

MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
May 15, 2023, 8:30 a.m.

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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 Dick, Chair
Director Thomas
Director Crane

Staff: H. De La Torre, J. Berg, C. Harris,
H. Chumpitazi, M. Baum-Haley,
K. Davanaugh

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 – April 2023
 - b. Disbursement Approval Report for the month of May 2023

- c. Disbursement Ratification Report for the month of April 2023
 - d. GM Approved Disbursement Report for the month of April 2023
 - e. Consolidated Summary of Cash and Investment – March 2023
 - f. OPEB and Pension Trust Fund statements
2. FINANCIAL REPORT
- a. Combined Financial Statements and Budget Comparative for the Period Ending March 31, 2023
 - b. Quarterly Budget Review

ACTION ITEM

3. ANNUAL REVIEW OF DISTRICT INVESTMENT POLICY AND GUIDELINES

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.)

4. APPROVAL OF AUTO ALLOWANCE RECIPIENTS
5. SOLE SOURCE FOR MOTOROLA SOLUTIONS LLC FOR WEROC 800MHZ RADIOS BEING FUNDED BY FY21 HOMELAND SECURITY GRANT FUNDING
6. DEPARTMENT ACTIVITIES REPORTS
- a. Administration
 - b. Finance and Information Technology
7. MONTHLY WATER USAGE DATA AND WATER SUPPLY INFORMATION

OTHER ITEMS

8. 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
April 2023**

Item 1a

WATER REVENUES

<u>Date</u>	<u>From</u>	<u>Description</u>	<u>Amount</u>
4/03/2023	City of Buena Park	February 2023 Water deliveries	104,776.61
4/03/2023	City of La Habra	February 2023 Water deliveries	6,931.31
4/03/2023	City of La Palma	February 2023 Water deliveries	672.34
4/03/2023	Laguna Beach County Water District	February 2023 Water deliveries	126,421.63
4/06/2023	City of Westminster	February 2023 Water deliveries	14,948.03
4/11/2023	El Toro Water District	February 2023 Water deliveries	385,651.22
4/13/2023	City of Orange	February 2023 Water deliveries	51,407.90
4/13/2023	Orange County Water District	February 2023 Water deliveries	295,065.15
4/13/2023	Yorba Linda Water District	February 2023 Water deliveries	88,753.44
4/14/2023	East Orange Co Water District	February 2023 Water deliveries	547,097.04
4/14/2023	Golden State Water Company	February 2023 Water deliveries	687,641.66
4/14/2023	Irvine Ranch Water District	February 2023 Water deliveries	844,576.46
4/14/2023	Moulton Niguel Water District	February 2023 Water deliveries	1,644,013.78
4/17/2023	Santa Margarita Water District	February 2023 Water deliveries	1,407,397.06
4/17/2023	Santa Margarita Water District (ID9)	February 2023 Water deliveries	433,680.18
4/21/2023	City of Brea	March 2023 Water deliveries	8,826.38
4/21/2023	City of Huntington Beach	March 2023 Water deliveries	251,236.78
4/24/2023	City of Newport Beach	March 2023 Water deliveries	293,368.99
4/26/2023	City of La Habra	March 2023 Water deliveries	6,931.31
4/26/2023	Serrano Water District	March 2023 Water deliveries	8,523.47
4/27/2023	City of Westminster	March 2023 Water deliveries	14,948.03
4/27/2023	Trabuco Canyon Water District	March 2023 Water deliveries	31,854.93
4/28/2023	City of Seal Beach	March 2023 Water deliveries	11,459.94
TOTAL WATER REVENUES			\$ 7,266,183.64

