Efficiency Financial
Analyst/Database Analyst General Manager¶
Governmental Affairs Manager Network Systems
Engineer Principal Engineer¶
Principal Water Resources Analyst

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APPENDIX "C" –

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ACTION ITEM
January 18, 2023

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff Contacts: Charles Busslinger, Cathy Harris

SUBJECT: Professional Services Contract Award for Breakroom/Kitchen and Atrium Remodel

STAFF RECOMMENDATION

It is recommended that the Board of Directors authorize the General Manager to enter into a professional services agreement with GTS Architecture, Inc. (GTS) to provide architectural design and engineering services to remodel the MWDOC Administration Building Breakroom/Kitchen and Atrium, at a cost of \$59,895 plus 10% contingency for a total not to exceed amount of \$65,885.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

As a final item to MWDOC Administration Building Seismic Retrofit and Remodel Project and included in the FY 22/23 Budget; MWDOC staff issued a Request for Proposals (RFP) on September 28, 2022 seeking architectural design and engineering services from qualified firms to explore design options and determine recommended design solutions to remodel MWDOC's administration office breakroom/kitchen and replacement of the atrium pergola.

This Action Item is a professional services contract for architectural and engineering services to develop options and determine final designs under the above noted not to exceed amount. Once the recommended designs and opinion of probable costs are

Budgeted (Y/N): Y	Budgeted amount: \$246,600	Core X	Choice _
Action item amount: \$65,885	2000-19-8811		
Fiscal Impact (explain if unbudgeted): Not applicable			

completed, the design will be brought back to the Board for consideration of issuing a solicitation for construction bids.

The objectives of this effort are to:

- Remodel the kitchen/break room to update the space to compliment the newly redesigned office;
- Replace the atrium pergola with a shading solution that compliments the building design;
- Re-face the main lobby cabinetry to match the new furniture;
- Replacement of the main lobby cabinet and reception desk countertops to compliment the new office furniture and remodeled kitchen.

An issue regarding ADA compliance for the atrium was flagged by GTS in their proposal. This issue will be investigated, but was not in the original RFP. If necessary, additional design services will be covered under the requested 10% contingency. Selection of conceptual design options to move forward into design will be reviewed in conjunction with Rough Order of Magnitude (ROM) construction cost estimates. **For example:**

The existing pergola structure is termite infested and replacement has been recommended. Conceptual design options include:

- Removal of the pergola and replacement with a similar structure
- Removal of the pergola and replacement with an alternative shade structure (i.e. shade sails, awnings, etc...)
- Removal of the pergola without replacement
- Some other architectural solution

The final option selected will significantly affect the opinion of probable construction cost for the project.

RFP Process

The RFP was posted to the PlanetBids website in order to gain additional visibility for this solicitation. MWDOC received three proposals on November 16, 2022 in response to the RFP from:

- Plump Engineering, Inc,
- GTS Architecture, Inc., and
- Dunbar Architecture.

A team of three staff members reviewed the proposals and scored the proposals based upon the selection criteria posted in the RFP:

1. Understanding of the project, and Respondents recommended plan for completion, including any recommended changes to the scope of services to best achieve intended outcomes.
2. Qualifications of firm, assigned personnel and subcontractors
3. Estimated cost and rates and acceptance of MWDOC's standard form of agreement

Staff was pleased with the proposals, however one proposal demonstrated a superior understanding and approach to the project, as well as being the lowest cost proposal. Staff is therefore recommending award of the contract to GTS Architecture, Inc. (see attached Proposal).

Plump Engineering	GTS Architecture	Dunbar Architecture
\$64,750	\$59,895	\$65,450

December 14, 2022 A&F Committee meeting

At the December 14, 2022 meeting, the Board asked that the Action Item be brought back to A&F on January 11, 2023 with more details on costs for the agreement and to breakout the costs by category. Some minor mathematical errors were found in the labor breakdown detail of the proposal, (the labor breakdown has therefore been restated); but the total proposed fee amount for the scope of work in the RFP (\$59,895) remains the same. (See restatement of labor breakdown by category).

Cost by Category

Category	Amount
Kitchen-Breakroom Design & Engineering Services	\$21,760
Construction Support Services – Kitchen-Breakroom	\$4,150
Trellis-Atrium Design & Engineering Services	\$25,430
Construction Support Services – Trellis-Atrium	\$4,980
Opinion of Probable Cost	\$3,575
Total	\$59,895
10% Contingency (ADA Design if Required)	\$5,990
Amount Requested	\$65,885

Future Construction Costs

The objectives of the consultant service contract are to provide architectural and engineering services to determine a final design and then to provide an opinion of probable construction cost.

GTS provided actual construction bid costs for a kitchen-breakroom remodel of similar size and scope which was recently completed for Easter Seals (\$87,000). Those construction costs were from 2021 and the project was a non-prevailing wage project. Additionally cost comparisons of any comparable atrium improvements (specifically removal and/or replacement of the pergola and an ADA compliance for the atrium) were not available and therefore not included in these costs.

Staff researched information in an attempt to provide an updated rough order of magnitude (ROM) estimate of likely construction costs for the kitchen-breakroom portion of the project in \$2023 at prevailing wage rates (the costs for the atrium improvements are highly dependent upon the yet to be determined design and ADA compliance solution):

Prevailing Wages

The impact of prevailing wages on project construction costs has been studied by multiple organizations over the past 30 years. The conclusions of the impacts of prevailing wages on total construction costs from the various studies are highly disputed. Some studies indicate prevailing wages increase total project construction costs by as much as 37% (affordable housing in California was used as a baseline for prevailing wage impact comparison) (www.mendocinocounty.org/home/showpublisheddocument/23824/636734750056200000).

Other studies indicate prevailing wages only increase total construction costs by 5-7% when increased productivity is included <https://cabuildingtrades.org/new-study-minimizes-impact-of-prevailing-wage-on-affordable-housing-construction/>. These studies support a range of prevailing wage cost increases.

Inflation

The GTS provided project costs also do not include recent inflation pressures. CBRE (one of the largest commercial real estate services and investment organizations) indicated in their December 2, 2022 U.S. Real Estate Market Outlook for 2023 that commercial construction costs increased 14.1% in 2022. CBRE forecasts an additional increase of 2.7% in 2023. <https://www.cbre.com/insights/books/us-real-estate-market-outlook-2023/construction-costs#:~:text=forecast%20future%20escalation,-.After%20two%20years%20of%20double%20digit%20increases%2C%20CBRE%20expect%20construction,which%20contractors%20could%20boost%20margins>.

Taken together, a ROM range of construction costs for the breakroom-kitchen remodel portion of the project based on a relatively recent similar size/scope remodel; but modified to include inflation and prevailing wage rates, in 2023 is \$107,000 to \$140,000. This is only an example as final design decisions will affect final costs.

BOARD OPTIONS

Option #1 - Authorize the General Manager to enter into a professional services agreement with GTS Architecture, Inc. (GTS) to provide design and architectural services for the upcoming Administration Building Breakroom/Kitchen and Atrium Remodel, at a cost of \$59,895 plus 10% contingency for a total not to exceed cost of \$65,885

Fiscal Impact: Up to \$65,885 which was included in the FY 2022/23 Budget.

Business Analysis: Completes the remodel of the building.

Option #2 - Do not authorize the General Manager to enter into a professional services agreement to provide design and architectural services for remodeling of the MWDOC Administration Building Breakroom/Kitchen and Atrium, and provide direction to staff.

Fiscal Impact: None

Business Analysis:

Attachment: GTS Architecture proposal with Labor Breakdown Restatement

November 16, 2022

Mr. Charles Busslinger, P.E.
Director of Engineering / District Engineer
MWDOC
18700 Ward Street
Fountain Valley, CA 92708

Subject: Fee Proposal: Architectural, Structural, Electrical and Plumbing Services

Project: MWDOC Administration Building Lobby Area/Breakroom/Kitchen and Atrium
18700 Ward Street
Fountain Valley, CA 92708

Dear Mr. Busslinger,

Thank you for the opportunity to provide this NOT TO EXCEED fee proposal for your Administration Building. GTS Architecture, Inc. is pleased to submit the following proposal for Architectural, Interior and Engineering, and Cost Opinion Consulting Services for MWDOC. This proposal is based on the Request for Proposal dated September 27, 2022.

GTS has reviewed and takes no exception to the MWDOC Standard Agreement (attachment C). We look forward to working with you and your MWDOC Team on this project. If you should have any questions or require further information, please do not hesitate to call me at **949-278-1145** or you can e-mail me at: greg@gts-arch.com

Sincerely yours,
GTS Architecture, Inc.

Greg Sadowski
President

Enclosures: As Noted

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1. INTRODUCTION

GTS Architecture, Inc.

The administration building serves as MWDOC's primary administrative building and is also designated as the backup Emergency Operations Center (EOC) for the Water Emergency Response Organization of Orange County (WEROC). The EOC's principal function is to provide office space to host water resources personnel during critical events. This building is intended to be used as a backup communications and resource coordination hub for water and wastewater agencies in Orange County in the event the primary EOC is unavailable/unusable.

MWDOC completed a seismic retrofit and tenant improvement project on their administration building in 2022. The breakroom/kitchen and atrium only received structural and electrical upgrades during the remodel. To complete the Project the RFP will focus on the following:

- Remodel of the kitchen/break room to update the space to compliment the newly redesigned office;
- Replacement of the atrium pergola with a similar shade structure that compliments the building design;
- Refacing of the main lobby cabinetry to match the new furniture;
- Replacement of the main lobby cabinet and reception desk countertops to compliment the new office furniture and remodeled kitchen.

GTS Architecture, Inc.

GTS Architecture, Inc. is a boutique firm that provides comprehensive architectural consulting services for projects from conceptual design through construction services. Our work combines a strong aesthetic sensibility with functionality and economic discipline.

Based in Southern California, we have evolved into a nimble, design-oriented practice. That means that all projects receive the founder's attention, ensuring continuity of intent from first concepts through completed construction. Mr. Sadowski has been a licensed architect for 30+ years.

GTS Architecture has partnered with ABS Consulting, Inc. on several projects including a major seismic upgrade for MWD Headquarters. Most of our work are remodels which typically include accessibility upgrades. Our firm's diverse project portfolio includes laboratories, clean rooms, data centers, conference centers, tenant improvements, façade remodels and a corporate library. We were the campus architect for Edwards Lifesciences. Other clients include Amgen, Aerospace Corporation, Enterprise Rent-A-Car, Latisys and SGI-USA (Buddhist Center).

Our collaborative team style often results in enduring client relationships and projects that support business decisions and nurture both short and long-term design objectives.

Amgen Library



Edwards Lifesciences Lobby/Facade



SGI Lobby/Facade



Smaller size tenant improvements have been a staple for GTS Architecture over the years. Depending on the type of the project GTS occasionally teams up with an interior designer in order to capture critical design touches even the simplest projects require.

For the MWDOC Project, GTS Architecture will be teaming up with 3 consultants:

- RIIZE Design and Planning (Teri McWhirter, CID; Interior Design Consultant)
- ABS Consulting, Inc. / Structural Engineering and Costing
- Empire 3 Consulting Engineers, Inc. (Electrical and Plumbing Engineering)
(mechanical engineering does not appear to be required and is not included)

Note on Accessibility

Typically, remodels / small scope tenant improvements have existing conditions that present accessibility issues. Since the MWDOC has just completed a very thorough tenant improvement on the Administration Building, GTS will exclude the any interior/exterior accessibility items outside the scope of the Breakroom/Courtyard Project.

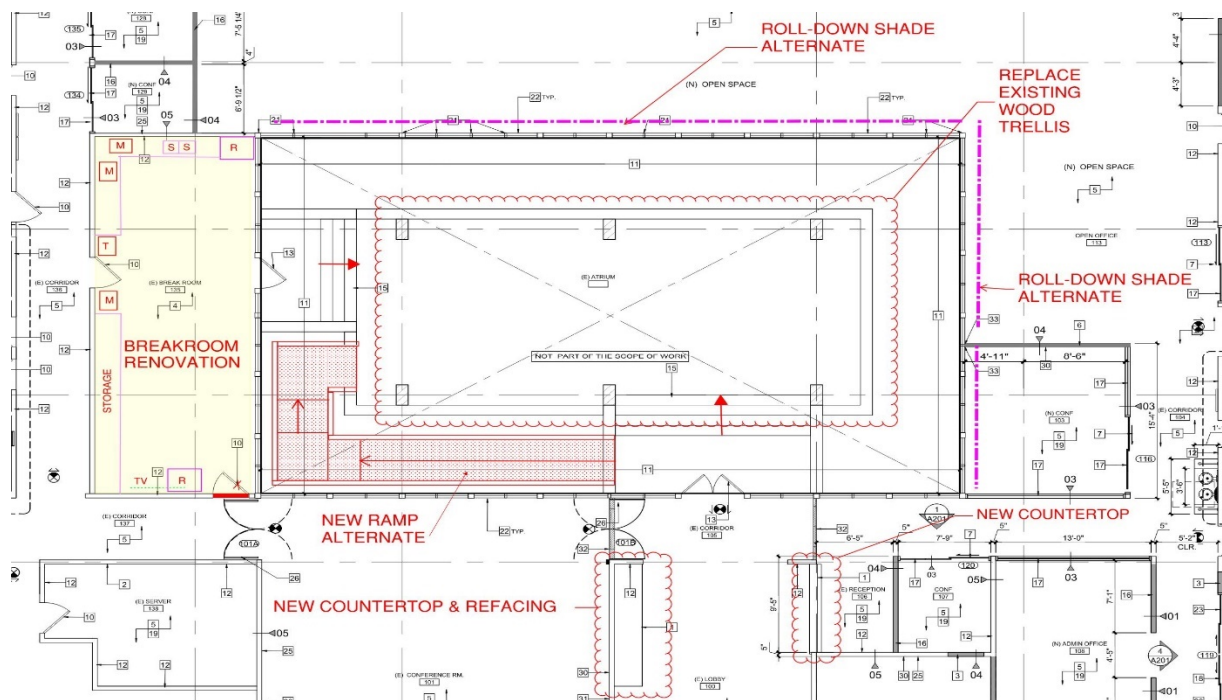
With that said, GTS has noticed an increase of Authorities Having Jurisdiction and even private building owners requiring a "CASp" (California Access Specialist) report upon completion of projects.

GTS is not recommending or suggesting that a “CASp” report will be required by the City of Fountain Valley. However, the work in the courtyard (trellis replacement and shading device) will highlight the fact that the courtyard is not accessible.

Generally speaking, the CBC requires that all spaces be accessible to within a maximum 20% of the construction cost of a project. GTS doesn't know how the MWDOC 2020 Administration Building upgrade dealt with the courtyard accessibility (e.g. did MWDOC apply accessibility upgrades to an official “hardship” application with the City?).

Regardless of how the lack of accessibility to the Courtyard was handled, GTS just wants to point out a potential liability under the ADA and/ or CBC Title 24. Below is concept plan showing a future ramp if MWDOC is considering making the Courtyard accessible. GTS is not including a ramp on this proposal, only as an observation for thought and discussion.

Conceptual Plan showing scope only (not to scale)



2. MWDOC REQUIRED SCOPE OF SERVICES (TASKS)

MWDOC TASK 1

Breakroom / Kitchen Area

- *Demolition and disposal of existing kitchen/break room cabinetry, and replacement with new cabinetry and under cabinetry lighting; providing sufficient counter top space to accommodate existing coffee machines, food preparation areas, two microwave ovens and toaster ovens; as well as maintaining the existing volume of cabinet storage space;*
- *Demolition and disposal of existing sink and faucet, and installation of a new sink and faucet;*
- *Demolition and disposal of existing flooring, and installation of new flooring;*
- *Relocation of the southern break room door to the west in order to avoid interference with Conference Room 101 doors, while providing sufficient space for a refrigerator; (or if Building Code allows - elimination of the southern break room door);*
- *Removal of any existing wall paper, wall patching and repainting of existing kitchen/break room walls;*
- *Haul away and dispose of (2) existing refrigerators and replace with (2) new refrigerators;*
- *Installation of new standalone ice machine including connection to existing drain located in western partition wall;*
- *Removal and disposal of existing table and chairs, and replacement with tables and chairs sufficient to seat minimum 20 people; Installation of new accent lighting, dependent on final design approval*

MWDOC TASK 2

Atrium Area

- *Removal and disposal of existing pergola shade structure, and replacement with a new structure that utilizes the existing foundation supports to complement atrium and building.*
- *Installation of new accent lighting on pergola shade structure.*

MWDOC TASK 3

Other Improvements

- *Refinish main lobby cabinets to complement remodeled office space furniture;*
- *Removal and disposal of existing main lobby cabinet countertop and lobby reception desk countertop; and replacement with new (same size) countertops complementing remodeled office space.*
- *Develop asbestos mitigation plan for construction. A hazardous building materials inspection was performed in 2020 and the report is provided.*

3. TASKS *DISCUSSION*

GENERAL

1. The Architect, Structural Engineer, Interior Designer and E/P consultants will conduct a site visit to review existing conditions.
2. The Design Team will execute documents that address MWDOC Tasks 1 through 3 Scope of Services.
3. The Design Team documents will provide the following deliverables which will include but may not be limited to:
 - A. Schematic Design and Meeting to present design concepts within 7 weeks from Notice to Proceed:
 - Floor Plan(s)
 - Reflected Ceiling Plan(s)
 - Sections
 - Preliminary equipment information
 - 3 dimensional views
 - *Schematic Design will exclude Electrical and Plumbing*
 - B. 90% Construction Documents and Meeting to present design concepts within 6 weeks from MWDOC official review and comment of Schematic Design.
 - Prior to beginning 90% CD Phase, GTS and MWDOC will meet to review comments in detail in order fully understand direction moving forward.
 - Floor Plan(s)
 - Site Plan (path of travel)
 - Reflected Ceiling Plan(s)
 - Sections
 - Elevations
 - Details
 - Accessibility Notes
 - General Notes
 - Electrical Design
 - Plumbing Design
 - Structural Design
 - Sheet specifications as required for major trades as required
 - C. 100% Construction Documents and Meeting to present design concepts within 5 weeks from MWDOC official review and comment of the 90% Construction Document issue.
 - Prior to beginning 100% CD Phase, if necessary, GTS and MWD will meet to review comments in detail.

- Project to be stamped and signed by Greg Sadowski (GTS Architecture, Inc. / California license C20812); consultant stamped and signed documents: Structural, Electrical, and Plumbing design.
- Provide “opinion of probably construction cost” for the Project.
- ***Excluded:*** *The Project will exclude the following design: civil, mechanical, fire sprinkler, fire alarm, security, CCTV, paging, tel/data wiring, and commissioning.*

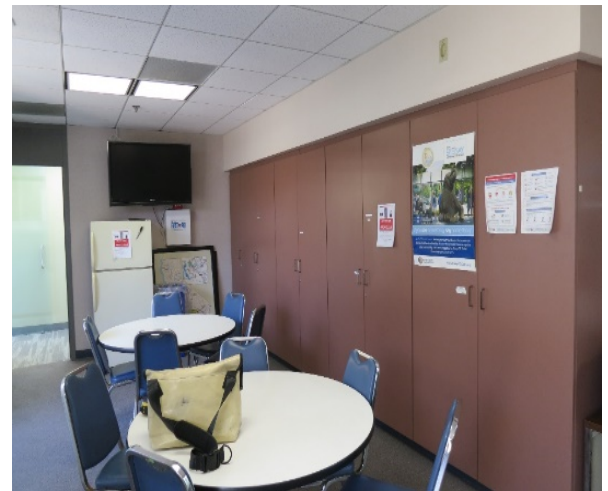
- D. Bid Support during the Solicitation Phase.
- E. Construction support

4. TASK-1 DISCUSSION

BREAKROOM

1. The interior design team (GTS Architecture & RIIZE Design) shall perform (1) one site visit to verify and document the following (not limited to):
 - a. Existing wall, door, window and millwork layout.
 - b. Existing power and tele/data outlet locations.
 - c. Existing plumbing locations.
 - d. Existing ceiling and lighting layout.
2. At the initial site visit, The Interior Design Team (GTS Architecture & RIIZE Design) will meet and discuss with MWDOC the desired aesthetic the Breakroom scope of work.
3. On a separate day/meeting The engineering design team (GTS Architecture, Empire 3 Consulting Engineers,) shall perform (1) one site visit to verify and document the existing electrical and plumbing conditions relative to the Project.
4. For the Schematic Design Phase, the interior design team will provide a design scheme with up to (2) alternates or variations depending on how the initial MWDOC design conversations proceed.
5. The interior design team will provide samples and/or cut sheets of finishes to review with MWDOC, including wall, floor and millwork finishes.
6. The interior design team will provide cut sheets of accent lighting and plumbing fixtures to review with MWDOC.
7. The interior design team will provide a finish plan indicating location and installation method of all finishes for MWDOC review and approval. This plan will be incorporated into the final Construction Documents.