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
April 2023

MISCELLANEOUS REVENUES

<u>Date</u>	<u>From</u>	<u>Description</u>	<u>Amount</u>
4/03/2023	Karl Seckel	April 2023 Retiree Health insurance	184.29
4/11/2023	Steve Hedges	April 2023 Retiree Health insurance	46.78
4/24/2023	Stan Sprague	May 2023 Retiree Health insurance	184.29
4/24/2023	Igoe and Company Inc	COBRA Health and Vision insurance	2,798.64
4/24/2023	ODP Business Solutions LLC	Annual rebate	23.44
4/28/2023	US Bank	Monthly Interest	133.78
4/24/2023	Irvine Ranch Water District	January 2023 Smartimer rebate program	69.00
4/24/2023	Irvine Ranch Water District	February 2023 Smartimer rebate program	225.35
4/13/2023	City of Westminster	January 2023 Turf Removal rebate program	111.00
4/11/2023	City of Orange	February 2023 Turf Removal rebate program	333.00
4/11/2023	El Toro Water District	February 2023 Turf Removal rebate program	2,354.98
4/13/2023	City of Westminster	February 2023 Turf Removal rebate program	222.00
4/24/2023	Laguna Beach County Water District	February 2023 Turf Removal rebate program	7,061.00
4/18/2023	City of Newport Beach	January 2023 Spray to Drip rebate program	1,501.61
4/18/2023	City of Newport Beach	February 2023 Spray to Drip rebate program	798.96
4/03/2023	City of La Habra	December 2022 Turf Removal and Spray to Drip rebate program	1,236.34
4/03/2023	City of Orange	January 2023 Turf Removal and Spray to Drip rebate program	2,787.14
4/24/2023	Irvine Ranch Water District	January 2023 Turf Removal and Spray to Drip rebate program	26,534.58
4/03/2023	City of Fountain Valley	February 2023 Turf Removal and Spray to Drip rebate program	333.00
4/07/2023	City of Tustin	February 2023 Turf Removal and Spray to Drip rebate program	666.00
4/11/2023	City of La Habra	February 2023 Turf Removal and Spray to Drip rebate program	555.00
4/18/2023	City of Buena Park	February 2023 Turf Removal and Spray to Drip rebate program	555.00
4/24/2023	Irvine Ranch Water District	February 2023 Turf Removal and Spray to Drip rebate program	50,095.96
4/14/2023	City of San Clemente	January 2023 Smartimer, Turf Removal, Spray to Drip and High Efficiency Clothes Washer rebate program	5,645.50
4/14/2023	City of San Clemente	January 2023 Smartimer, Turf Removal, Spray to Drip, Rain Barrels and High Efficiency Clothes Washer rebate program	2,666.54
4/18/2023	Moulton Niguel Water District	February 2023 Smartimer, Rotating Nozzles, Turf Removal, Spray to Drip and High Efficiency Clothes Washers rebate program	61,062.23
4/18/2023	Mesa Water District	February 2023 Smartimer, Turf Removal and Spray to Drip rebate program	685.00
4/21/2023	City of Fullerton	Dedicated Irrigation Meters Measurement Program FY 2022-23	66,000.00
4/03/2023	City of Orange	Water Loss Control Shared Services FY 2022-23	419.00
4/03/2023	City of Orange	Water Loss Control Shared Services FY 2022-23	419.00
4/06/2023	City of Westminster	Water Loss Control Shared Services FY 2022-23	8,221.00
4/24/2023	City of La Palma	Water Loss Control technical assistance CY 2022 - E Source	9,110.00
4/18/2023	Irvine Ranch Water District	OC Reliability Study Supply and Demand data	10,000.00
4/03/2023	City of Orange	FY 2021-22 O & M Costs of the EOCF #2	30,771.37
4/07/2023	City of San Clemente	FY 2021-22 O & M Costs of the EOCF #2	2,625.93
4/07/2023	Mesa Water District	FY 2021-22 O & M Costs of the EOCF #2	41,286.21
4/10/2023	South Coast Water District	FY 2021-22 O & M Costs of the EOCF #2	2,334.16
4/17/2023	Santa Margarita Water District	FY 2021-22 O & M Costs of the EOCF #2	52,801.22
4/17/2023	Santa Margarita Water District (ID9)	FY 2021-22 O & M Costs of the EOCF #2	43,765.46
4/24/2023	Irvine Ranch Water District	FY 2021-22 O & M Costs of the EOCF #2	142,973.96
TOTAL MISCELLANEOUS REVENUES			\$ 579,597.72
TOTAL REVENUES			\$ 7,845,781.36