8. The interior design team will assist in the selection and coordination of new Breakroom furniture. The assumption is the furniture to be purchased directly with furniture vendor.
9. The interior design team will provide multiple “in-house” interior renderings of the Breakroom. The renderings should be sufficient for MWDOC internal use.
10. **Excluded:** *If required, highly “photorealistic” renderings can be provided at an additional fee depending on the scope.*
11. **Excluded:** *Structural engineering for the breakroom*
12. The occupant load for the breakroom will be reviewed and presented. Without considering the Atrium, the occupant load for the Breakroom appears to be about 33, sufficiently below 50 occupants (a total that would require 2 means of egress), thus allowing the south Breakroom door to be eliminated. Assuming the Atrium qualifies as B occupancy, the egress from the atrium into the Breakroom is: 8 occupants / 2 exits = 4 occupants exiting through the Breakroom. $33+4=37$ total Breakroom occupant load. Since $37<49$, in a worst case scenario, it appears the south Breakroom door can be eliminated. An exit plan will be submitted to Building and Safety for concurrence.



Existing Breakroom Conditions

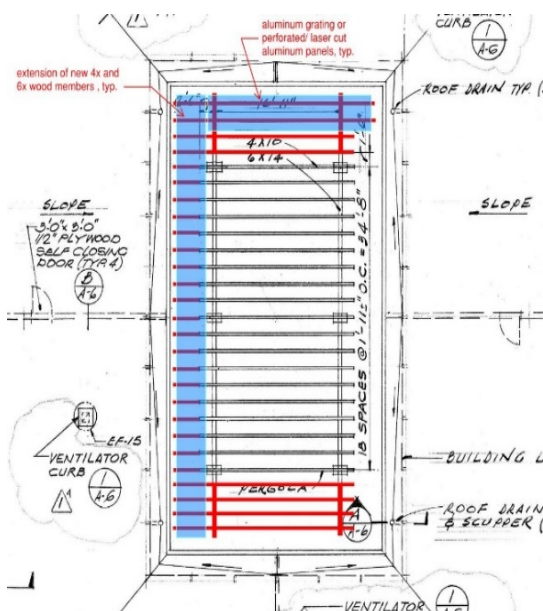
5. TASK-2 DISCUSSION

PERGOLA / SHADING (ATRIUM)

1. The removal and replacement of the existing pergola structure presents some interesting issues. Simply replacing the existing wood structural members “like for like” is easy enough and should fit within the overall budget. Adding the request for the pergola to double as a shading device for the north and east office glazing elevations complicates the project.
2. GTS will subcontract ABS Consulting (structural engineers) to provide the structural analysis, should MWDOC choose to pursue the shading device.
3. In order to get the sufficient shading coverage for the north and east office elevations, GTS proposes increasing the cantilever length combined with decorative or perforated horizontal laser cut aluminum panels (at widths to be determined). The pattern of the openings would be tight enough to allow only a small amount of sunlight through.
4. GTS has included a conceptual plan for consideration. The perforated shading panel layout are asymmetrical for two reasons: 1) keep the cost down; 2) if all the new wood cantilevered members and perforated aluminum panels were symmetrical around the courtyard, the added weight and uplift would stress the existing columns and footings. ABS did some rough preliminary calculations and the asymmetrical shading as shown in the plan below appear to be structurally code compliant. If the wood trellis members and aluminum panels were symmetrical on all sides of the courtyard, ABS does not feel the design would be code compliant.
5. GTS considered fabric shading. Fabric presents maintenance issues with dirt and fading. GTS doesn’t feel fabric fits the existing courtyard aesthetic. Employing fabric potentially dramatically changes the existing pergola “look”. MWDOC presented the sun shading device as a secondary consideration to the primary project (Breakroom renovation). GTS feels a fabric shading device might not work with the proposed budget.
6. ***Excluded:*** *In order to predict the exact amount of shading on the office windows, GTS recommends a shading study to be performed for various times of the year. GTS will construction the model in Revit to be used in the study. GTS will research where an accurate shading study can be performed and will consider it an additional service.*
7. The engineering design team (GTS Architecture & ABS Consulting) shall perform (1) one site visit to verify and document the existing courtyard/pergola conditions as they apply to the project.
8. ABS Consulting will prepare structural calculations for the new trellis design in accordance with the 2022 California Building Code (CBC) and ASCE 7-16 for wind, seismic and gravity analysis.

9. **Excluded:** Existing pilaster and footing analysis and strengthening. Due to the budget constraints, every effort will be made to work with the existing column and footing conditions.
10. ABS Consulting will prepare structural calculations for a new bolt-on member section to the trellis for shading extension in accordance with the 2022 California Building Code (CBC) and ASCE 7-16 for wind, seismic, and gravity analysis.

Excluded: Structural calculations for shading extension only at trellis. Strengthening of building or evaluation of building for extension is excluded. Existing pilaster and footing analysis and strengthening are excluded.
11. ABS Consulting's structural design will be fully integrated into GTS architectural documents for the new pergola/shading effort. All required notes and details will be reviewed by ABS. Structural calculations submitted to City will be stamped and signed by ABS.
12. **Excluded:** Separate structural drawings for the pergola and related shading. The GTS architectural documentation will contain the required information for City review and approval.
13. GTS provide multiple "in-house" interior renderings of the pergola / atrium. The renderings should be sufficient for MWDOC internal use.
13. **Excluded:** If required, highly "photorealistic" renderings can be provided at an additional fee depending on the scope.



Schematic plan showing in red the extension of the pergola structural members cantilevered to within about 12" of the existing soffit overhang. The blue shows the approximate scope of attached aluminum laser cut screen panels; below is an example of aluminum panels placed such that they provide shade at specific times of day and year.



6. TASK-2.1 DISCUSSION

OFFICES (ATRIUM ADJACENT)

1. The MWDOC Administration Building layout has a nicely dated “Mid-Century Modern” look. The existing pergola and atrium as designed compliments that feel (*minus the termites, of course!*). Replacing the pergola “like-for-like” will reinforce that look.
2. Architects often have an initial design reaction (that typically doesn’t get implemented for various reasons) when presented with a design challenge. GTS’s initial reaction to the office shading issues was to make the new design as “clean” as possible and retain the existing atrium qualities that make it inviting. This would require separating the pergola from the office shading component:
 - a. A “clean” design would be to simple replace the pergola “like-for-like”.
 - b. The Office shading component can be handled from the outside to isolate the heat gain and glare before it gets to the window. This can be accomplished using exterior roll down shades recessed into the existing soffit.
3. GTS dismissed the concept of exterior roll down shading device recessed into the existing exterior soffit for budget considerations. Exterior shades and housing components need to be robust enough to withstand exterior elements. Recessing into the existing framing of the soffit would not be an easy task. The motor drives would need a computerized component that would retract the shades during windy days...thus possibly defeating the purpose of the shading device.
4. As long as a separate shading device could meet the budget, GTS suggests the use of interior roll down shades. The shades would be mechanical and possibly computerized to raise and lower depending on the time of year and day.
5. In order to begin understanding how interior roll down shading would fit into the budget, GTS discussed the project with Mecho Shade who came up with an installed, recessed, mechanized product quote of \$20K. The quote figures the entire north and east glazing covered (approximately 100 linear feet of product).
6. **Excluded:** Items **NOT** in the Mecho Shade product ONLY estimate quote are:
 - a. Structural recessed support pocket (*misc. metal*) for the shade housing.
 - b. Reconfiguring the existing ceiling grid wall edge detail (*per seismic restraint requirements*).
 - c. Computerized programing if required.

- d. If necessary, moving the existing system furniture (depending on how close the furniture is to window frame.*
- 7. ABS Consulting will provide structural design and prepare structural calculations for a new interior shade housing support system at the north and east sides of the atrium walls in accordance with the 2022 California Building Code (CBC) and ASCE 7-16 for seismic and gravity analysis.



Interior Mecho shade option along the north window wall

7. TASK-3 DISCUSSION

OTHER IMPROVEMENTS

1. Existing Lobby cabinets: The interior design team will specify:
 - a. Refinishing the existing lobby wood cabinets;
 - b. Removal and disposal of existing main lobby cabinet countertop and lobby reception desk countertop; and replacement with new (same size) countertops complementing remodeled office space.
2. Note on refinishing: Although refinishing existing cabinets are an option, over the years, the design team has been frequently tasked with a similar scope. Unfortunately, while refinishing cabinets will work, the effort to get all the detailing finishes perfect almost always ends up costing the same (or slightly more) as providing a new product. This is especially the case when the countertop is also replaced. Considering there is already a millwork subcontractor on the project (Breakroom) the design team will request a deduct/or add alternate to replace the existing stand-alone piece of millwork in the Lobby.



Existing Lobby wood cabinet to be refinished

3. Note on asbestos: The RFP asks for a “mitigation plan for construction”. Typically, GTS doesn’t provide instruction on asbestos removal other than to note on the plans for the contractor to be aware of the existing asbestos report and to react as necessary through the correct protocol in dealing with its removal. GTS professional liability insurance typically doesn’t want the architect to give direction on the removal. GTS is willing to discuss with MWDOC for further clarification of the topic.

8. COST & SCHEDULE

The following section presents GTS Architecture's proposed fee breakdown for performing the project as described in our proposed scope of work. The proposed **Fixed Fees** includes all labor costs, travel costs and expenses to perform the proposed project.

Architectural / Interior / Electrical / Plumbing / Cost Opinion

TOTAL (Fixed Fee Basis).....\$59,895.

scope	hours	rate		notes/assumptions
GTS ARCHITECTURE				BREAKROOM/COORD./SUPPORT/DRAFT
PRINCIPAL	2	185	\$ 370.00	
PROJ ARCH	40	165	\$ 6,600.00	
DESIGNER/DRAFT	10	120	\$ 1,200.00	
CONST SERVICES	10	120	\$ 1,200.00	
SUB TOTAL	52		\$ 7,800.00	
GTS ARCHITECTURE				TRELLIS DESIGN/PRODUCTION
PRINCIPAL	2	185	\$ 370.00	
PROJ ARCH	40	165	\$ 6,600.00	
DESIGNER/DRAFT	85	120	\$ 10,200.00	
CONST SERVICES	20	120	\$ 2,400.00	
SUB TOTAL	127		\$ 16,800.00	
RIIZE DESIGN				BREAKROOM / DESIGN
PRINCIPAL	44	115	\$ 5,060.00	
PRINCIPAL/CONST. SERVICES	5	150	\$ 750.00	
SUB TOTAL	44		\$ 5,810.00	
EMPIRE 3 ENG. / PLUMB				BREAKROOM / DESIGN
PRINCIPAL	0	150	\$ -	
PROJ ENG	14	130	\$ 1,820.00	
DESIGNER	15	100	\$ 1,500.00	
CONST SERVICES	10	110	\$ 1,100.00	
SUB TOTAL	29		\$ 4,420.00	
EMPIRE 3 ENG. / ELECT				BREAKROOM / DESIGN
PRINCIPAL	0	150	\$ -	
PROJ ENG	17	130	\$ 2,210.00	
DESIGNER	30	100	\$ 3,000.00	
CONST SERVICES	10	110	\$ 1,100.00	
SUB TOTAL	47		\$ 6,310.00	
ABS / (STRUCT) NEW TRELLIS				BASE DESIGN / NO SHADING COMPONENT;
PRINCIPAL	9	275	\$ 2,475.00	SKETCHES AND CALCS ONLY/NO DRWS
PROJ ENGINEER	42	165	\$ 6,930.00	
CONST SERVICES	12	165	\$ 1,980.00	
SUB TOTAL	51		\$ 9,405.00	
ABS / (STRUCT) NEW TRELLIS SHADE				ADDED SHADING COMPONENT;
PRINCIPAL	1	275	\$ 275.00	SKETCHES AND CALCS ONLY/NO DRWS
PROJ ENGINEER	20	165	\$ 3,300.00	
SUB TOTAL	21		\$ 3,575.00	
ABS / (STRUCT) COST OPINION				TOTAL PROJECT COSTING
PRINCIPAL	21	275	\$ 5,775.00	
PROJ ENGINEER	0	165	\$ -	
SUB TOTAL	21		\$ 5,775.00	
TOTAL	392		\$ 59,895.00	

9. GTS ARCHITECTURE, INC.

PERSONAL RESUME

Gregory Sadowski

GTS Architecture, Inc. (Owner / President)

Enterprise Rent-a-Car - Tenant Improvement and Automated Car Wash Upgrades - Full architectural, civil, structural, mechanical, electrical, plumbing services for existing Enterprise facilities in the cities of Santa Ana, Orange, Signal Hill, Anaheim.

Tenant Improvement and Accessibility Upgrade-Santa Ana, CA - 5,000 sf (TYPE-VB) Tenant improvement that included path of travel upgrade (new lift and accessible parking space upgrade at detached adjacent parking structure) and existing toilet accessibility upgrade. TI project included major HVAC upgrades to the existing building since the building was constructed in 1980 with no previous upgrades.

Internap Data Center-Redondo Beach, CA - 112,000 sf (TYPE-IIIB) Architectural consultant to design/build contractor Carlson Construction. Improvements to existing data center included new chillers, water tanks, cooling towers and pumps.

14 Story High Rise-Los Angeles, CA - 450,000 sf (TYPE-I) office building. Architectural support for a voluntary seismic improvement of a concrete high-rise, for both building structure and a selected scope of exterior precast concrete cladding. GTS scope included façade design modifications, kitchen and cafeteria upgrades, accessibility modifications. Consultant to ABS Consulting Structural Engineers.

Aerospace Corporation-El Segundo, CA - 2,000 sf (TYPE-II) testing facility (approx. \$2M- new shell construction/interior laboratory design).

SGI International USA-Laguna Hills, CA - 25,000 sf interior design, seismic upgrade and conversion of an existing Type V-B structure to a Type III-B. Additional assembly occupancy required modification to higher construction detailing standard along with conditional use permit.

SGI International USA-Santa Monica, CA - 6,000 sf office and lobby interior design for the SGI corporate headquarters in a Type 1 high rise originally constructed in the 1970's. Approximately \$1M construction cost.

Texas Instrument-Santa Clara, CA - Existing 4 level / Type II-A / 1061 car parking structure. Architectural consultant to ABS Consulting (structural engineer) for seismic upgrade/disabled access retrofit to this 1980's precast structure. Project is currently under construction.

Sadowski Architects, Inc. (Studio SA) owner/partner

Latisys Datacenter-Irvine, CA 90,000 sf of a co-location data center with structural design upgrade. Design/build architectural consultant to Carlson Construction including 8 site generators; entire project was new except for 4 existing walls that remained.

DLR Datacenter-Santa Clara, CA 140,000 sf of co-location data center. Design/build architectural consultant to Carlson Construction (\$45M 2009)

Irvine Montessori-Irvine, CA - 12,000 sf / 340 student Montessori school design in an existing commercial zone. Services and documentation from City conditional use approval use through state of California review and acceptance.

Comerica Bank-Westwood, CA - 5,000 sf bank tenant improvement complete with second floor vault in existing Type I & Type III configuration.

Cibola Systems-Orange, CA - 18,000 sf LEED certified, tenant improvement to an audio/visual design-construct client.

Occidental College-Los Angeles, CA - 500 sf chemistry laboratory remodel and disabled access upgrade for Norris Hall of Science.

LabCorp-West Los Angeles, CA - 4,000 sf office and testing laboratory tenant improvement.

Aerospace Corporation-El Segundo, CA - 20,000 sf (TYPE-I) extensive architectural / mechanical/ structural phased remodel of 9 various laboratories in a 1975 vintage building.

University of Southern California-Los Angeles, CA - 3,000 sf electronic/microwave research laboratory tenant improvement in an existing 4 story type V-A building (Denny Research Center).

Edwards Lifesciences-Irvine, CA - 40,000 sf of complete interior design/seismic upgrade/ façade renovation for an existing 2 story, Type III-B constructed in the 1970's.

Edwards Lifesciences-Irvine, CA - 12,000 sf new laboratories: chemistry, biology, microbiology, metrology and product evaluation. Tenant improvement to existing 2 story Type III-B constructed in the 1970's.

Edwards Lifesciences-Irvine, CA - Vivarium Building Renovation. Architectural renovation of existing building with new updated exterior and interior ADA upgrade.

Edwards Lifesciences-Irvine, CA - 3,200 sf tissue organic chemistry laboratory tenant improvement

Edwards Lifesciences-Irvine, CA - 750 car, 4-story cast-in-place new concrete structure. (\$9M 2005)

Edwards Lifesciences-Irvine, CA - 9,000 sf of Showcase Lab and Manufacturing

Edwards Lifesciences-Irvine, CA - 14,000 sf. Extension of existing class 10,000 cleanroom along with "continuous occupancy" seismic upgrade for the existing Type 1 building constructed in the mid 1990's

Edwards Lifesciences-Irvine, CA - 100 occupant conference center. State of the art assembly occupancy for visiting doctors.

Edwards Lifesciences-Irvine, CA 50 occupant training center. State of the art training facility specifically for ELS's primary product: thoracic heart valve installation (THV).

Edwards Lifesciences-Irvine, CA - Various tenant improvement and interior design laboratory and office remodel projects- ranging from 1,000 to 50,000 sf.

[MVE Partners, Irvine \(production architect\)](#)

Various 3 to 4 story multi-residential podium projects- production architect; design development through construction documentation.

[HLW International, Santa Monica \(project architect\)](#)

Amgen-Thousand Oaks, CA - 150,000 sf / 4 level / Type I / B, A+H occupancies. New laboratory building. HLW was interior and executive architect. ZGF was shell design architect. Project architect from design development through construction admin.

Specialty Laboratories-Santa Clarita, CA - 200,000 sf / 3 level / Type II / B, A, S+H occupancies. New shell + core and interiors for laboratory building. Project architect from construction document phase through construction administration.

Luckman Partnership project architect

Vandenberg Air Force Base-Vandenberg, CA - Project designer, Project architect for a remodel of the existing headquarters facility. Project incorporated interior design of new lobby and space planning of approximately 60,000 sf Included is the Space Operations Center with sensitive S.C.I.F. design issues.

Universal Studios design architect

Japan, Showset design development for the attraction Terminator 2. All work conforming to the Universal AutoCAD Standards. 6 month contract.

[The Arroyo Group project architect](#)

Flintridge Sacred Heart Academy-LaCañada, Flintridge Project Architect on a (\$7M-1996), Type- III, Student Activities Center Building featuring gymnasium, locker/shower facility, chemistry, physics and biology classrooms. Project was designed and detailed to sensitively coexist with existing campus structures originally designed by architect Myron Hunt (Rose Bowl designer) as a Hotel in the late 1920's.

[Jeffery M Kalban & Associates \(design + production architect\)](#)

J. Paul Getty Trust (Beverly Park Building)- Brentwood, CA - Construction Documents and Design Development on a 5-story, 60,000 sf maintenance and office building supporting the new Getty Museum of Art. Situated adjacent to the San Diego Freeway, the steel frame Type 1 structure accommodates 3 levels of occupied space over parking below with a pedestrian bridge linking the upper levels.

The Curtis School-Pacific Palisades, CA - Project design development and construction documents for major addition to the prominent k-6 private school. Campus plan includes 3 existing buildings with the addition of 4 new classroom buildings and gymnasium/ auditorium structure.

[Greg Sadowski Architect \(owner\)](#)

Sadowski Residence-Mount Washington, Los Angeles - owner builder, architect of a 1900 sf three story, six level, custom designed, contemporary hillside residence, designed to maximize the constricted 1000 sf curving, "hairpin turn" site. The exposed cast-in-place concrete, concrete block, wood and plaster structure takes full advantage of the San Gabriel Mountain view.

Private Residence-Big Island Hawaii - 4000 sf contemporary style residence with subtle Japanese elements featuring open structure high ceilings with extensive exposed woodwork and use of native materials. Complete architectural services through construction documents including interior and lighting design.

[Shimabukuro Architect \(designer\)](#)

AMGEN Biotechnology Research Center (Building 14)-Thousand Oaks, CA - project designer and interior design consultant to Shimabukuro Architect and Pedersen, Beckhart, Wesley +Stice Architects for a fast-tracked, 200,000 sf, Type 1, (\$50M in 1990) research and development facility. Ove Arup provided

engineering design. The center features state-of-the-art laboratories, scientist's offices, a full service library, various conference and meeting spaces and an employee cafeteria. 2 yr project from conceptual design through construction services.

Yuma Diagnostic Imaging Center-Yuma, Arizona - project designer for a new 16,000 sf magnetic resonance imaging and C.T. scan diagnostic facility for the Yuma Regional Medical Center. Full service design package including interior design, production of 10 original artworks and graphic design.

Diagnostic and Therapeutic Facility-Torrance, California - project designer on a 2000 sf medical facility incorporating 2 M.R.I. suites, C.T. scan and linear accelerator for Fashion Way Associates/ Little Company of Mary.

M.R.I. Facility-Cerritos, California prototype M.R.I. facility for International Imaging of Chicago. 10,000 sf freestanding concrete and glass block structure.

AMGEN Biotechnology Research Center-Building Number 5 Thousand Oaks, California design and construction documents on a 75,000 sf new research facility in an existing building featuring research laboratories, vivarium and two atriums.

[McClellan Cruz Gaylord and Associates \(designer\)](#)

Downtown Brea Mixed Use Redevelopment Competition - Brea, CA - one of the project designers on the winning competition for an extensive redevelopment of the Old Town section of Brea, for Watt Development Company.

Employment History

[GTS Architecture, Inc. \(owner\) 8/2012-present](#)

[Sadowski Architects, Inc. \(owner/partner\), 11/2004-8/2012](#)

MVE & Partners, 4/2003-4/2004

HLW International(Associate) 1/1998-4/2003

Universal Creative 8/1997-1/1998

The Arroyo Group 3/1996-8/1997

The Luckman Partnership, Inc. 3/1995-4/1996

Jeffrey M. Kalban and Associates. 9/1993-3/1995

Gregory T. Sadowski, Architect

Shimabukuro Architecture, 1984-1989, 1990-1992

McClellan, Cruz, Gaylord and Associates 1989-1990

Education: University of California Berkeley- Architecture 1984

License: California Licensed Architect/ 1989 / C-20812

10. RIIZE DESIGN

PROJECTS AND REFERENCES

Teri McWhirter

Mission Commercial Properties

Mary Jo Berry, Senior Property Manager
31866 Camino Capistrano
San Juan Capistrano, CA. 92675
949.234.7670

mberry@missioncommercial.com

Chino Hills Corporate Park – 15345 Fairfield Ranch Rd., Chino Hills, CA.
Puerta Real Corporate Plaza – 27405 Puerta Real, Mission Viejo, CA.
Los Rios Plaza – 31897 Los Rios, San Juan Capistrano, CA.
Serra Plaza – 31910 Del Obispo, San Juan Capistrano, CA.

Easterseals of Southern California

Paula Pompa Craven, Chief Clinical Officer
223 E. Thousand Oaks Boulevard, Suite 100
Thousand Oaks, CA. 91360
818.681.1390

Paula.Pompa-Craven@essc.org

Bellflower Office – 10358 Artesia Blvd., Bellflower, CA.
Lancaster Office – 44460 20th Street, Lancaster, CA.
Thousand Oaks Office – 223 E. Thousand Oaks Blvd., Thousand Oaks, CA.
Covina Office – 325 E. Rowland St., Covina, CA.

Escrow Leaders

Valerie Velotta, Vice President
31910 Del Obispo, Suite 100
San Juan Capistrano, CA. 92675
949.373.7007

Valeriev@escrowleaders.com

San Juan Capistrano Office – 31910 Del Obispo, San Juan Capistrano, CA.
Temecula Office – 27290 Madison Ave., Temecula, CA.

US Fish & Wildlife Services


Patti Mahaffey
Mahaffey International
310.345.5906
Pmmahaffey11@gmail.com
US Fish & Wildlife Services Office - 2493 Portola Road, Ventura, CA.

11. ABS CONSULTING, INC.

FIRM OVERVIEW

American Bureau of Shipping (ABS) was founded in 1862 to provide risk assessment services to the U.S. marine insurance industry. ABS Group of Companies, Inc.'s (ABS Group) purpose is to expand the mission and diversify the activities of ABS by offering risk management, safety, quality, and environmental consulting and certification services to a wide range of facilities, industries, and companies worldwide.

ABS Group is wholly owned by ABS and was formed **51 years** ago (a **corporation** incorporated in **New York on October 4, 1971**) to provide **building risk assessment and management services** to complement ABS' offshore risk assessment services. ABS Group is headquartered in Spring, Texas, and the operating subsidiaries of ABS Group are:

- **ABSG Consulting Inc. (ABS Consulting)** – a leading independent global provider of Risk Management Services that combines industry expertise, construction management, risk modeling, practical engineering, and technology-based solutions. Markets we work in include: Public Agencies; Commercial and Mixed Use; Healthcare; Government, Educational, Power, Offshore; Marine; Oil, Gas, and Chemical.
 - ABS Consulting has been an independent global provider of Risk Management Services since the early 1970s and Program and Construction Management Services since the 1990s. In 2000, ABS Consulting also acquired **EQE International, Inc. (EQE)**, founded in 1981, to provide specialty earthquake and natural hazard risk engineering services to solidify our risk management expertise.  late
 - ABS Consulting's **Extreme Loads and Structural Risk (ELSR) Group** includes project and construction management services, including structural engineering assessment and natural hazards mitigation services as well as blast hazard assessment and mitigation services.
 - Our Southern California-based ELSR Structural Engineering group is ideally suited to provide **structural engineering services** including natural hazard mitigation, consisting of voluntary or code-mandated building **seismic** and multi-hazard evaluations, building structure retrofits, and associated building renovation needs, including cladding systems and non-structural anchorage.

ABS Group's total worldwide staff is currently more than **1,000 individuals** that are composed of managers, engineers, scientists, and support personnel. Currently, ABS Group maintains a worldwide network of **31 offices** from which we provide specialized engineering and risk management services in the Americas, Europe, the Middle East, and Asia. ABS Group has been named one of **America's Best Management Consulting Firms 2022** by *Forbes* and *Statista*. Our total revenue in 2021 was approximately \$120.9 million.

Daniel J. Dopudja, P.E., S.E., Director, of our ELSR Group will be acting as the contact person and project manager for this qualifications package for ABS Consulting. He is based in ABS Consulting's Irvine, California, office, which currently employs **15 individuals locally**.

12. EMPIRE 3 CONSULTING ENGINEERS

RESUME

Travuth Mock

Summary of Qualifications

Professional electrical engineer and project manager with industrial, institutional, governmental, parking structure, commercial and campus design experience in power, lighting, controls and construction.

Experience include low, medium and high voltage system design, analysis and device coordination, value engineering studies, design/build contracting and construction administration. Specialize in various industries such as office tenant improvement, parking structures, computer facilities, internet data center, school/institutions, healthcare facilities, dental offices, hotel/motel and retail/shopping centers.

Professional Experience

President / Sr. Electrical Engineer

08/03 to Present

Empire 3 Consulting Engineers, Inc.- Riverside & Long Beach, California

Own and operate small consulting engineers firm in Inland Empire areas. Primary responsibilities include marketing, project negotiations, contract agreement, fee proposal and oversee company operations / management. Provide project management and electrical engineering design and services to design-build contractor for various large projects throughout California. Other technical experience include architectural and landscape lighting design, low to high voltage power distribution system design, unit substations, system analysis and device coordination, value engineering studies, design-build contracting and construction administration in parking structures, retail, commercial, corporate offices, healthcare, research, educational/institutional, government/public works, hotel/resort, apartment/condominium complex, industrial/manufacturing and residential projects.

Associate / Sr. Electrical Engineer

09/01 to 8/03

Konsortum 1, Inc. – Irvine, California

Team leader supervising small electrical design team in multiple projects. Responsible for day-to-day company operations and develop/update company standards, QA/QC program, master specifications and marketing. Project manager for electrical discipline on assigned work tasks responsible for budgets, schedules, manpower loading, fee proposals, design and engineering. Provide engineering

and design technical expertise (including short-circuit calculations using SKM's PTW software), review and approval of electrical construction documents.

Associate / Team Leader

01/99 to 9/01

OMB Electrical Engineers, Inc. – Irvine, California

In-charge of multiple projects in design of electrical (power/lighting) and signal (fire alarm, tele/data,

Breakroom/Atrium Remodel
MWDOC / Administration Bldg.
November 2022

18700 Ward Street
Fountain Valley, CA

security, paging, master/clock, CATV/CCTV, nurse call) systems for health care facilities, schools/institutions, hotel/motel and retail/commercial facilities. Other responsibilities include field investigation, construction administration, project coordination, fee proposal, edit specifications, review shop drawings, load analysis, short-circuit & device coordination studies using SKM's PTW software (DAPPER and CAPTOR).

Sr. Electrical Engineering Designer

09/97 to 01/99

Alfa Tech Consultant Engineers, Inc. – San Jose, California

Designed and CAD drafted electrical power, lighting, telecommunications and signal systems for school and office/commercial tenant improvement buildings using AutoCAD R14. Major projects included SUN Microsystems and Cisco Systems facilities.

GTS ARCHITECTURE, INC.

RESTATED LABOR COST BREAKDOWN

Scope	Hours	Rate	Sub Totals		
<u>KITCHEN DESIGN & PRODUCTION</u>					
GTS ARCHITECTURE					
PRINCIPAL	2	185	\$ 370.00		
PROJ ARCH	40	165	\$ 6,600.00		
DESIGNER/DRAFT	10	120	\$ 1,200.00		
CONST SERVICES	10	120		\$ 1,200.00	
SUB TOTAL			\$ 8,170.00		
RIIZE DESIGN					
PRINCIPAL	44	115	\$ 5,060.00		
PRINCIPAL/CONST. SERVICES	5	150		\$ 750.00	
SUB TOTAL			\$ 5,060.00		
EMPIRE 3 ENG. / PLUMB					
PRINCIPAL	0	150	\$ -		
PROJ ENG	14	130	\$ 1,820.00		
DESIGNER	15	100	\$ 1,500.00		
CONST SERVICES	10	110		\$ 1,100.00	
SUB TOTAL			\$ 3,320.00		
EMPIRE 3 ENG. / ELECT					
PRINCIPAL	0	150	\$ -		
PROJ ENG	17	130	\$ 2,210.00		
DESIGNER	30	100	\$ 3,000.00		
CONST SERVICES	10	110		\$ 1,100.00	
SUB TOTAL			\$ 5,210.00		
TOTAL (KITCHEN)			\$ 21,760.00	\$ 4,150.00	\$ 25,910.00
<u>TRELLIS REPLACEMENT-ATRIUM IMPROVEMENTS</u>					
GTS ARCHITECTURE					
PROJ ARCH	60	165	\$ 9,900.00		
DESIGNER/DRAFT	47	120	\$ 5,640.00		
CONST SERVICES	16	120		\$ 1,920.00	
SUB TOTAL			\$ 15,540.00		
ABS / (STRUCT) DESIGN & COORDINATION					
PRINCIPAL	10	275	\$ 2,750.00		
PROJ ENGINEER	42	170	\$ 7,140.00		
CONST SERVICES	18	170		\$ 3,060.00	
SUB TOTAL			\$ 9,890.00		
TOTAL (ATRIUM)			\$ 25,430.00	\$ 4,980.00	\$ 30,410.00
<u>COST OPINION</u>					
ABS / (STRUCT) COST OPINION					

PRINCIPAL	13	275	\$ 3,575.00		
CONST SERVICES	0	0	\$ -	\$ -	
SUB TOTAL			\$ 3,575.00	\$ -	\$ 3,575.00
PROJECT TOTAL					\$ 59,895.00

RAMP DESIGN & PRODUCTION IF REQUIRED)

GTS ARCHITECTURE					
PROJ ARCH	8	165	\$ 1,320.00		
DESIGNER/DRAFT	28	120	\$ 3,360.00		
CONST SERVICES	10	120		\$ 1,200.00	
SUB TOTAL			\$ 4,680.00		
TOTAL (RAMP)			\$ 4,680.00	\$ 1,200.00	\$ 5,880.00

<u>TOTAL BASE PROJECT + RAMP ADD SERVICE:</u>		\$ 65,775.00
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ACTION ITEM
January 18, 2023

TO: Board of Directors

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

Robert J. Hunter, General Manager

SUBJECT: **AUTHORIZE ATTENDANCE AT CSDA'S LEADERSHIP ACADEMY,
FEBRUARY 26-MARCH 1, 2023, LA QUINTA, CA**

STAFF RECOMMENDATION

It is recommended that the Board of Directors: consider authorizing attendance by Directors and such members of District staff (as approved by the General Manager) at the California Special Districts Association's (CSDA) Leadership Academy to be held in La Quinta on February 26-March 1, 2023.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

CSDA will be holding its Leadership Academy in La Quinta in February. This conference is designed for both new and experienced special district Board members and will focus on the following areas: Teamwork (the roles of the board and staff); attributes and characteristics of highly effective boards; culture, norms, values, and operating styles to influence the district; specific jobs the board must perform; how individual values, skills, and knowledge help to shape how effective boards operate; the importance of moving from "I" to "we" as the governance team; the board's role in setting direction for the district; and the board's role in finance and fiscal accountability.

Director Crane has expressed interest in attending this conference; his attendance should satisfy the Governance Training requirement for receiving the District of Distinction award. Early bird registration costs are \$625 (prior to January 25), and hotel costs should be approximately \$700, plus incidentals.

Budgeted (Y/N): N	Budgeted amount:	Core X	Choice _
Action item amount: \$1600			
Fiscal Impact (explain if unbudgeted): Not applicable			



DISCUSSION ITEM

January 11, 2023

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

FROM: Robert Hunter, General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: Fiscal Year Ending (FYE) 2023 Budget Year-End Projections &
Conceptual FYE 2024 Budget Review

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee discuss the budget year-end projections, upcoming budget process & key assumptions, and direct the General Manager as appropriate.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

Projected Year-End Estimates for FYE 2023

MWD OC staff has initiated the budget process for FYE 2024 (Fiscal Year Ending 2024, FYE'24) and initial projections have been prepared for the remaining months of the current fiscal year in order to calculate the FYE 2023 Year-End estimates. It is important to note these projections utilize only four months of actual expenditures and estimate the remaining eight months in order to meet the budget schedule. Preliminary variance estimates for the FYE'23 Core Budget include:

1. The projections for the current fiscal year indicate performance under budget.
Expenses contributing to this performance include

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

- a. The combined expenses for the categories of Employee Salaries, Wages, Benefits and Director Compensation are projected to have a surplus of \$456,660. This is attributable primarily to open positions and staff turnover.
 - b. Outside Consulting expenses were \$205,000 below budget largely attributable to the EOCF#2 project being put on hold.
 - c. \$202,940 is being carried over into FYE 2024 for the anticipated construction (roof, kitchen, and atrium).
2. Variance in the projected revenue is relatively small with a surplus of Interest Revenue of \$109,603.
 3. The budgeted draw on reserves was \$457,061 but the projected available contribution is \$1,334,005.

Projected Reserve Fund Balances

One goal of the budget process is the early identification of Reserve Fund impacts. The stated goals of the Board of Directors are to have reserves fully funded and that the budget should be balanced relative to meeting those reserve targets. In other words, if the combination of previous fiscal year's audited reserve balances and the current fiscal year year-end projections indicate that the reserve target will be exceeded then the proposed budget should include a draw from the reserve balance down to the target. Conversely, if the projected total will drop the reserve balance below the target then the proposed budget should increase the budgeted contribution to bring the reserves back up to the target.

Some of MWDOC's reserve targets are based on a "Number of Days Cash" basis. The Reserve working group made up of member agency managers, two MWDOC directors and staff came to a proposed general agreement to consolidate the General Operations, Grant & Project Cash Flow and Building Repair reserves into a single designated reserve called the Operating Reserve. This designated reserve would be used as a "rainy day" fund for unplanned expenditures, including emergencies and other unexpected needs. The target for this fund is recommend to be set at 120 days cash.

The MWDOC designated reserve targets are effective July 2023 and based on FY2022-23 budgeted consolidated expenses. Our current and new reserve balances are shown below. The difference of \$1,731,511 will be used how MWDOC's Board of Directors decide. The Election Reserve may change pending the final invoice from the November 2022 Elections.

Designated Reserves	# Days Cash	FY 2023-24⁽¹⁾ Target Reserve	FY 2022-23⁽²⁾ Current Reserve	Difference in Reserves
Operations	120	\$ 3,819,350	\$ 5,675,047	\$ (1,855,697)
Election Reserve	N/A	585,864	461,678	124,186
OPEB Reserve est.9/2018	N/A	297,147	297,147	-
TOTALS		\$ 4,702,361	\$ 6,433,872	\$ (1,731,511)
(1) Target based on FYE'23 Consolidated Total Expenses				
(2) Current FY Reserve Balance				

MWDOC Budget Process FYE' 23

Again this year, MWDOC will operate under the accelerated budget schedule whereby deadlines are moved up one month from previous years. This schedule change, to adopt the final MWDOC budget one month earlier (April), was implemented to facilitate the budget and rate schedules of our member agencies. Under this schedule, the Year-End Projections and Conceptual Budget (assumptions) are discussed at the January 11th Administration & Finance (A&F) Committee, followed by the first draft budget presented at the February 8 A&F Committee meeting. The final budget is scheduled for approval by the MWDOC Board of Directors at the April 19, 2023 Board meeting.

Similar to last year, the Choice budget elections and commitments will lag behind this proposed schedule and staff will bring back to the Board a revised Final Choice Budget in September or October 2023 to reflect the reconciliations and final program commitments of our Member Agencies. These changes will not impact the rates and charges passed in April for Core activities.

Proposed Key Additions & Assumptions for Developing the FYE'24 Draft Budget

In preparation of the Proposed Budget for FYE' 24, staff has begun assessing the following key additions and assumptions:

- Based on the previously adopted process and formulas, the working Compensation Pool increase for the budget is 11.68% based on a projected annual regional CPI of 7.68%. This is a significant increase as the preliminary CPI falls into the “high inflation” category instead of the “moderate inflation” category from the current budget.
- Total FTEs (Full Time Equivalents) for Core and Choice essentially remain the same pending committee approval to add one FTE to Public Affairs.

Based in part on the facilitated discussion project, this year's budget focus much more on Metropolitan (MET) activities and MET supply reliability. Major activities by department include:

Metropolitan Water District

- Possible Implementation and tracking for Water Supply Drought Allocations to the MWDOC Service Area, effective July 1, 2023
- Support the MWDOC-MET Delegation on upcoming key MET Issues and policy decisions
- Monitor and support the forward movement of the Delta Conveyance Project; including the Voluntary Agreements
- Analyze the upcoming MET Biennial Budget and Rates for FY2023-24 & 2024-25
- Support and facilitate South Coast WD's Doheny Desalination potential partnerships with MET and other retail agencies
- Actively participate in the IRP Implementation Phase and its impacts to Orange County
- Provide input in the review of MET's Business Model as well as implementation of a new financial Plan
- Support the SWP Exclusive Area infrastructure improvements and actions
- Monitor and support MET in the Colorado River actions for 2023-2026 as well the negotiations for the new River guidelines effective in 2026
- Analyze the Pure Recycled Water Project (Carson) Cost of Service report

Engineering

- **Salinity Control Study for the Colorado River Basin**
Collaborate with Metropolitan, the Colorado River Salinity Control Forum, and the Southern California Salinity Coalition to initiate a joint 'Reconnaissance Study' of future salinity control needs in the Colorado River Basin for a future impacted by climate change and with changed agricultural practices.
- **MET Shutdown Planning**
Continue coordination of multiple shutdown projects

- **Supplemental Reliability Analysis of Regional and OC Water Supplies**
Complete supplemental analysis of MET and Orange County's water supply reliability as new information develops regarding changing conditions and likelihood of various water supply projects moving (or not moving) forward
- **Emergency Use of East OC Feeder #2**
Provide assistance in the development of the necessary water quality and operational protocols and procedures for implementation of an emergency groundwater pump-in project to the East Orange County Feeder #2 under MET Administrative Code 4519 - Emergency Deliveries of Member Agency Water Supplies in Metropolitan's System.
- **Hire Principal Engineer**
Replace vacant Engineering position and to support succession planning.
- **Primary WEROC EOC Project Support**
Provide construction management support for the project, should the Board approve the project.
- **Administration Building Construction Projects**
Complete designs for building improvements to the kitchen/breakroom, and the atrium. Provide construction management support for the project, if a construction contract is approved by the Board.