 Harvey De La Torre, Interim General Manager


 Hilary Chumpitazi, Treasurer

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

Item 1b

Vendor/ Invoice	Description	Amount to Pay
Core Disbursements:		
Accent Computer Solutions LLC		
157428	May 2023 IT support services	7,483.00
Total		<u>7,483.00</u>
ACCO Engineered Systems Inc		
20355772	11/26/22 HVAC service repairs to VAV 24, 25, 34 and 42	6,400.00
20391026	03/19/23 Repair service on HVAC system VAV 25 and 31	2,030.58
Total		<u>8,430.58</u>
Ackerman Consulting-Richard C Ackerman		
1369	April 2023 Legal and regulatory specialized consulting services	3,500.00
Total		<u>3,500.00</u>
Alta FoodCraft		
12308469	April 2023 Coffee & tea supplies	144.45
12313065	May 2023 Coffee and tea supplies	273.96
Total		<u>418.41</u>
Best Best and Krieger LLP		
55401-MAR23	March 2023 Legal Services	15,433.17
961952	March 2023 State Advocacy Agreement services	8,000.00
55401-APR23	April 2023 Legal Services	13,643.02
964101	April 2023 State Advocacy Agreement services	8,000.00
Total		<u>45,076.19</u>
Building Block Entertainment Inc		
3572-2	Water Education videos for Orange County Schools	3,500.00
Total		<u>3,500.00</u>
CDM Smith		
90177584	April 2023 Services for water resource planning	12,545.50
Total		<u>12,545.50</u>
Critical Mention Inc		
2023-12653	Critical Mention annual subscription renewal for media monitoring service	8,500.00
Total		<u>8,500.00</u>
CSU Fullerton ASC		
AR172947	2020-2022 Service area for OC Retailers Population Estimates	8,138.07
AR172998	04/01/23-06/30/23 Center for Demographic Research support	14,365.50
Total		<u>22,503.57</u>

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

Vendor/ Invoice	Description	Amount to Pay
Green Thumb (Indoor Plant Care) LLC-Dedo Verde Interior		
20230480	May 2023 Indoor plant service	305.50
Total		305.50
Dopudja & Wells Consulting Inc		
1232	March 2023 Consulting services on MET Strategic Issues and Priorities	11,210.00
Total		11,210.00
E Source Companies LLC		
10778	March 2023 Technical Assistance Program services for Water Loss Control	3,020.00
Total		3,020.00
G&G Trophy-Robert Gunderson		
7023	Poster Contest name plates	184.88
Total		184.88
GTS Architecture Inc		
1282	March 2023 MWDOC Office kitchen and ADA ramp architectural and engineering services	2,040.00
Total		2,040.00
Hashtag Pinpoint Corporation		
1736	April 2023 Social Media consultation and services	7,913.00
Total		7,913.00
Lawnscape Systems Inc		
436781	April 2023 Landscape Maintenance for Atrium	495.00
Total		495.00
M Cubed		
5859	Urban Water Standards SRIA Review and Analysis	1,250.00
Total		1,250.00
Means Consulting-Edward G Means III		
MWDOC-1112	April 2023 MET issues & strategic guidance to staff	1,187.50
MWDOC-1308	April 2023 East Orange County Feeder #2 Emergency Pilot Project Consulting Services	343.75
Total		1,531.25
Moulton Niguel Water District		
5447709	Water Infrastructure Networking Summit sponsorship	4,000.00
Total		4,000.00
Natural Resource Results LLC		
4349	April 2023 Federal Advocacy Agreement services	8,000.00
Total		8,000.00

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

Vendor/ Invoice	Description	Amount to Pay
NDS		
816705	04/07/23 Board packet delivery service	134.72
816887	04/14/23 Board packet delivery service	134.72
817290	04/28/23 Board packet delivery service	83.23
Total		352.67
ODP Business Solutions LLC		
304413497001	04/17/23 Office supplies for Poster Contest	107.03
Total		107.03
Office Solutions		
I-02111556	04/07/23 Office supplies	518.67
I-02112398	04/11/23 Office supplies	157.62
I-02113201	04/13/23 Supplies for poster slogan contest	54.09
I-02116698	04/24/23 Office supplies	107.38
I-02120168	05/03/23 Office supplies	579.69
I-02120600	05/04/23 Office supplies	61.64
Total		1,479.09
Orange County Water District		
25271	March 2023 Postage, shared office & maintenance expense	9,972.10
Total		9,972.10
Paul Redvers Brown Inc		
DOC018	April 2023 MWDOC Board Strategic Planning Workshop Facilitation	1,740.00
Total		1,740.00
The Regents of the University of CA		
68578784	Year 4 Plant Irrigation Trials	17,500.00
Total		17,500.00
S&L Window Specialists-Budget Blinds of Huntington Beach North		
1764	Solar and roller shades for open work area	12,281.29
Total		12,281.29
Karl Seckel		
33123	January-March 2023 Retiree medical premium	1,384.80
Total		1,384.80
Mary Snow		
53123	March-May 2023 Retiree medical premium	484.30
Total		484.30
Soto Resources-Joey C Soto		
GA-APR-74	April 2023 Grant Research and Acquisition Assistance	3,250.00
Total		3,250.00