Investigate the need for replacement of the building roof. Provide construction support, if a construction contract is approved by the Board.

WUE & WLC Department Goals:

- **Water Use Efficiency Program Implementation** - Continue to implement a broad variety of WUE Programs, available to all consumers throughout Orange County, with funding support from state and federal grants and Metropolitan's Conservation Credits Program to assist member agencies with compliance with water use efficiency mandates. Consider expanding program offerings based on Member Agency needs.
- **Technology Transfer & Research** - Support Member Agency compliance with WUE regulations by researching and evaluating new water saving opportunities and offer member agencies a variety of choice based services.
 - Complete a statistical water savings analysis of the Persistence of Turf Removal Water Savings
 - Begin implementation of the Water Conservation Potential and Opportunities Study completed in FY 22-23 to focus program implementation and maximize water savings opportunities

- **Water Loss Control Shared Services** - Increase subscription rates of Shared Services to assist Member Agencies with compliance with water loss regulations. Consider expanding Shared Services based on Member Agency needs.
- **Water Loss Control Technical Assistance** - Support member agencies by facilitating one-on-one water loss control technical assistance and compliance with water loss regulations. Consider expanding Technical Assistance based on Member Agency needs.
- **Legislation & Regulatory Process Leadership** - Utilize MWDOC's research efforts and program implementation experience to guide and influence water use efficiency and water loss legislation, regulation, and the standards setting processes.

Water Emergency Response (WEROC)

- **Enhance Response Readiness**
Maintain WEROC and OC water and wastewater agencies in a state of readiness to respond to emergency situations. This priority is the foundation to build upon agency resiliency and is on-going. One major component is the implementation of the WEROC Assessment Report action items focusing on key aspects including training, exercises, and updating emergency plans as part of the revision and review schedule in coordination with member agencies.
- **WEROC Emergency Operation Center Phase 2**
Continue to seek funding from other mechanisms such as grants or appropriation requests.
- **Cyber Security**
Implementation and training on the Regional Cyber Security Coordination Annex as part the WEROC EOP.
 - Train agencies on the plan
 - Conduct one regional workshop/tabletop on the plan specific
 - Continue quarterly Cyber Security Working Group meetings
- **Planning and Operational Procedures**
Update and revision of WEROC Hazard or Functional Specific Annexes or Standard Operating Procedures in line with the WEROC Integrated Preparedness Plan and revision schedule.
- **Finish Development and Implementation of the Logistics Plan**
The Logistics Plan will incorporate how personnel, supplies, and equipment are requested, procured, tracked, and supported within the WEROC Organization. This will begin the incorporation of the Regional Fuel Project.

- **Training & Test Exercises**

Maintain the training and test exercise programs to improve the state of readiness, capabilities and resiliency of member agencies by Increase training on basic emergency management.

- **WEROC Emergency Water Distribution Plan**

Finalize and implement Emergency Water Distribution Plan by working with the County, cities and water agencies by region to establish the responsibilities, process and procedures based on outcomes of testing the plan during the May 23 Operational Area Exercise.

- **WEROC Map Atlas**

Update the WEROC Map Atlas. These maps contain critical information for both water and wastewater. Additionally, jurisdiction areas are divided into the Public Safety Power Shutoff Zones. Project will include incorporation of hardcopy and GIS layers. These maps were updated in 2017 and infrastructure and water system oversight in some areas have changed.

- **Orange County Regional Water and Wastewater Hazard Mitigation Plan**

Establish a contract for the update of the Orange County Regional Water and Wastewater Hazard Mitigation Plan. This is a choice contract. The last revision 20 water and wastewater agencies participated in the project. This plan is valid and approved by FEMA until March 2, 2025.

Public Affairs

Public Outreach and Engagement

- **Drought: Education, Resources, Campaign, and Calls-to-Action**

As drought intensifies and water supply conditions worsen throughout the state, water suppliers are being asked by State officials to offer their customers more information, resources, and support in hopes of extending California's limited water supply voluntarily. Agencies like the Department of Water Resources (DWR) and The Metropolitan Water District of Southern California (Metropolitan) have each invested millions in public outreach campaigns over the last year. However, the campaigns include broad, blanket messages and don't speak specifically to resources or water-saving actions that target individual communities in any given service area. Working in coordination with MWDOC member agencies, the MWDOC Public Affairs (PA) team will launch an "OC Water" branded drought campaign and continue developing, packaging, and distributing reflective, action-oriented outreach materials for every Orange County service area. The campaign will include plug-and-play collateral like an updated media toolkit with new drought-related messages, outreach materials like social media posts and newsletter articles, and targeted communications tactics to achieve countywide water reduction goals.

Overall, drought will be a primary topic of discussion in presentations, at community and special events, and across all print and electronic media channels. New marketing strategies like media buys and out-of-home advertising will be explored and implemented. Community engagement opportunities and new partnerships will be examined and considered, and real Orange County customers will be interviewed to create engaging video content and news articles.

- **Media Engagement**

Drought has brought more media attention to water issues, particularly over the past year. During this time, MWDOC has maintained a strong voice on conservation and reliability and will continue to emphasize these stories in the press. However, the media landscape is changing. Many longtime reporters covering Orange County or environmental issues have retired. In FY 23-24, MWDOC PA will work to forge new connections and partnerships with journalists that will secure MWDOC's place as a trusted regional voice for water issues.

Additionally, story placement has become dramatically pay-to-play. Placing Op-eds in the newspaper has become increasingly difficult, and editorial boards have grown more elusive on environmental issues. Paid advertorials are the only guaranteed way to ensure articles make it to both electronic and traditional print. An increased budget for drought campaign advertising and digital and traditional media buys will be necessary to achieve the desired reach and results, as mandates for conservation are sure to be amplified.

- **Partnership Development: New and Existing**

There are countless benefits to forging productive partnerships, and MWDOC PA has been highly effective in securing strategic partners across multiple programs and initiatives. Long-standing partnerships like the Wyland Foundation, California Environmental Literacy Initiative, and Metropolitan, to name a few, have increased access to new audience groups, amplified credibility and reach, bridged the gaps in expertise, resources, and equipment, and unified a community voice. In FY 23-24, investments in county and statewide partnerships will continue to be a priority. Co-branded campaigns like Streams of Hope will return, and new endeavors, like family engagement workshops, will be employed to involve new and established partners in regional campaigns and strategies like drought and environmental literacy.

- **Diversity, Equity, and Inclusion (DE&I)**

It has become increasingly important in internal and external communications for organizations to prioritize DE&I initiatives. In FY 23-24, MWDOC PA will actively participate in various learning opportunities and on a statewide communications task force to effectively incorporate best DE&I communications practices in all outreach efforts.

Orange County is home to a diverse mix of people from various cultures, backgrounds, and perspectives, and language can significantly impact the quality and intent of our messages. In FY 23-24, educational, marketing, and campaign materials will be translated into multiple languages, and an intentional effort will be made to connect with community partners to grow MWDOC's capacity to engage diverse communities. Inclusive communication across all platforms makes information, education, and

resources more accessible for all Orange County community members. This enables them to confidently participate in informed discussions and find programs and resources that contribute to water saving and water stewardship objectives.

- **Water-Smart Pocket Park Project: City of Westminster**

In April 2022, MWDOC PA, the Wyland Foundation, and the City of Westminster broke ground on a water-efficient pocket park. Designed by student volunteers from the Saddleback College Department of Horticulture and Landscape Design, the water-smart park incorporates water-saving landscape design techniques and materials that can be easily replicated at homes and businesses across Orange County. In FY 23-24, MWDOC PA and project partners will launch an educational microsite that drives park visitors to a plethora of resources that live on the MWDOC website, including MWDOC rebates, drought-tolerant plant lists, free landscape designs, and interactive activities for children and families.

Water Education Initiatives

- **Choice School Programs: K-12 Water Education**

In FY 23-24, MWDOC PA will continue to advance environmental literacy and good water stewardship through the MWDOC K-12 Choice School Programs, guiding students toward a deeper understanding of how personal, community, economic, and civic decisions affect the water resources Orange County depends on. Additionally, MWDOC PA and program contractors will develop and introduce activities that encourage family participation, expanding the potential for critical water education. They will also examine solutions to current challenges like declining student enrollment statewide, ensuring equitable access to programming for alternative and ACCESS schools, and addressing a steady rise in virtual academies.

- **Scouting Programs**

Over the coming months, MWDOC PA will return to hosting Girl and Boy Scout clinics in person. To date, 10 MWDOC member agencies have confirmed their interest in co-hosting both popular programs, a significant increase compared to past years. In FY 23-24, both programs will be thoroughly vetted and enhanced to best align with education, water use reduction, and community engagement goals established in worsening drought conditions and since the COVID-19 pandemic shutdown.

- **Water Energy Education Alliance (WEEA or Alliance)**

Since assuming leadership of WEEA in 2020, membership has tripled to include over 60 professional organizations, new commanding coalitions have formed across the Alliance, and desperately needed recruitment materials have been developed and distributed statewide. Additionally, through partnerships with the Centers of Excellence for Labor Market Research and others, critical industry workforce data has been gathered to help water agencies confidently prepare for the dreaded “Silver Tsunami,” a mass exodus of industry workers who are now eligible for retirement. In FY 23-24, MWDOC PA will continue its momentum, working with community colleges to build and bolster their training programs and to support teacher trainings that enable educators to confidently integrate water topics into lesson plans and encourage water career exploration.

Government Affairs

- MWDOC's Washington, DC advocate firm (NRR) and State advocate firm (BB&K) will continue to target critical legislative and funding issues. MWDOC will direct close coordination on common issues between our DC and Sacramento advocates; as well as with other water industry groups. The state budget is expected to face a deficit; however, federal funding may present opportunities for Metropolitan and our Member Agencies. MWDOC will target and facilitate these opportunities for the WEROC EOC and other priority projects as identified.
- Activities are anticipated to increase associated with the proposed statewide Low Income Rate Assistance (LIRA) program following vetoed legislation in 2022, citing lack of a funding source. Should a statewide water tax be proposed to fund such a program, MWDOC will actively engage with statewide associations, member agencies, and regional partners to defeat such a proposal.
- Governmental Affairs staff will be active in outreach to the Orange County delegation on the federal, state and local levels. After the November 2022 election, there are many new faces in the delegation, which will also include new staff members and committee assignments. Developing solid working relationships with the various offices is a critical function for success.

Finance & Information Technology

The Finance department includes Accounting and Information Technology (IT). The Department provides support to MWDOC through payroll, accounts payable/receivable, fixed assets, investments, grant funding, reconciliations and technology. Staff provides support to WEROC for disaster recovery at both the District office and the Emergency Operation Center. Finance and IT's priorities are Financial Stewardship and Auditing & Controls, which is demonstrated by receiving an unmodified opinion from our annual audit process. Finance also provides monthly accounting to our Member Agencies through monthly billing of water deliveries, in-lieu credits, LRP payments, conservation rebates and choice programs.

IT provides uninterrupted service for our phones and computers with firewall protection to prevent threats, viruses and hackers from penetrating our system. As well as, providing & maintaining properly working office equipment. Modifications and support are needed to maintain current practices.

Key Initiatives in the coming year include:

- Hiring an IT consultant to co-manage and support our IT
- Maintain functional operations and support while staff works both remotely and in the office and all meetings will become hybrid
- Continue with CrowdStrike for cyber intrusion protection
- Continue with IT's PC/Printer refresh program and security updates which, exchanges out equipment after it's useful like to prevent the loss of any data;
- Begin converting desktop PC's to laptops as replacements are needed to save costs in our hybrid environment

- Continue with ongoing professional training;
- IT system security and back up testing;
- Support the District with any future financing needs.

Administration Department

Key initiatives in the coming year include:

- Continued COVID-19 policy compliance;
- Oversee building remodel improvements kitchen area and atrium trellis (termite damage and roof repairs or replacement);
- Continued staff training and development;
- RFP process for consultant to complete Benchmark Study by Spring 2024;
- RFP process for Financial Advisor to review and advise on District's Deferred Compensation and 401 Plan.

The Administrative Department is comprised of Board Administration, General Administration, Personnel and Overhead. The Administration Department provides support to the entire District to ensure operations run smoothly and efficiently. Fundamental activities include:

- Staff attendance, preparation and compilation of Board and Committee Agendas and minutes;
- Ensure compliance with the District Administrative Code, Contracts Manual and publication of required legal notices and coordination of all Public Records requests.
- The oversight and maintenance of the Electronic Records Management System for the District; ensure that all required documents are retained in accordance with the retention schedule and legal requirements as well as train staff on policies related to accessing, storing and transmitting electronic records;
- The oversight and maintenance of the District's Database Management System in an effort to provide a centralized database for staff in improving efficiencies;
- Personnel activities include recruitment, screening, selection, employee orientation, benefits and compensation administration, employee documentation, performance management, research and surveys, employee training and development;
- Oversight of the Safety and Risk Management and the District's Workers Compensation, Liability and Property Insurance Programs;
- Oversight of all items related to building facilities management.

MWDOC Building Improvements

Administration, Engineering, and WEROC staff have worked together to coordinate multiple improvement projects at the MWDOC Administration Building that were completed in December 2021. The remaining areas to be renovated include the Kitchen/lunchroom and the replacement of the trellis in the atrium due to termite damage. We anticipate that the work in the courtyard will require California Building Code (CBC) Title 24/ADA compliance since the courtyard is not accessible, thus will require the installation of a ramp. CBC requires that all spaces be accessible to within a maximum 20% of the construction cost of a project. In addition, the last item to be evaluated is the roof. Based on the rain in

November/December 2022, there were several roof leaks. Staff is currently reaching out to roofing contractors to complete an assessment of the roof condition, remaining life and to determine whether repairs or replacement is needed and the associated costs.

Staff will continue working on preparation of the budget towards publication of the first draft in February for distribution to the Board and the member agencies.



Item No. 7

DISCUSSION ITEM

January 11, 2023

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

FROM: Robert Hunter, General Manager

Staff Contact: Hilary Chumpitazi
Harvey De La Torre

SUBJECT: MWDOC's Reserve Policy and Member Agency Workgroup Discussions
& Observations

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee receive input from the Member agencies and public, and provide direction and input to staff.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

During last year's (Fiscal Year 2022/23) budget process, MWDOC committed to working with its member agencies through a collaborative process to discuss and refine MWDOC's Reserve Policy. The process was facilitated by Mr. Brian Thomas and entailed the creation of a workgroup comprised of member agency staff, an Ad Hoc committee of the MWDOC Board members (Directors Seckel and McVicker), as well as MWDOC staff. The workgroup met during four facilitated sessions with the ultimate goal of refining MWDOC's Reserve Policy, determine the appropriate level of reserves, and determine the use of any excess funds.

As a result of these workgroup discussions, multiple changes were proposed to MWDOC's Reserve Policy. The proposed changes include the following:

- Clearly reflect all of MWDOC's funds as reported in the monthly Consolidated Statement of Cash and Investments
- Combine certain Designated Reserves into one Operating Reserve to cover emergencies, unexpected or unbudgeted expenses, and building expenses
- Classify the WEROC fund as Restricted Reserves
- Reduce the Designated Reserve target amount

The net effect of these proposed changes would result in the need for MWDOC's reserve funds to be lowered and thereby provide an opportunity for MWDOC to utilize such funds over and above the Designated Reserves (approximately \$2.5 to \$3.5 million) for one or a combination of the following:

- Reduce the pension or Other Post-Employment Benefits (OPEB) liability
- Provide credit/refunds for the member agencies
- Use for projects/programs as determined by the Board

However, it should be noted that with the anticipated called for further water conservation in southern California, there may be a temporary need for reserves to cover Water Use Efficiency (WUE) cash flow.

The purpose of this report is to provide the Board with an overview of the workgroup's discussions and proposed changes to MWDOC's reserve policy. It is staff's hope that the information provided in this memo will allow the Board to provide feedback for next month's adoption of a revised Reserve Policy. It should be noted that this report was provided to the member agencies in an effort to receive input either prior to or as part of the A&F Committee meeting discussion.

DETAILED REPORT

Background

When the Reserve Policy was last reviewed in 2017, the Board established Designated Reserve targets based on specified days cash on hand, and maintained the Designated Reserve for elections, building expenses, and OPEB. The changes to the Reserve Policy from the 2017 review were limited to Designated Reserve funds, with little discussion around the total reserves maintained by MWDOC.

During this 2022 reserve policy review, MWDOC received a number of questions and comments from its member agencies on all of its reserve levels, including its funding targets and purpose. As a result of these questions, the Board and staff felt that a thorough review of its existing reserve policy was appropriate and timely.

To ensure a comprehensive review, MWDOC established a workgroup comprised of member agency managers, MWDOC staff, and an Ad Hoc committee of two MWDOC Board members (Directors Seckel and McVicker). In addition, Brian Thomas, our financial consultant, facilitated these discussions and provided assistance to staff in preparation of these workgroup meetings.

To address the aforementioned issues brought up during the FY 2022/23 Budget process, the workgroup discussions were phased into three parts:

1. Review and assessment of MWDOC's current reserves with the objective of reaching agreement on the purpose of MWDOC's reserves and identifying any changes needed in the Reserve Policy
2. Revision of reserve targets using criteria and purpose developed by the workgroup
3. Determine the use of excess funds, if any

Summary of Workgroup Meetings

The first Reserve Policy workgroup meeting was held on June 17 with the member agency managers and Ad Hoc Committee of MWDOC Directors. The workgroup focused on the purpose and use of reserves, along with a brief description of all of MWDOC's existing Restricted and Unrestricted reserves. The workgroup also reviewed MWDOC's financial risks and need for MWDOC to hold reserves.

The second Reserve Policy workgroup meeting was held on July 26 and covered a description of each Designated Reserve fund target including its risks, a list of MWDOC's financial activities, a breakdown of last year's (FY 2021/22) monthly revenue and expenses, as well as WUE cash flow gap from July 2021 to May 2022. From this information and data, a list of suggested changes to the Reserve Policy was presented to the workgroup for review and discussion.

The third Reserve Policy workgroup meeting was held on September 19 and covered a review of historical reserve data including General Fund revenue and expenses, historical conservation fund balance, total cash reserves, and month-to-month change in cash reserves. Utilizing the presented information and analysis, the workgroup discussed proposed changes to MWDOC's existing reserve funds.

The last Reserve Policy workgroup meeting was held on October 27 and covered a review of the recommended changes to MWDOC's Reserve Policy, a discussion on historical and projected WUE cash flow, and the potential use of cash balances due to the lowering of Designated Reserves. From this information, the workgroup discussed potential options and refinements to the proposed Reserve Policy.

MWDOC's Revenue Stream and Risk Mitigation

One of the key reasons to have reserves are to manage financial risks. MWDOC's financial risks include unanticipated expenses, emergency capital expenditures (primarily for unanticipated building repairs and WEROC), lower interest earnings, business recovery expenses resulting after a natural disaster (e.g., an earthquake, pandemic, etc.), cyber threats, and delays in receipt and reimbursement from grant programs.

However, unlike many water agencies, MWDOC's revenue stream is relatively stable since its primary source of funding comes from member agency payments that are based on the number of retail service meters, not variable water sales. In addition, MWDOC receives the vast majority of its operating revenues, which includes the member agency meter charges, groundwater charges, Choice revenues and interest earnings, in July and August. Since the member agencies make payments at the beginning of the fiscal year, this eliminates potential collection risk over the course of a year and provides cash flow over the budgetary year.

On a monthly basis as member agencies purchase imported water from Metropolitan, the total amount MWDOC is required to pay to Metropolitan for monthly water sales is offset by water payment receipts MWDOC receives from its member agencies.

As shown in *Figure 1. Total Cash & Investments*, MWDOC's total cash and investments have fluctuated over the past eight years between a low of about \$5.7 million in June 2015 to a high of \$21.8 million in August 2020. In addition, as shown in *Figure 1*, MWDOC did

not draw upon its Designated Reserves over that time period because there was sufficient carryover funds and funds on deposit to cover the cash flow needs.

Workgroup Discussion of Risk

There was considerable discussion at the Workgroup meetings regarding the utilization of reserve funds as a risk mitigation tool and the level of reserves needed to comfortably operate an agency with the characteristics of MWDOC.

The discussions ranged from the perspective of MWDOC having very little need of reserves as a risk mitigation tool to cover the variable operations from year to year to a need of reserves to cover the cash flow with increases in WUE rebates & program associated with a drought. Examples discussed included of what might transpire in an emergency and/or a drought situation, which would result in a higher need for reserves.

In addition, it was noted it would be unlikely that all of the financial risk situations identified would happen concurrently. This led to the suggestion of combining certain designated reserve into one operating reserve fund to cover such unanticipated expenditures and emergencies.

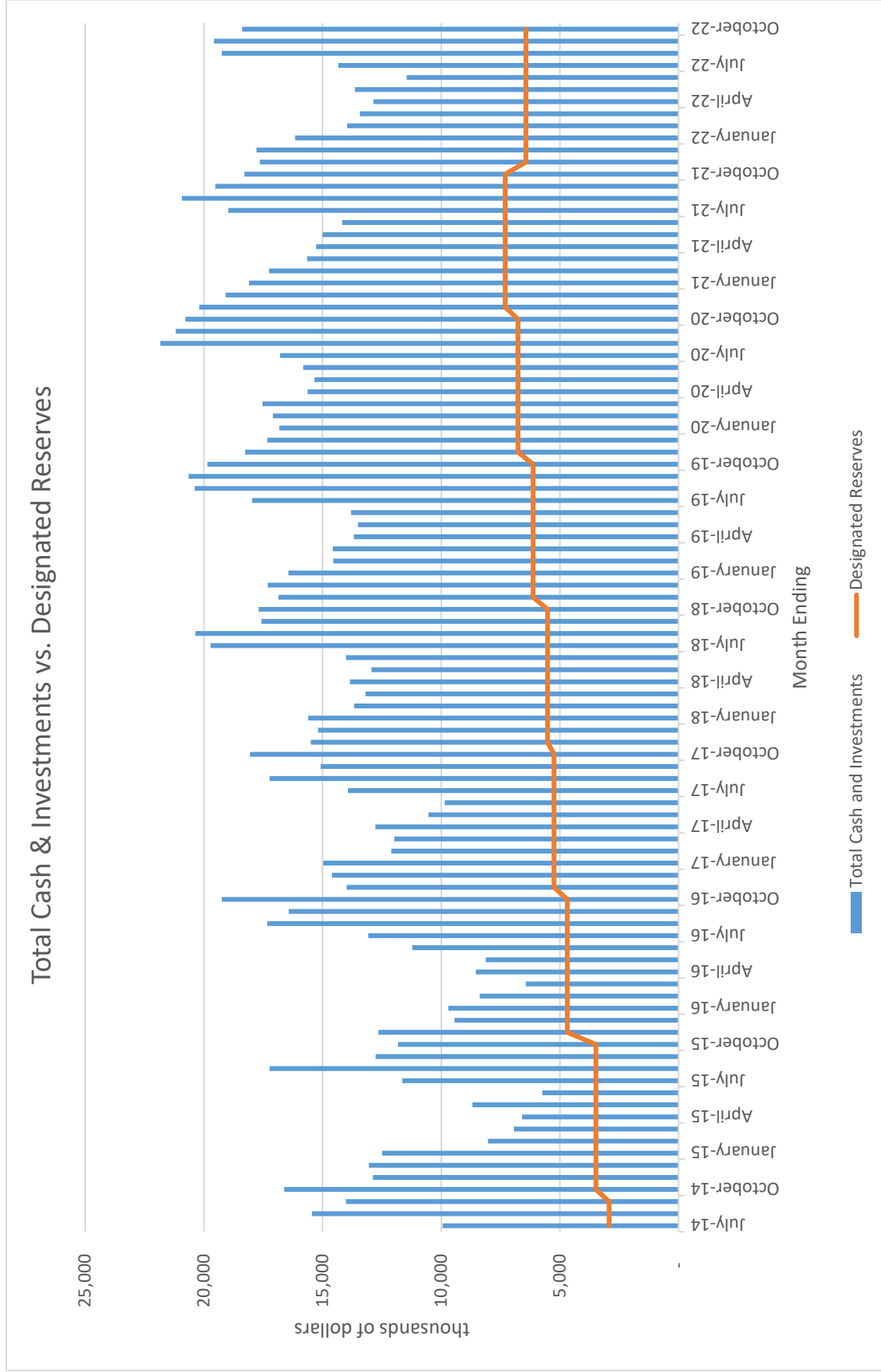


Figure 1. Total Cash & Investments

Workgroup Observations

Throughout this process the workgroup was able to work through a myriad of issues. The discussions were frank yet collaborative; and much progress was made. A detailed description of the Workgroup discussion can be found in Attachment #1.

The following key observations are outlined below:

1. **Ability to reduce Designated Reserves:** MWDOC Designated Reserves can be reduced below the current levels and still leave MWDOC in a comfortable financial situation.
2. **Impending impact of increased WUE activity:** Due to the current critical water supply situation, it is possible that very large WUE conservation rebates over the next several years could significantly impact MWDOC's cash flow reserve needs above and beyond what they have been over the past few years. This type of cash flow need might be categorized as a "Special Temporary Need." While a final recommendation was not developed, a cautious approach in reducing reserve funds too quickly was suggested. In addition, the member agencies discussed whether or not there was an improved manner of placing this cash flow need on the member agencies directly rather than having MWDOC reserve for these needs. Further discussion is needed.
3. **Use of funds to reduce pension and OPEB liabilities:** There was general concurrence that using funds above the Designated Reserves to reduce pension and OPEB liabilities benefits all member agencies and should be considered. This is considered an effective use of available cash as it increases the return on funds. Further discussion is needed.
4. **Use of funds for WEROC Emergency Operations Center (EOC):** Funding of a new WEROC EOC with funds above the Designated Reserves was also discussed. However, a recommendation was not reached.
5. **Projection of cash flow needs:** To review what the level of cash flow needs might be, within the annual budget process; a projection of cash balances at the end of the budget year, as well as projected expenditures over the next two to three years should be made.
6. **Clarification of reporting:** A main objective for the workgroup was to improve the reporting of MWDOC's funds so that staff, the Board and the member agencies can track and understand the changes to reserves being held by MWDOC from month-to-month and year-to-year. While a final recommendation was not made, staff will attempt to modify the monthly reports in a manner that more accurately describes the reserve levels and the reason for any changes from month-to-month. The ultimate goal of this finding is to improve the level of trust and transparency between MWDOC and the member agencies.

Summary

MWDOC is in a sound financial position, and has already taken steps to reduce reserves by about \$1.0 million through the Tier 2 credit issued to the member agencies this year. In addition, the FY 2022/23 budget included approximately \$500,000 of expenditures to be funded from reserves, primarily to pay for the MWDOC building remodel. As such, it is anticipated that the year-end cash and investment balance will be approximately \$9.5 to 10 million absent any other actions.

As a result of these workgroup discussions multiple changes are being proposed to the MWDOC Reserve Policy. A draft of the proposed update to the MWDOC Reserve policy can be found in Attachment #2. The proposed changes include the following:

- Clearly reflect all of MWDOC's funds as reported in the monthly Consolidated Statement of Cash and Investments
- Combine certain Designated Reserves into one Operating Reserve to cover emergencies, unexpected or unbudgeted expenses, and building expenses
- Classify the WEROC fund as Restricted Reserves
- Reduce the Designated Reserve target amount

Given these proposed changes above, the net effect would result in the need for MWDOC to lower its total reserve fund. As such, MWDOC will have approximately \$2.5 to \$3.5 million of reserves that could be utilized for other purposes. Thereby providing an opportunity for MWDOC to utilize funds over and above the Designated Reserves for one or a combination of the following:

- Reduce the MWDOC's pension or OPEB liability (Approximately \$1 million)
- Provide credit/refunds for the member agencies
- Use for projects/programs as determined by the Board

However, there still remains the potential need of temporary reserves to cover the large WUE cash flow with the impending drought allocations beginning in July 2023.

Based on this information, MWDOC staff is looking for the Board to discuss and provide feedback for next month's adoption of a revised Reserve Policy.

Member Agency Comments

MWDOC Staff provide this report for the member agency feedback and comments.

Although some member agency comments may be provide at the Committee meeting, the comments staff did receive included the following:

- Appreciate the workgroup process and the concurred with the conclusions of the report
- The proposed Operating Reserve should be set closer to the 90 day cash in hand level rather than the 120 days
- *"That the Committee consider recommending to the Board approval of the proposed revisions to the reserve policy and the disposition of up to \$3.5 million of MWDOC's expected reserves that will exist at the end of FY 22/23 in accordance with the following:*

1. \$1 million to reduce MWDOC's pension or OPEB liability;
2. \$1 million to credit/refund the member agencies in FY 22/23;

3. \$1 million to credit/refund the member agencies in FY 23/24 after WUE cash flow issues are no longer an issue; and
4. \$500,000 for projects/program as determined by the MWDOC Board and supported by the member agencies.”

ATTACHMENTS

- 1) **MWDOC Reserve Policy Workgroup Discussions & Observations**
- 2) **Draft MWDOC Reserve Policy**

MWDOC RESERVE POLICY WORKGROUP DISCUSSIONS & OBSERVATIONS



January 11, 2023
Administration & Finance Committee

Agenda

- 💧 **Review and Recap of Workgroup Discussions**
- 💧 **Discuss Potential WUE Cash Flow and Cash Balances**
- 💧 **Use of Cash Balances as a Result of Lower Designated Reserves**
- 💧 **Summary & Next Steps**

Discussion Process



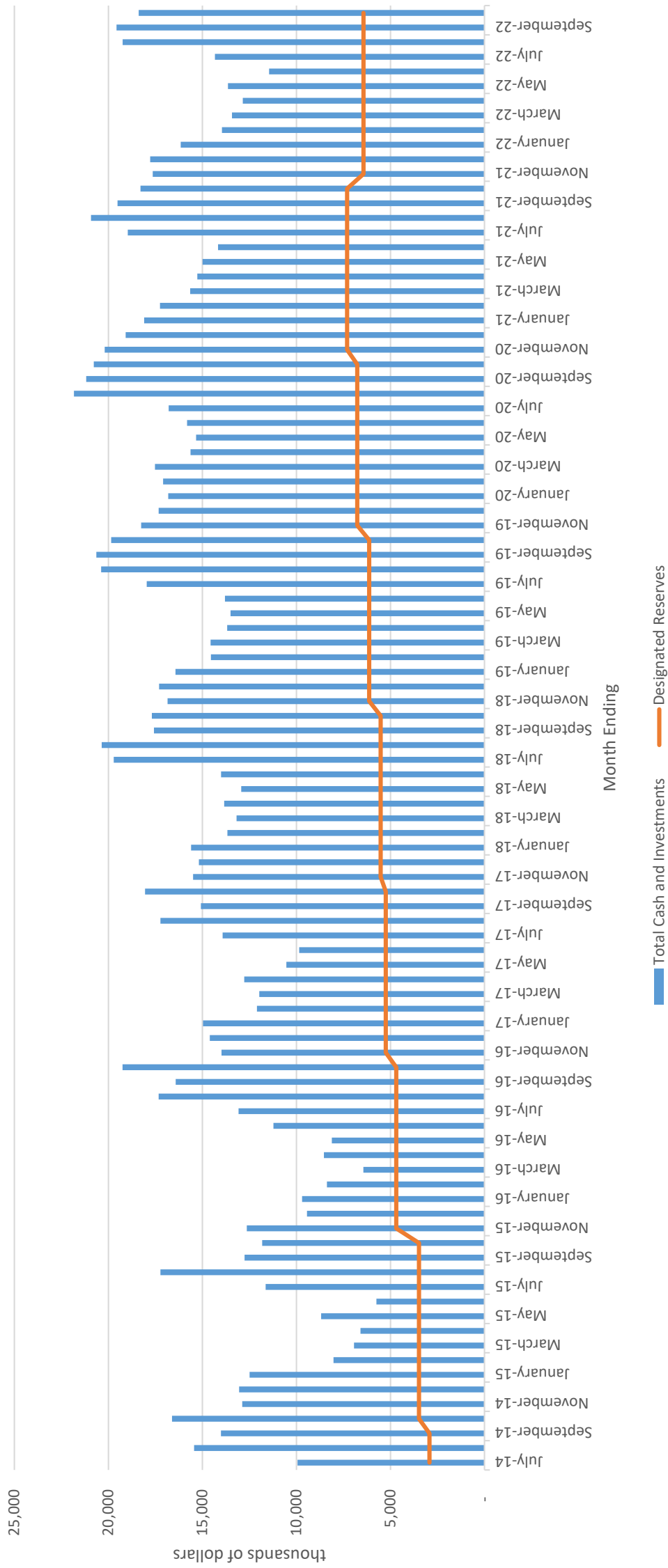
- Facilitated Meetings with the Working Group
consisting of:
 - Ad Hoc Committee of the Board
 - Member Agency staff
 - MWDOC staff
- Four Meetings (June 17, July 26, Sept. 19 & Oct. 27)
- Productive Discussions

Results and Suggestions



- 💧 **Expand policy to clearly describe all available funds, including Restricted, Designated and Unrestricted Funds**
- 💧 **Combine General Operations, Grant & Project Cash Flow, and Building Reserves into one General Operations Reserve to meet emergency costs, unbudgeted expenditures, working capital and cash flow needs**
- 💧 **Retain Election and OPEB Reserve**
- 💧 **Restrict WEROC Reserve**
- 💧 **Reduce Designated Reserves**

Total Cash & Investments vs. Designated Reserves



Cash & Investments – Existing Policy



Existing Policy

- Designated Reserves
 - General Operations
 - Grant & Project Cash Flow \bigwedge 90 – 180 days cash
 - Building Expense – 10 to 15 days cash
 - Election
- Restricted Reserves
 - WEROC
 - OPEB
- Other Unrestricted Funds
- Total Cash and Investments

Balance at June 30, 2022
(Book Value)
\$3.738 million
1.500 million
0.436 million
0.462 million
\$0.453 million
<u>0.297 million</u>
\$6.886 million

\$4.571 million

\$11.457 million

Changes in Reserve Description



<u>Existing Policy</u>	<u>Proposed Policy</u>
<ul style="list-style-type: none">• Designated Reserves<ul style="list-style-type: none">• General Operating• Grant & Project Cash Flow• Building Expense• Election• Restricted Reserves• OPEB• WEROC• Tier 2 Contingency	<ul style="list-style-type: none">• Designated Reserves<ul style="list-style-type: none">• Operating• OPEB• Election• Restricted Reserves• WEROC• Unrestricted Funds<ul style="list-style-type: none">• General Fund• Conservation Fund• Water Fund

Proposed Changes to Reserve Levels



- Include all funds and their purpose in the Reserve policy
- Operating Reserves – consensus to reduce to 120 days cash, some suggested 90 days cash was sufficient
 - Provides about \$1.8 - \$2.8 million of available funds
- Identify other uncommitted funds above designated reserve levels
 - Estimated to provide about \$700,000 of available funds
- Use “available” funds to:
 - Reduce/eliminate MWD OC’s unfunded pension liability
 - Fund projects/programs as determined by the board or offset other budgeted expenditures, mitigating increases in the meter and groundwater charges
 - Provide refunds/credits to member agencies
- Review total cash and investment levels on an annual basis as part of the budget process

Member Agency Comments



- Appreciated the workgroup process and the concurred with the conclusions of the report
- The proposed Operating Reserve should be set closer to the 90 day cash in hand level rather than the 120 days
- If there excess reserves of up to \$3.5 million (at the end of FY 22/23), they should go as followed:
 - 1) \$1 million to reduce MWDOC's pension or OPEB liability;
 - 2) \$1 million to credit/refund the member agencies in FY 22/23;
 - 3) \$1 million to credit/refund the member agencies in FY 23/24 after WUE cash flow issues are no longer an issue; and
 - 4) \$500,000 for projects/program as determined by the MWDOC Board and supported by the member agencies.

Summary & Next Steps



- **Opportunity to prudently reduce total cash and investments held by MWD OC by changing designated reserve targets**
- **General consensus to utilize some of the “available” funds to reduce or eliminate MWD OC’s pension obligation**
- **More aggressive conservation program expenditures could increase need for cash flow**
 - **Need for a “temporary reserve”?**
 - **Member agencies fund this cash flow imbalance rather than MWD OC?**
- **Board direction and input on timing and use of available funds**
 - **Seeking Board Adoption of a new MWD OC Reserve Policy in February**



Suggestions/Comments

ATTACHMENT #1

*MWDOC RESERVE POLCY WORKGROUP DISCUSSIONS &
OBSERVATIONS*

Given that MWDOC's existing cash flow needs are relatively predictable, the workgroup expressed their belief that it is possible to reduce the MWDOC targets for Designated Reserve. MWDOC's 2022/23 Consolidated Expenditure Budget totals \$11.6 million. As shown in *Table 1. Cash & Investments*, MWDOC had about \$11.5 million (book value) in total cash and investments at the end of fiscal year 2021/22. Of this amount, approximately \$1.0 million was the Tier 2 restricted amount. About \$8.1 million is invested in LAIF or OCIP. The \$10.5 million of unrestricted cash and investments is equal to about one year or 350 days unrestricted cash on hand. The \$8.1 million of highly liquid investments is equal to 254 days cash. These amounts have accumulated over the past several years as revenues outpaced expenditures and carryover project funds were retained for future years.

Total Cash & Investments at June 30, 2022
(thousands of dollars)

Fund	Book Value
Designated Reserves	
General Operations	\$ 3,738
Grant & Project Cash Flow	1,500
Election Expense	462
Building Repair	436
OPEB	297
Total Designated Reserves	6,433
Restricted Funds	
WEROC	451
Unrestricted Funds	
General Fund	3,220
Water Fund	1,802
Conservation Fund	(470)
Trustee Activities	19
Total Unrestricted	4,571
Total Cash & Investments	\$ 11,455

Table 1. Total Cash & Investments

Designated Reserves. The workgroup agreed it was prudent for MWDOC to carry some reserves to mitigate potential financial risks (such as unanticipated expenditures, cyber threats, emergencies, delays in cash flows from grants, etc.), but also noted the amount currently in the Designated Reserves is higher than what is likely needed. As a result, there was general agreement to consolidate the General Operations, Grant & Project Cash Flow and Building Repair reserves into a single designated reserve called the Operating Reserve. This designated reserve would be used as a “rainy day” fund for unplanned expenditures, including emergencies and other unexpected needs. The target for this fund would be set at 120 days cash so MWDOC could have ready access to needed funds. The Election Expense and OPEB funds would be retained separately. If this recommendation were followed, the designated reserves would be reduced by about \$1.8 million, thereby providing funds for other potential uses.

An alternative suggestion was to reduce the designated reserve target for the Operating Reserve to 90 days, freeing up another \$950,000 for other uses.

Unrestricted Funds. As shown in Table 1, unrestricted funds include the following:

- a. **General Fund** - The General Fund reflects the balance of funds (with the exception of Trustee activities) remaining. The General Fund contains unrestricted cash that can be used for any lawful purpose. At June 30, 2022, approximately \$714,000 of the General Fund was not committed for ongoing projects and other purposes.
- b. **Water Fund** - The Water Fund includes payments by member agencies for water purchased from Metropolitan in advance of MWDOC remitting those funds to Metropolitan. This fund fluctuates depending on the season and payment cycles at the member agencies. It has been as high as \$6 million and as low as \$1 million over the past several years. At June 30, 2022, this fund also included the Tier 2 amounts that were credited to the member agencies in July and August of 2022.
- c. **Conservation Fund** - This fund includes Water Use Efficiency (WUE) expenditures and receipts and is often negative as expenditures exceed receipts from grants, Metropolitan and Member Agencies for particular time periods. This cash flow mismatch is generally covered by the General Fund.