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

Vendor/ Invoice	Description	Amount to Pay
Spiral Holding LLC		
SI2714858	04/13/23 Binding machine supplies	228.41
Total		228.41
Water System Consulting Inc		
7804	March 2023 Water Use Efficiency Economic Analysis	157.00
Total		157.00
Whittingham Public Affairs Advisors		
1970	May 2023 Strategic Advisory services	6,000.00
Total		6,000.00
Total Core Expenditures		206,843.57
 Choice Expenditures:		
Building Block Entertainment Inc		
3552-2	April 2023 Choice Elementary School Program grades K-2	13,950.00
Total		13,950.00
Mission RCD		
3361	April 2023 Field inspection and verification for Water Use Efficiency rebate programs	5,165.40
Total		5,165.40
Office Solutions		
I-02113388	04/13/23 Supplies for Water Loss Control Shared Services	56.93
I-02115022	04/19/23 Supplies for Water Loss Control Shared Services	105.48
Total		162.41
Orange County Dept of Education		
94SI4067	March 2023 Choice School Programs for grades 3-12	37,306.21
Total		37,306.21
Orange County Water District		
25271	March 2023 Postage for Water Use Efficiency rebate programs	64.61
Total		64.61
Westerly Meter Service Co-Lane M Matsuno		
17304	April 2023 Meter Accuracy Testing for City of Fountain Valley	3,400.00
Total		3,400.00
Total Choice Expenditures		60,048.63

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

Vendor/ Invoice	Description	Amount to Pay
Other Funds Expenditures:		
E Source Companies LLC		
10778	March 2023 Technical Assistance Program services for Water Loss Control	6,985.00
Total		6,985.00
Mission RCD		
3361	April 2023 Field inspection and verification for Water Use Efficiency rebate programs	4,551.00
Total		4,551.00
Office Solutions		
I-02111232	04/07/23 WEROC training supplies	448.87
Total		448.87
Orange County Fire Protection		
324632	Primary EOC Fire Extinguisher Maintenance on April 5, 2023	79.66
Total		79.66
County of Orange		
SC13828	04/01/23-06/30/23 WEROC Radio System operations and maintenance costs	620.00
Total		620.00
The Plant Nerd		
7875	April 2023 Landscape Design and Landscape Maintenance Assistance Program	9,860.00
Total		9,860.00
TerraWorks Studio		
MW0021	April 2023 Landscape Design and Landscape Maintenance Assistance Program	4,850.00
Total		4,850.00
Water System Consulting Inc		
7804	March 2023 Water Use Efficiency Economic Analysis	1,000.00
Total		1,000.00
Total Other Funds Expenditures		28,394.53
Total Expenditures		295,286.73

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of April 2023

Item 1c

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
Tiffany Baca				
4/28/2023	EFT	33023	March 2023 Business expense	47.67
Total				47.67
Joseph Berg				
4/28/2023	EFT	41623	April 2023 Business expense	346.97
Total				346.97
Cristal Castro				
4/28/2023	EFT	41223	April 2023 Business expense	19.65
Total				19.65
Corodata Records Management Inc				
4/14/2023	EFT	RS4895105	March 2023 Records Storage Fees	58.67
Total				58.67
Randall Crane				
4/28/2023	EFT	30123	March 2023 Business expense	78.60
Total				78.60
Rachel Davis				
4/28/2023	EFT	41923	April 2023 Business expense	207.89
Total				207.89
Larry Dick				
4/28/2023	EFT	31623	March 2023 Business expense	117.90
Total				117.90
Tina Dubuque				
4/28/2023	EFT	22723	February 2023 Business expense	108.77
4/28/2023	EFT	32223	March 2023 Business expense	182.61
Total				291.38
Tina Jocelyn Fann				
4/28/2023	EFT	33123	March 2023 Business expense	58.96
Total				58.96
Sam Fetter				
4/28/2023	EFT	20123	February 2023 Business expense	100.00
Total				100.00
Lina Gunawan				
4/28/2023	EFT	21923	February 2023 Business expense	20.00
4/28/2023	EFT	31923	March 2023 Business expense	20.00
Total				40.00