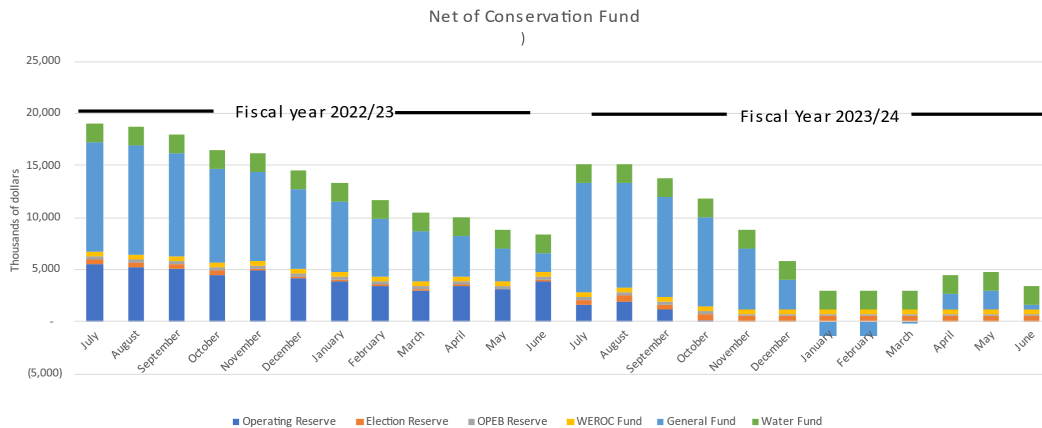
More information was requested regarding the “Conservation Fund” and the cash flow needs to cover WUE grants and WUE investments over time. There was a recollection of significant cash flow needs triggered during the drought of 2014-2016 when Metropolitan and MWDOC’s member agencies increased rebates for turf removal, water recycling retrofit efforts and other water savings measures. MWDOC WUE staff provided a significant amount of information that showed the pattern of \$26 million in expenditures over a period of about 18 months during the 2014-2016 drought, along with the required payment patterns at MWDOC and the timing of the reimbursements from MWDOC’s member agencies. The graphic below indicates that a repeat of that cycle is projected in the coming two of years, which could significantly impact MWDOC’s reserves and result in a substantial increase in cash flow needs. The mismatch in cash flow is caused by the timing of reimbursement payments from Metropolitan, DWR, the Bureau of Reclamation and other sources of funding.

This mismatch triggered a significant amount of discussion regarding whose responsibility it is to provide for this type of cash flow need, and whether or not there might be a better or more equitable method of allocating this type of cash flow need to the member agencies or if it should be retained by MWDOC. A final decision and recommendation was not reached, but it was

noted that it would not be a good situation for MWDOC to drastically reduce its reserves now and then have to increase them drastically in the coming months/year due to increase call for WUE. Caution was suggested in developing a recommendation in this specific area.

DRAFT

Projected Cash & Investments Fiscal Year 2023 and 2024



Another area of discussion involved the reporting in MWDOC's monthly financials of \$5.8 million that was listed as a separate "General Fund" on the balance sheet. There was a lack of clarity as to what made up this total and it was hypothesized to be additional funds being retained by MWDOC. The General Fund reported in the interim Financial Statements includes the fund balance after accounting for liabilities and assets. As a result, it includes investments in fixed assets and accrued liabilities. At June 30, 2022, the General Fund had approximately \$714,000 of available unrestricted funds.

General Fund (5,811,879.95+83,747.32)	\$ (5,895,627.27)
Less Net Investment in Capital Assets	4,141,177.00
add back WEROC assets	(5,259.86)
Project Carryover Funds	571,571.69
Deposits/Other Liabilities	469,065.77
Unearned Revenue - WLC	4,697.88
Undesignated Funds	\$ (714,374.79)

The workgroup then briefly discussed what might be done in the event MWDOC has funds above this new level of Designated Reserves. The workgroup supported using those potential funds to offset any unfunded Pension or OPEB liability. Time was spent in the last meeting looking at the most recent actuarial results which indicated that MWDOC did not have large unfunded liabilities according to the most recent report, with those needs being at about \$1 million. However, based on what has transpired at CalPERS and with other investments, the

actuarial reports only include earnings through June 2021, which was a period of high returns; whereas since that time, most fund amounts have declined on the order of about 20% or so. Staff, along with our actuarial consultants, should adjust the most recent reports for the losses not included in those reports for 2022 for the purpose of setting aside any funds above the Designated Reserves that might ultimately be needed for the Pension or OPEB liabilities. This would reduce the risk of using the funds for other purposes in the near term and then needing them in the next several years.

PROPOSED MWDOC RESERVE POLICY

Administrative Code Section 2009 Reserve Policy

Reserves include all cash and investments held by MWDOC. Reserves are categorized as follows:

- a. **Unrestricted – Designated** - These reserves have been established for specific purposes as Designated by the Board of Directors.
- b. **Unrestricted** - Funds in unrestricted and undesignated reserves may be used for any purpose, including funding general operations, water use efficiency programs and capital expenditures.
- c. **Restricted** - Restricted reserves are funds whose use is governed by statute or other legal restrictions such as bond covenants, contracts, etc.

Restricted

- a. WEROC Reserve - WEROC reserves include operating and capital funds held for WEROC purposes. WEROC reserves fluctuate on an as needed basis with the reserves held for unforeseen expenses and to enhance infrastructure and emergency systems. The WEROC reserve is approved by the MWDOC Board and the WEROC contracted contributors.

Unrestricted – Designated

- a. Operating Reserve - The General Operating Reserve is established to fund emergency expenditures, unbudgeted and unanticipated costs, and provide working capital if needed. MWDOC has established a target for the General Operating Reserve equal to 120 days cash on hand.
- b. Election Reserve - The Election Reserve is managed to fund seven elections every four years. The estimated cost of elections and needed reserve levels shall be updated annually as part of the budget process. If the amounts in the Election Reserve exceed the estimated costs, the Board may consider other uses that would lower the long-term costs of the District.
- c. OPEB Reserve - The Board requested staff to fully fund the OPEB liability in 2016. The Actuarial recommendation is to fund between 85%-95% of the liability and put the remaining amount in a reserve fund, as to not overfund the OPEB trust. This recommendation was implemented in September 2016 with the reserve balance of \$209,000 to equal MWDOC's Unfunded Liability at that time. The reserve will be re-evaluated every two years beginning in 2018 after each actuarial study, and funds may be transferred to the OPEB trust to stay within the funding range.

Unrestricted

- a. Water Fund - Amounts paid by MWDOC member agencies for water purchases in advance of the date payments are due to the Metropolitan Water District (pre-paid water purchases) are held in the Water Supply Fund.
- b. Conservation Fund - The Conservation Fund includes grants and member agency payments for Water Use Efficiency projects and programs. Funds from the Conservation Fund are used to meet Water Use Efficiency and conservation program costs. The Conservation Fund may have a negative balance.

- c. General Fund - The General Fund retains funds in excess of the amounts in the Restricted Reserves, Designated Reserves, Water Supply Fund and Conservation Fund. Each year as part of the annual budget, MWDOC will estimate commitments and other carryover obligations to be retained in the General Fund. Any amounts in excess of these commitments and carryover amounts may be used for any legal purpose in the following budget year, including offsetting budgeted costs, credits or refunds to MWDOC member agencies, pre-payment of pension obligations, or any other purpose as determined by the MWDOC Board of Directors.

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MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Fiscal Year 2022-23

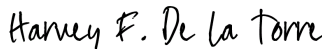
Sole Source Procurement Justification for Projects under \$25,000*



- A. Supplier Information/Name of Company and Prime Contact at the Supplier and at MWDOC: Dopudja & Wells Consulting
- B. Contract awards to Supplier over prior 36-months: Consulting Services on Metropolitan Strategic Issues and Priorities, awarded on June 15, 2022, in the amount of \$65,000
- C. Product(s) or Service(s) to be provided and Deliverables:
On an as needed basis: Support and advise on MWDOC's Federal and State advocacy programs and engagement; Consultation on reconciling positions on policies and legislation by MWDOC's member agencies and MWD; Analysis and consultation on legislation and policy positions taken by regional and key state associations; Assist in coordinating MWDOC's policy positions specific to 2023 legislative priorities. Cost will be written to not exceed \$20,000 and the term of the agreement will end: 06/30/23
- D. Justification Definition – Unique background and specialized expertise by Consultant for tasks desired.
- E. Narrative Explanation:
Due to the unique nature of water policy issues in Orange County, and the importance of having a substantial history and knowledge of MWDOC, as well as Metropolitan's policies, procedures, and programs, as well as an understanding of MWDOC's member agencies, a specialized set of skills are needed for provide such strategic advisory services for MWDOC. Paul Jones, of Dopudja & Wells Consulting, has a tremendous amount of experience and knowledge of Metropolitan, Orange County, and MWDOC.
- F. Budget Line Item Reference & Amount: 7040-2000-31
- G. Core or Choice designation: Core
- H. Signature/Approvals:

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 Requestor Date
 1/5/2023 | 4:37 PM PST

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 General Manager Date
 1/5/2023 | 6:25 PM PST

* Projects over \$25,000 must go to a Committee of the Board.

** Possible justifications include but are not limited to: Only qualified bidder; Proprietary item; Urgent necessity; Bid process did not produce competitors; Governmental agency, association or Utility; Prior phase of professional services contract completed successfully by same Consultant; and Special technical expertise by Consultant for tasks desired.

**Administration Activities Report****December 8, 2022 – January 5, 2023**

Activity	Summary
Administration/ Board	<p>Administration team worked on the following:</p> <ul style="list-style-type: none">• Scheduled meetings for Rob Hunter, Harvey De La Torre and Board members (including Special Board meetings, Ad Hoc meetings and a meeting with the Grand Jury)• Assisted Rob and Harvey with various write-ups and follow-up for the Committees and Board• Assisted the Board President with assignments, etc.• Continue to send the Water Supply Reports to the member agencies• Processed and reviewed agreements for appropriate Board approval and insurance requirements as well as execution following approval; conferred with staff re processes• Conducted research for Directors regarding the Directors Activities reports and district member agency newly-elected contact information• Responded to two Public Records Act requests• Made various updates/changes to website including WACO items, District calendar, etc.• Updated District forms, etc., subsequent to election• Coordinate various updates to database• Conduct Research regarding MET Director Appointments; research regarding the Admin Code policies; coordinated questions from Board for MET Director candidates; coordinated various meetings on this subject• Completed Notary Public application process• Worked with IT staff regarding updated/revisions to Expense and Comp Voucher forms, equipment needs, etc. for return to in-person meetings• Completed and coordinated updated business cards, stationery, and nameplates following election• Prepared and sent letters to MWD OC vendors regarding gift reporting (pursuant to Admin Code Section 7105)• Coordinated and attended Ad Hoc meeting regarding Reserves• Evaluated and put together list of new memberships/sponsorships (approved in 2022) for FY 2023-24 budget preparation• Responded to requests/surveys regarding Director Compensation



Administration/ Board (continued)	<ul style="list-style-type: none"> • Solicited availability, set-up and hosted Zoom meetings for General Manager, Assistant General Manager and Director of Engineering • Solicited availability and scheduled in-person meetings for the General Manager and Assistant General Manager • Registered Staff and Directors for various conferences, made travel accommodations and handled expenses • Hosted ISDOC Executive Meeting • Drafted the ISDOC Quarterly Lunch Constant Contact invite
Records Management	<ul style="list-style-type: none"> • Reviewed changes from Diane Gladwell, Records Consultant, for recommended annual changes to Records Retention Schedule • Working on Destruction Orders for 2022 year end. • Received annual legal review and updates to Records Retention Schedule, which will be incorporated into the Schedule for Board approval. • Continued to review incoming mail and log necessary documents into the Laserfiche system. • Staff continues to review documents and update information in Laserfiche.
Health and Welfare Benefits	<ul style="list-style-type: none"> • Coordinated open enrollment meetings for staff to meet with Colonial Insurance Representative, a voluntary insurance program offered to employees that provides supplemental life insurance, accident and cancer insurance. • Retirees were provided new rates and coupons for retiree health benefits for 2023. • Worked with Igoe (Flexible Spending vendor) to close-out the 2022 plan year and wrap-up changes for the upcoming 2023 plan year.
Recruitment / Departures	<ul style="list-style-type: none"> • Staff is re-evaluating the recruitment efforts for the Principal Engineer position; and the job will be reposted in mid-January.
Projects/ Activities	<p>Administration Team worked on the following:</p> <ul style="list-style-type: none"> • Hosting of Board, Committee and Department meetings via zoom • Updating the new City Council members and Water Directors into Act Database and compiling the annual Orange County City and Water Agency Directory • Assisted WACO on the following items: Meetings via Zoom, PowerPoint presentations, various correspondence and note taking.



Projects/ Activities (continued)	<ul style="list-style-type: none">• The monthly raffle for the Wellness Fruit/Vegetable boxes from Tanaka Farm will continue this month with four new winners to be announced.• Provided information regarding GM Salary to San Bernardino Valley MWD and to IRWD• Met with Director Crane to review District benefits• Responded to MNWD GM Salary Survey• Revisions to the District's IIPP to include sections for Heat Illness as well as inclusion of a Fire Safety Policy.• Attended the MWD OC Annual Holiday Staff Luncheon on December 9th.• Attended a Water Agency Alert OC Web Training on December 13th.• Prepared budget year end projections for FY 22/23 and budget for cost centers 11, 12, 13 and 19 for 23/24.• Attended JPIA webinar on upcoming laws in 2023 on December 20th.• Reviewed and revised Personnel Manual and coordinated with Legal Counsel on revisions.• Contacting roofing companies to obtain and assessment of the roof condition and obtain quotes for repairs and replacement.
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**INFORMATION ITEM**

January 11, 2023

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

FROM: Robert J. Hunter, General Manager

Staff Contact: Steven Hung

SUBJECT: Finance and IT Pending Items Report

SUMMARY

The following list details the status of special projects that are in-progress or to be completed during FY 2022-23.

Finance

Description(sorted by % of completion)	% of Completion	Estimated/Actual Completion date	Status
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	On-going
2022 W-9 collection for conservation rebates. Currently holding 24 rebate checks awaiting a W-9 form.	On-going	On-going	On-going
RFP for Custodial Services	0%	02-28-2023	Not Started
2023-Q1 KnowBe4 training	1%	03-31-2023	In Progress
Preparation of documents for FY 2023-24 budget process.	25%	04-30-2023	In Progress
SCO+Census report fillings for MWD OC and WFC	50%	01-31-2023	In Progress
Conducting interviews for an IT consultant to co-manage and supplement IT.	75%	02-15-2023	In Progress
2022-Q4 KnowBe4 training	98%	12-31-2022	In Progress
Annual Financial Audit	100%	11-03-2022	Completed

Information Technology

Description(sorted by % of completion)	% of Completion	Estimated/Actual Completion date	Status
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Replace Wireless Access Controller for wireless network	0%	06-30-2023	Not Started
Windows Operating systems software upgrade for all Servers	10%	06-30-2023	In Progress
Replace End-Of-Life Cisco Voice Gateway router (hardware and software)	30%	03-31-2023	In Progress
Replace computers/laptops for Staff	50%	03-31-2023	In Progress
Microsoft Office 365 software upgrade	75%	01-31-2023	In Progress
Software and hardware upgrade for Hyper-V Virtual Server	100%	07-31-2022	Completed
Batteries replacement for UPS	100%	09-30-2022	Completed
Upgrade backbone Gigabit network switch (hardware)	100%	10-31-2022	Completed



INFORMATION ITEM

January 11, 2023

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

FROM: **Robert Hunter, General Manager**

Staff Contact: Kevin Hostert

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

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

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

- OC Water Usage, Monthly by Supply **OCWD Groundwater was the main supply in November.**
- Estimated OC Water Usage, Monthly, Comparison to Previous Years Water usage in November **2022 was well below average compared to the last 5 years.** We are projecting a decrease in overall water usage compared to FY 2021-22. On July 8th 2021, state officials have ask California residents to voluntary reduce their water usage by 15% compared to 2020 levels.
- Historical OC Water Consumption Orange County M & I water consumption is **projected to be 523,000 AF in FY 2022-23** (this includes ~11 TAF of agricultural usage and non-retail water agency usage). This is about **23,000 AF less than FY 2021-22** and is about **37,000 AF less than FY 2020-21**. Water usage per person is projected to be slightly lower in **FY 2022-23 for Orange County at 148 gallons per day** (This includes recycled water usage). Although OC population has increased 20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is attributed mostly to Water Use

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

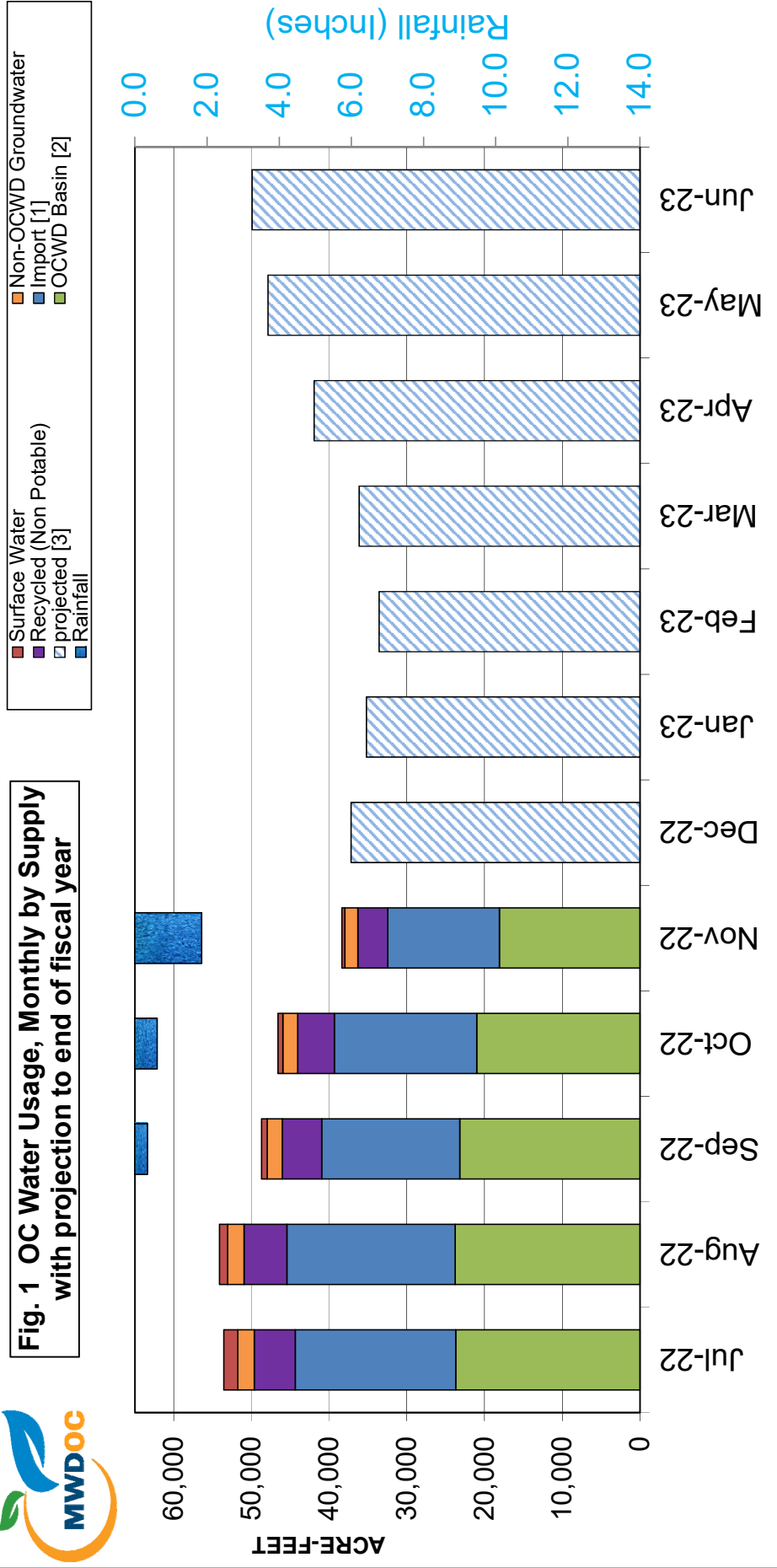
Efficiency (water conservation) efforts. ***O.C. Water Usage has declined significantly since the FY 2013-14. Since FY 2013-14 average O.C. Annual Water usage is 535,000 AF, a decline of 86,500 AF since FY 2013-14.***

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

- Orange County's accumulated precipitation through ***early January was above average*** for this period. Water year to date rainfall in Orange County is ***7.01 inches***, which is ***173% of normal***.
- Northern California accumulated precipitation through ***early January was 121% of normal for this period***. Water Year 2022 was 48% of normal while water year 2021 was 86% of normal. The ***Northern California snowpack was 121% as of January 3rd, 2022. As of early January, 97.93%*** of California is experiencing ***moderate to severe drought conditions. 27.10%*** of California is experiencing ***extreme to exceptional drought conditions***. The State Water Project Contractors Table A Allocation was 5% as of January for WY 2023.
- Colorado River Basin accumulated precipitation through ***early January was 119% of normal*** for this period. The ***Upper Colorado Basin snowpack was 122% of normal*** as of January 3rd 2023. ***Lake Mead and Lake Powell*** combined have about ***37.0% of their average storage volume*** for this time of year and are at ***25.6% of their total capacity***. For the first time on the Colorado River, Lake Mead's ***levels have fallen below the "trigger" limit of 1,075 ft. at the end of a calendar year***. The US Bureau of Reclamation (USBR) has declared a shortage at Lake Mead, impacting Colorado River water deliveries to the Lower Basin states. Lake Mead as of early January was ***30.03' BELOW the "trigger" limit***. The USBR has declared a ***shortage on the Colorado River that started on January 1st 2022. There is a 100% chance of shortage continuing in 2023, 93% in 2024, 100% in 2025 and 93% in 2026.*** Lake Mead as of early January was ***1.81' BELOW the State of California "trigger" limit. There is a 0% chance of mandatory cutbacks for California in 2023, 77% in 2024 (-282 TAF), 71% in 2025 (-302 TAF) and 67% in 2026 (-293 TAF).***



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



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

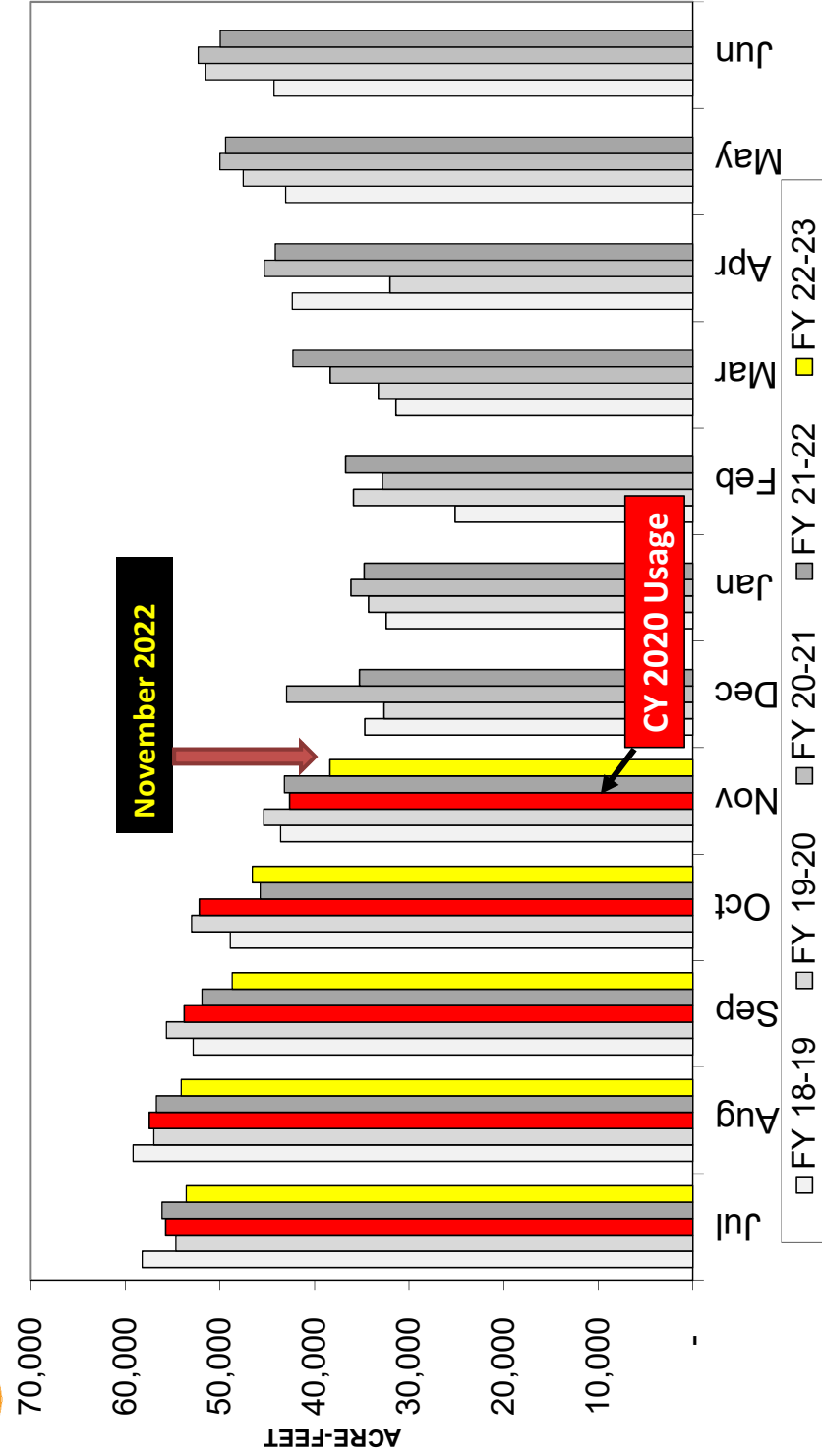
[2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '22-23 is 77%.

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

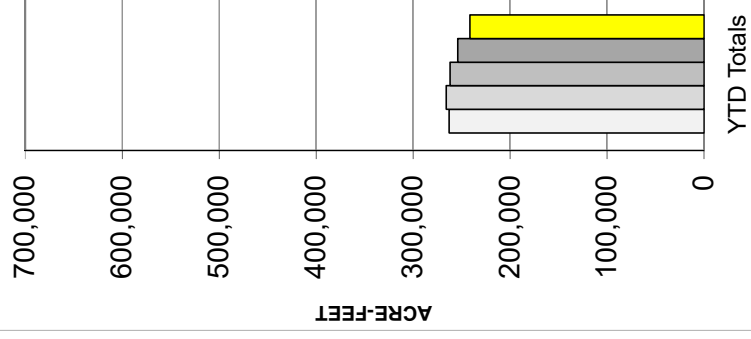
[4] Total water usage includes IRWD groundwater agricultural use and usage by non-retail water agencies.



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

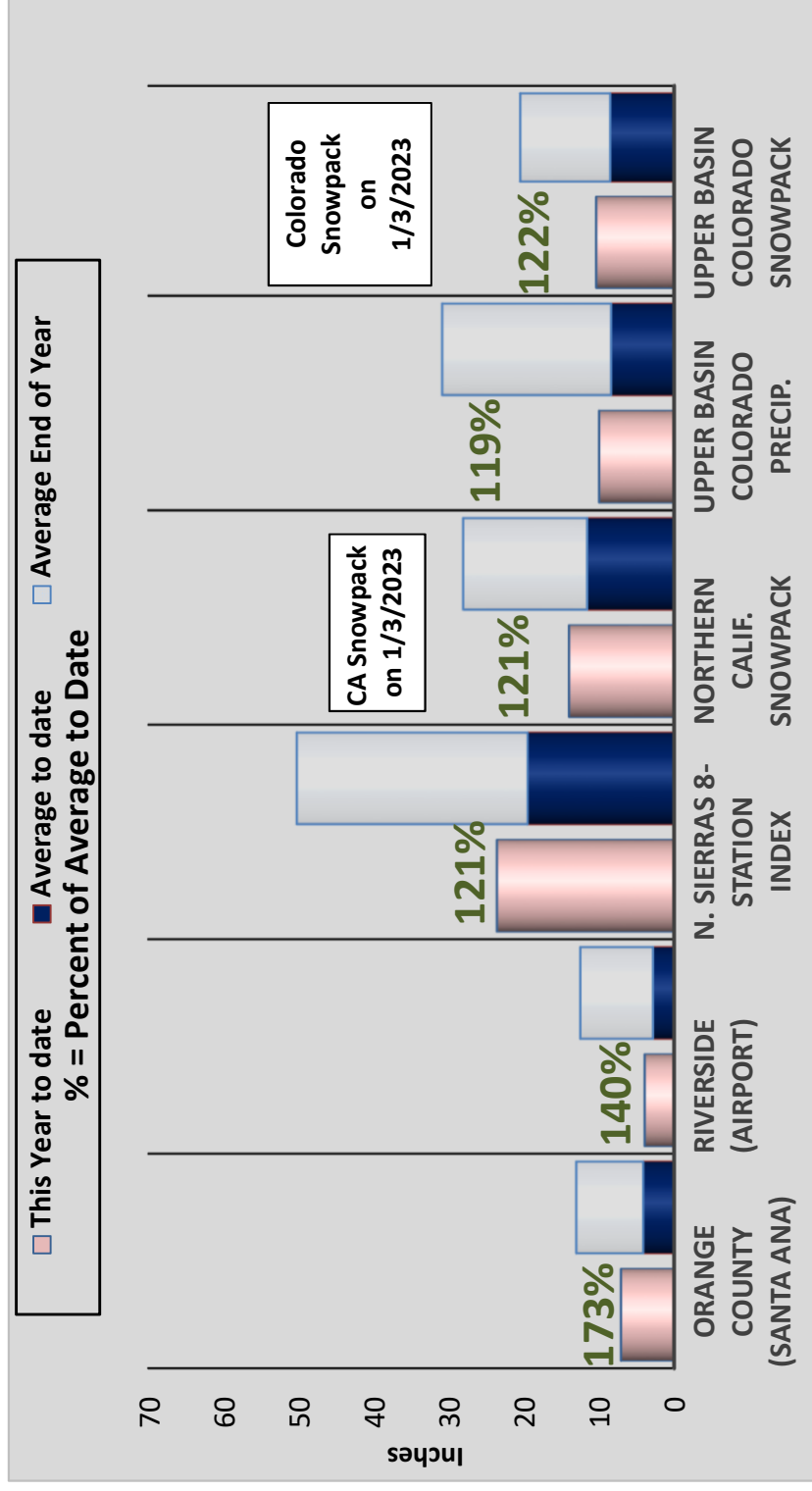


Partial Year Subtotals



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

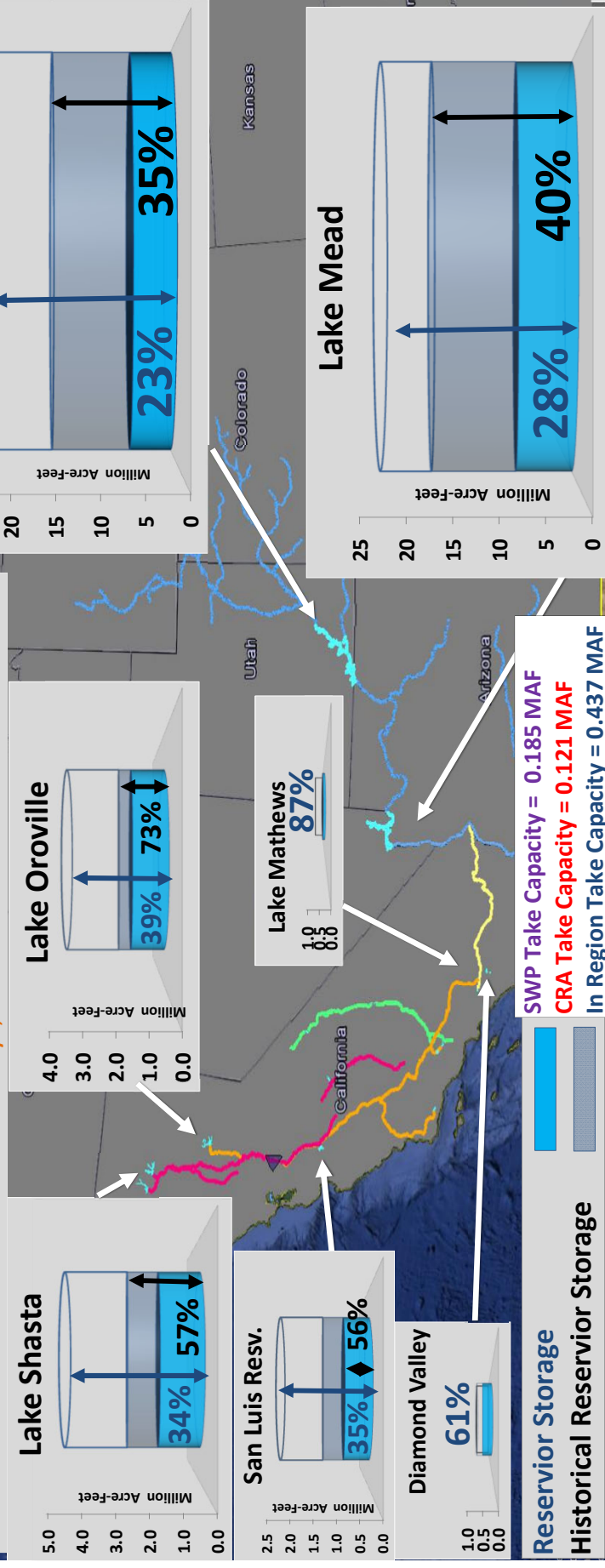
Accumulated Precipitation for the Oct.-Sep. water year, early of January 2023



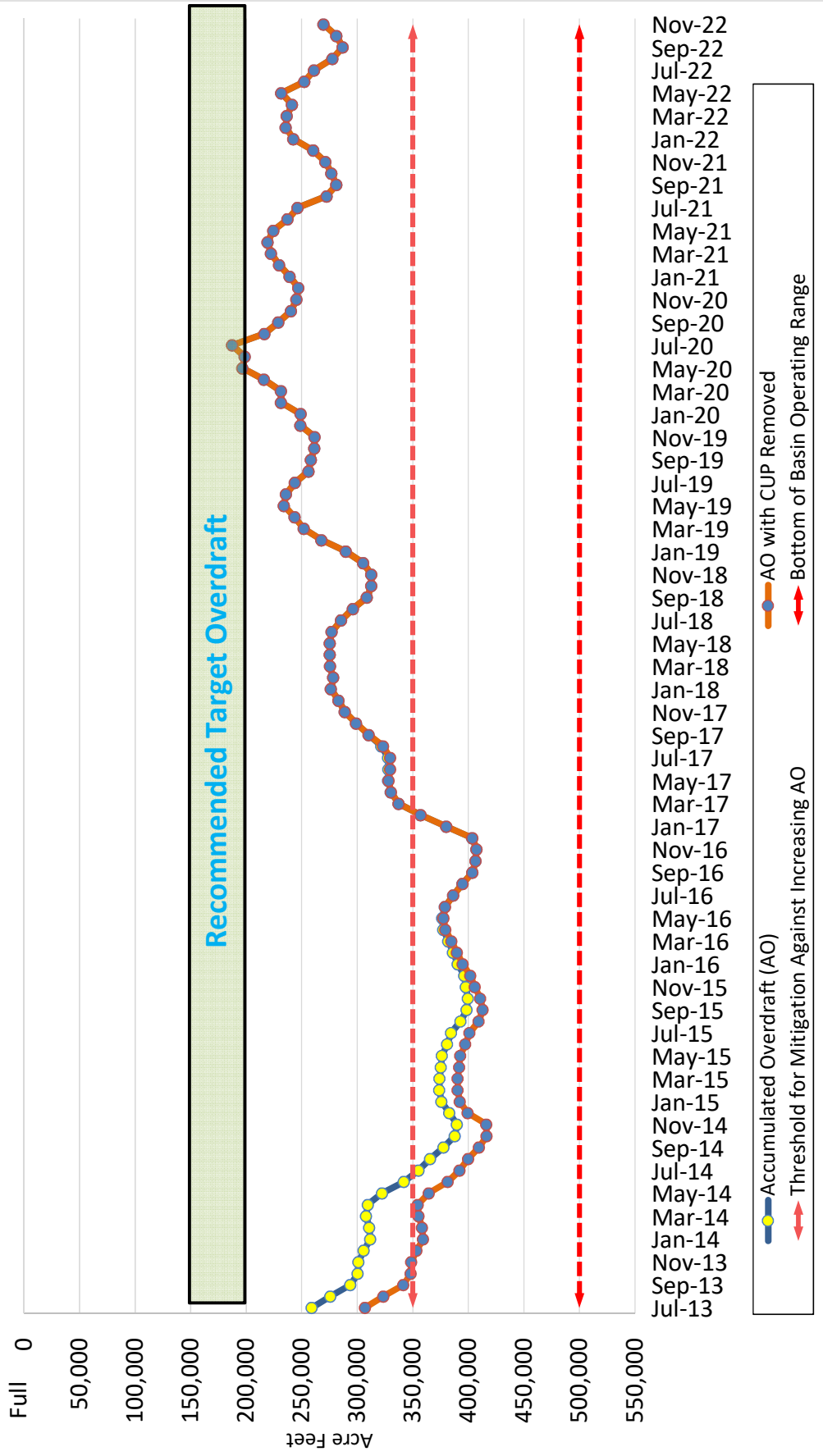
* The date of maximum snowpack accumulation (April 1st in Northern Calif. , April 15th in the Upper Colorado Basin) is used for year to year comparison.