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of April 2023

Name/ Date	Check/ EFT	Invoice	Description	Amount
Melissa Haley				
4/28/2023	EFT	11023	January 2023 Business expense	99.56
4/28/2023	EFT	22723	February 2023 Business expense	148.92
4/28/2023	EFT	32623	March 2023 Business expense	165.34
Total				413.82
Christina Hernandez				
4/28/2023	EFT	40723	April 2023 Business expense	88.54
Total				88.54
Home Depot Credit Services				
4/14/2023	142074	7902079	04/05/23 Office supplies	27.26
Total				27.26
Robert McVicker				
4/28/2023	EFT	31623	March 2023 Business expense	23.58
Total				23.58
Al Nederhood				
4/28/2023	EFT	31623	March 2023 Business expense	190.98
Total				190.98
Judy Roberts				
4/28/2023	EFT	21523	February 2023 Business expense	28.54
Total				28.54
Alana Salas-Yoshii				
4/28/2023	EFT	33023	March 2023 Business expense	19.12
Total				19.12
Megan Schneider				
4/28/2023	EFT	32323	March 2023 Business expense	311.26
Total				311.26
Karl Seckel				
4/28/2023	EFT	31623	March 2023 Business expense	320.19
Total				320.19
Nathan Shepherd				
4/28/2023	EFT	21123	February 2023 Business expense	24.30
4/28/2023	EFT	33023	March 2023 Business expense	60.72
Total				85.02
Spectrum Business				
4/14/2023	142080	343564041023	April 2023 Telephone expense for one fax line	39.99
4/04/2023	142068	375210033023	April 2023 Telephone and internet expense	1,728.62
Total				1,768.61

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of April 2023

Name/ Date	Check/ EFT	Invoice	Description	Amount
US Bank				
4/28/2023	142199	0208/2978/4192/8910-MAR23	02/23/23-03/22/23 Cal Card Charges	23,396.01
Total				23,396.01
Verizon Wireless				
4/04/2023	142069	9930870516	March 2023 4G Mobile broadband unlimited service	114.03
Total				114.03
Katie Vincent				
4/28/2023	EFT	33023	March 2023 Business expense	66.82
Total				66.82
Total Core Disbursements				28,221.47

Choice Disbursements:

US Bank				
4/28/2023	142199	8910-MAR23	02/23/23-03/22/23 Cal Card Charges	1,612.37
Total				1,612.37
US Bank Voyager Fleet Systems				
4/14/2023	EFT	8694349932312	02/25/23-03/24/23 Fuel for Water Loss Control Shared Services vehicles	705.20
Total				705.20
Total Choice Disbursements				2,317.57

Other Funds Disbursements:

AT&T				
4/14/2023	142072	19725655	March 2023 Telephone expense for WEROC Primary & N. EOC	479.42
Total				479.42
Mesa Water District				
4/14/2023	EFT	11087	February 2023 Credit for Local Resources program	15,005.48
Total				15,005.48
Metropolitan Water District				
4/28/2023	EFT43023	11060	February 2023 Water deliveries	8,200,755.54
Total				8,200,755.54
Santa Margarita Water District				
4/28/2023	EFT	22823	February 2023 SCP Operation Surcharge	20,306.84
Total				20,306.84