State Water Project, Colorado River, and MWD Reservoir Storage

as of January 4, 2023



Accumulated Overdraft of the OCWD Groundwater Basin as of November 2022



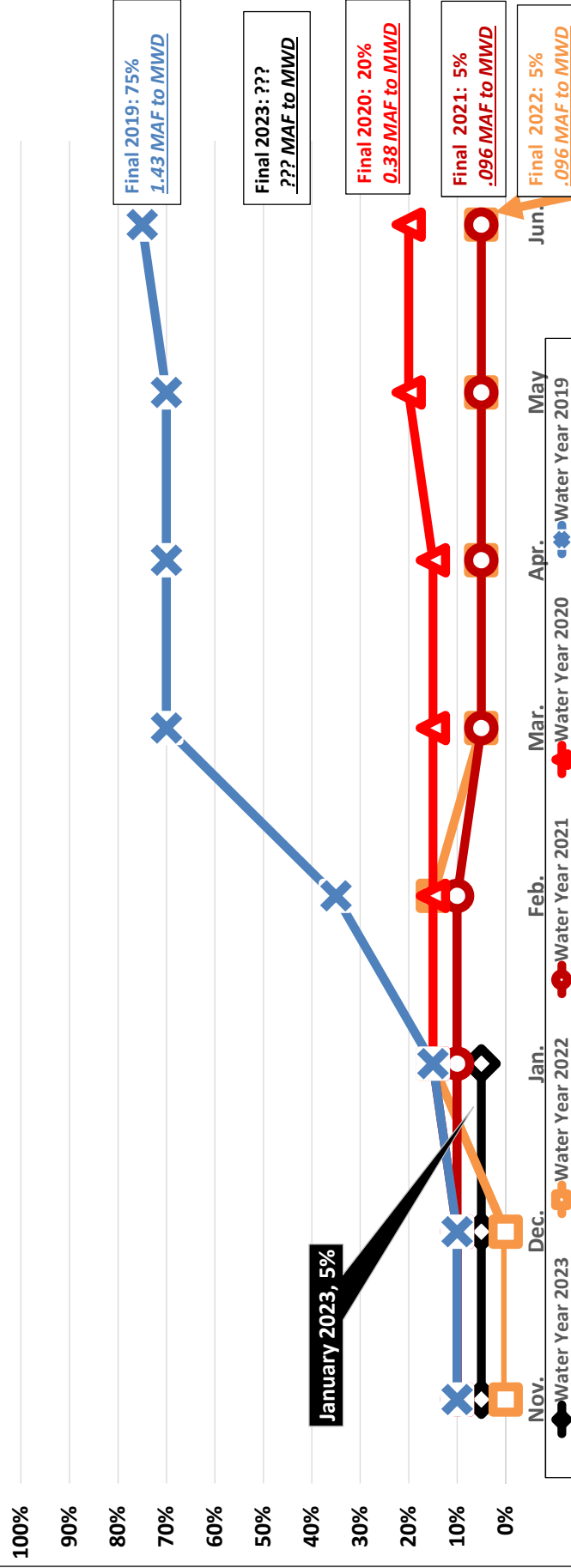
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
AO (AF)	246,350	272,443	281,354	276,909	271,455	260,387	242,511	235,744	236,708	241,450	231,699	252,348
AO w/CUP removed (AF)	246,350	272,442	281,354	276,909	271,455	260,387	242,510	235,744	236,708	241,450	231,699	252,348
	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
AO (AF)	261,145	277,756	286,988	281,407	269,746							
AO w/CUP removed (AF)	261,145	277,756	286,986	281,407	269,746							

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

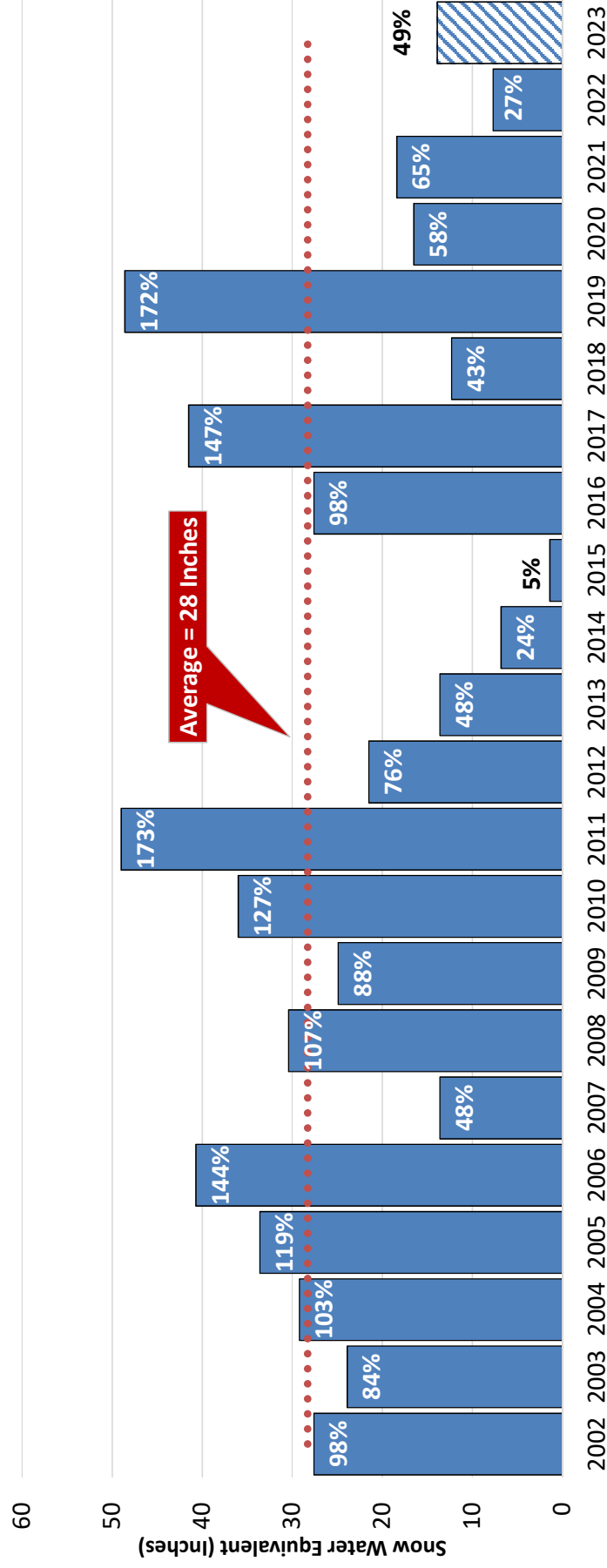


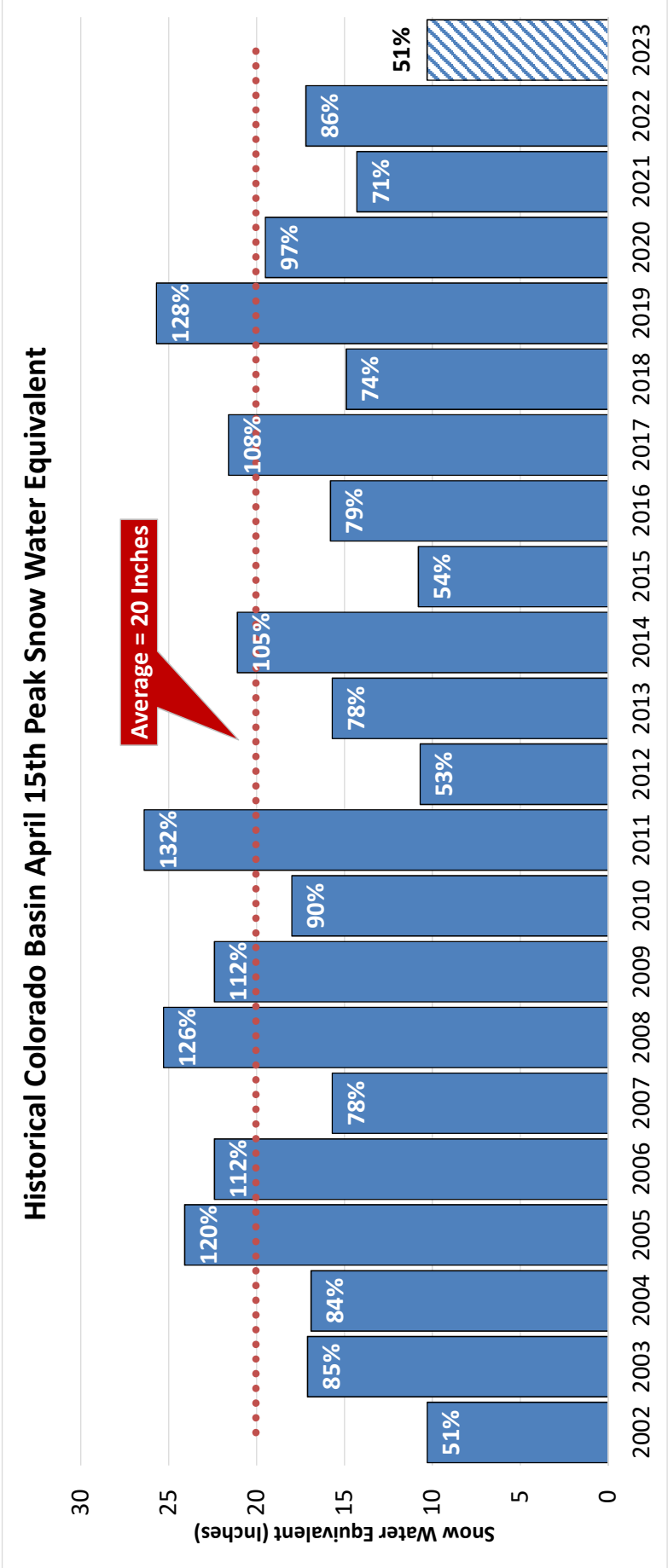
SWP TABLE A ALLOCATION PERCENTAGE

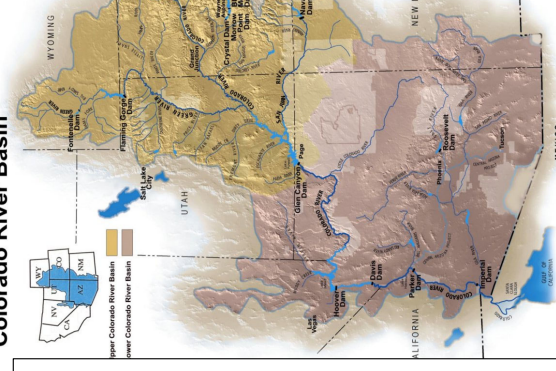
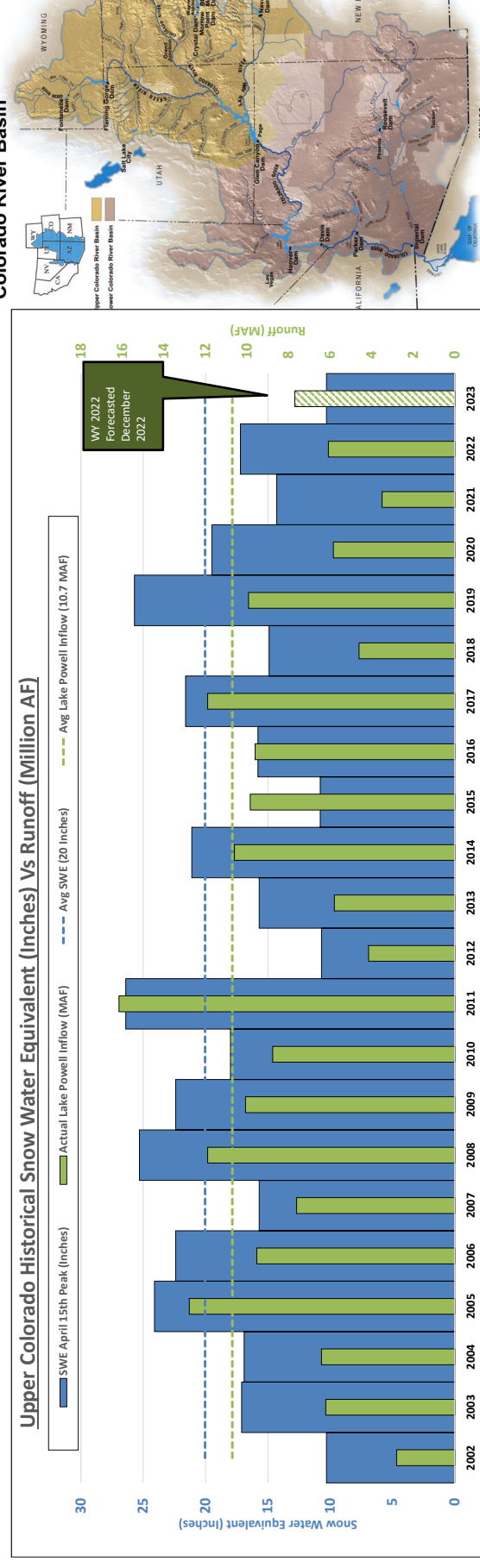
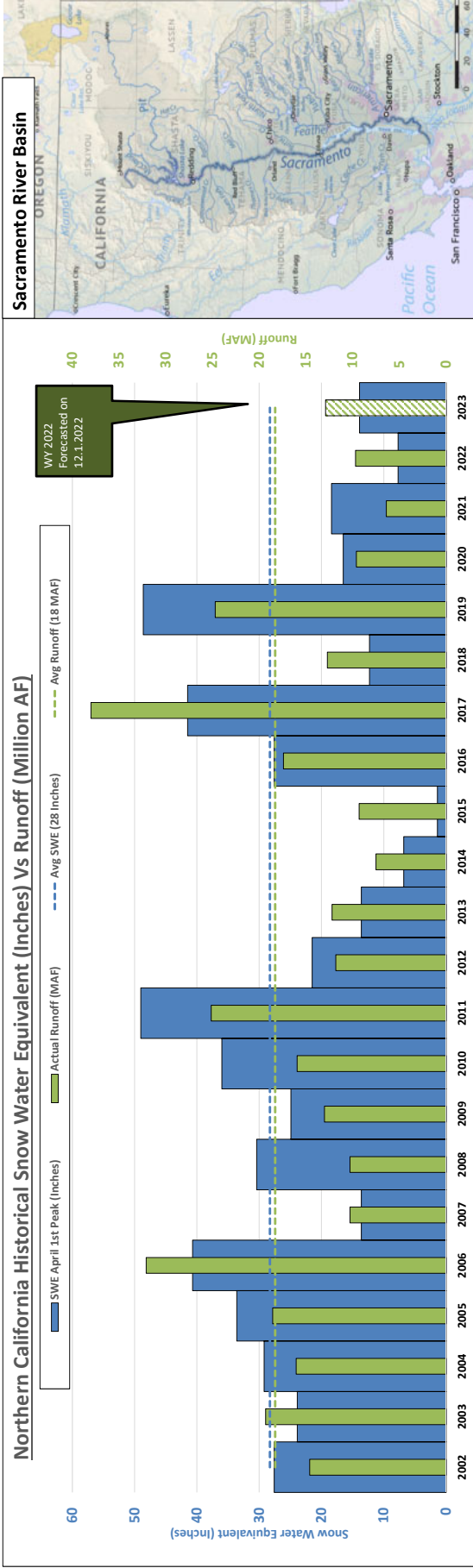
FOR STATE WATER PROJECT CONTRACTORS



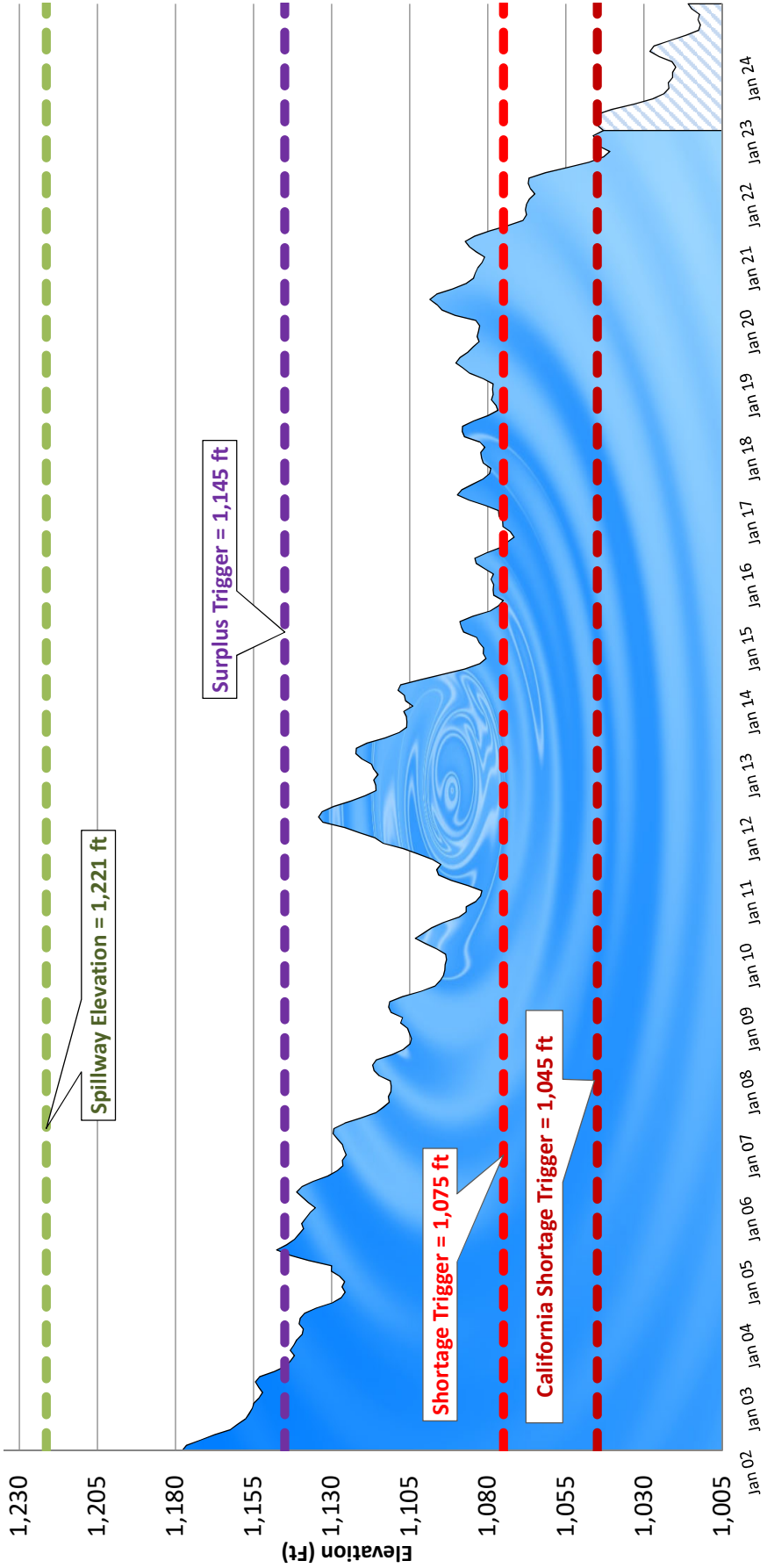
Historical Northern California April 1st Peak Snow Water Equivalent







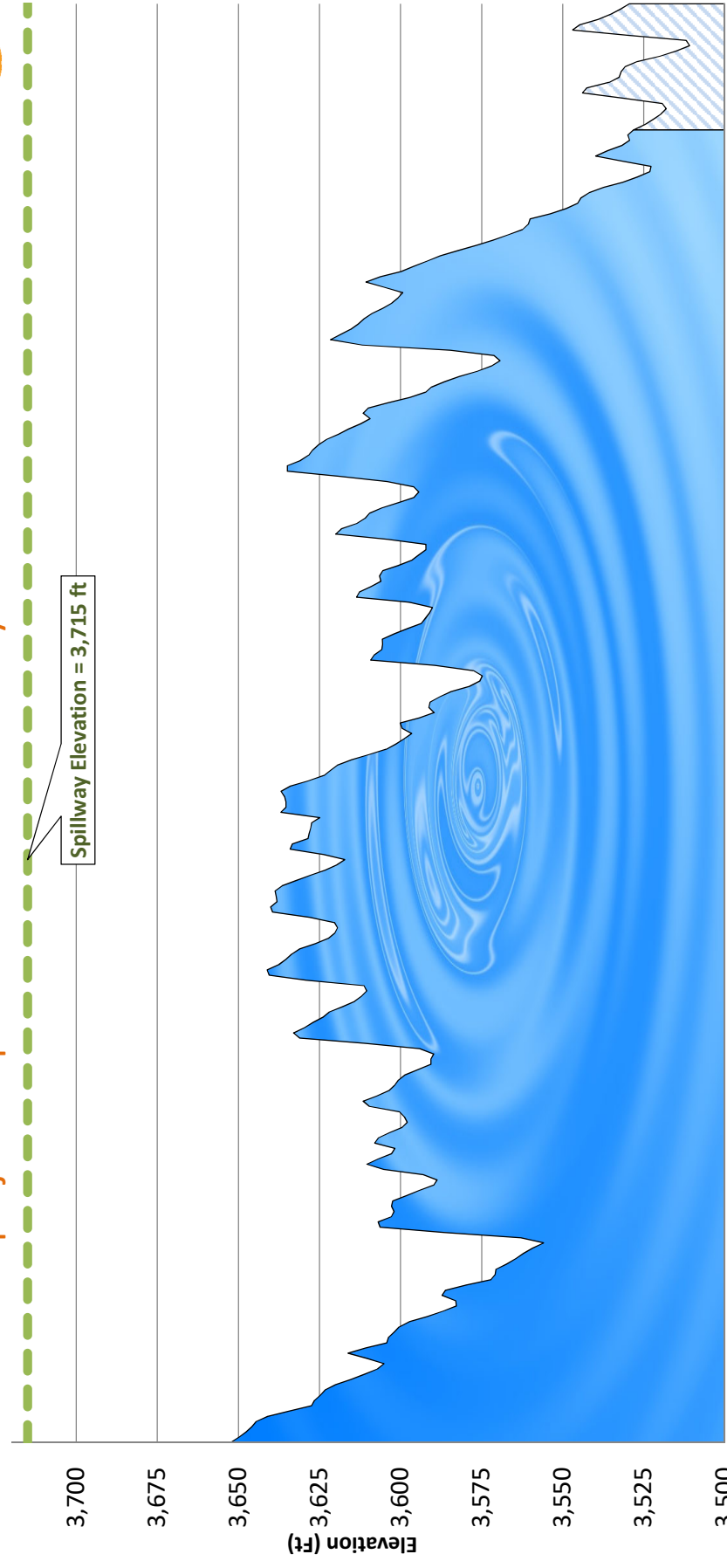
Lake Mead Levels: Historical and Projected projection per USBR 24-Month Study





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

■ Historical □ Projected





Lake Mead Historical Water Elevation Level

Intake Tower

Hoover Dam