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of April 2023

Name/ Date	Check/ EFT	Invoice	Description	Amount
Santiago Aqueduct Commission				
4/28/2023	142197	22823	February 2023 SAC Pipeline Operation Surcharge	2,436.00
Total				2,436.00
Spray to Drip Rebate				
4/28/2023	142085	S2D5-C-IRWD-44331-18708-ADJ	Alton Business Assc (Irvine)	199.50
4/28/2023	142129	S2D5-R-FV-47287-18996	D. Konrad	557.00
4/28/2023	142143	S2D5-R-HB-46141-18475	S. MacDowell	1,283.50
4/28/2023	142121	S2D5-R-HB-47928-19003	J. Housh	206.00
4/28/2023	142136	S2D5-R-IRWD-46387-18547	C. Lee	3,500.00
4/28/2023	142181	S2D5-R-IRWD-48029-19031	A. Stevens	766.50
4/28/2023	142134	S2D5-R-MESA-47097-18771	G. Le	1,163.50
4/28/2023	142104	S2D5-R-SB-47170-18794	J. Dvonch	257.50
4/28/2023	142175	S2D5-R-SM-46981-18987	N. Sivaprakasam	439.00
4/28/2023	142093	S2D6-C-ETWD-38663-19564	Casa De Laguna Assc (Laguna Hills)	3,969.50
4/28/2023	142109	S2D6-C-IRWD-17683-19232	Emerald Court Apartments (Lake Forest)	456.70
4/28/2023	142187	S2D6-C-IRWD-48129-19230	Xylem Inc (Irvine)	7,815.75
4/28/2023	142172	S2D6-C-MESA-42726-19620	SDCO Commerce Park Inc (Costa Mesa)	20,559.00
4/28/2023	142132	S2D6-C-MNT-4463-19245	Laguna Heights Comm Assc (Laguna Niguel)	35,000.00
4/28/2023	142183	S2D6-C-NWPT-42916-19159	The Irvine Company LLC (Newport Beach)	2,922.50
4/28/2023	142119	S2D6-R-FV-51017-21766	J. Horner	410.20
4/28/2023	142097	S2D6-R-HB-47332-19570	R. Crouse	308.00
4/28/2023	142125	S2D6-R-HB-49067-19427	W. Kielsmeier	490.00
4/28/2023	142106	S2D6-R-HB-51031-21801	J. Ellis	1,013.50
4/28/2023	142123	S2D6-R-IRWD-46643-21741	S. Khorashadi	1,506.40
4/28/2023	142163	S2D6-R-IRWD-49582-19519	T. Pan	1,021.60
4/28/2023	142138	S2D6-R-IRWD-49812-19625	K. Lee	593.60
4/28/2023	142100	S2D6-R-LH-47872-18991	J. Deranek	837.50
4/28/2023	142178	S2D6-R-MESA-49154-19387	D. Stack	928.50
4/28/2023	142159	S2D6-R-O-47744-20685	M. Nguyen	940.50
4/28/2023	142155	S2D6-R-O-48775-19542	B. Mottram	413.00
4/28/2023	142153	S2D6-R-SB-47006-19616	T. Morelock	434.50
4/28/2023	142150	S2D6-R-SB-47316-19602	C. McLaughlin	291.00
4/28/2023	142177	S2D6-R-SM-48158-19052	J. Smith	599.00
4/28/2023	142115	S2D6-R-SM-49396-19409	J. Heller	561.50
4/28/2023	142112	S2D6-R-SOCO-48146-19261	W. Gordon	561.50
4/28/2023	142167	S2D6-R-SOCO-48596-19151	E. Ransom	472.50
4/28/2023	142117	S2D6-R-TUST-48480-19127	M. Homan	2,500.00
4/28/2023	142148	S2D6-R-YLWD-49639-19673	D. McKenna	824.50
Total				93,803.25

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of April 2023

Name/ Date	Check/ EFT	Invoice	Description	Amount
Turf Rebate				
4/28/2023	142088	TR15-C-MNT-45960-45863	Beacon Hill Planned Comm Assc (Laguna Niguel)	1,485.00
4/28/2023	142130	TR15-R-FV-47287-45889	D. Konrad	3,342.00
4/28/2023	142128	TR15-R-GG-44551-43203	T. Koeler	10,218.00
4/28/2023	142144	TR15-R-HB-46141-44773	S. MacDowell	6,513.00
4/28/2023	142098	TR15-R-HB-47332-45935	R. Crouse	1,848.00
4/28/2023	142122	TR15-R-HB-47928-46505	J. Housh	1,137.00
4/28/2023	142094	TR15-R-IRWD-41744-40497	S. Chien	4,680.00
4/28/2023	142137	TR15-R-IRWD-46387-45024	C. Lee	11,105.00
4/28/2023	142124	TR15-R-IRWD-46643-45281	S. Khorashadi	4,112.00
4/28/2023	142182	TR15-R-IRWD-48029-46591	A. Stevens	3,844.00
4/28/2023	142101	TR15-R-LH-47872-46450	J. Deranek	1,851.00
4/28/2023	142135	TR15-R-MESA-47097-45702	G. Le	5,328.00
4/28/2023	142152	TR15-R-MNT-44302-45653	L. Montedore	3,036.00
4/28/2023	142141	TR15-R-MNT-47629-46219	A. Lindstrom	1,280.00
4/28/2023	142102	TR15-R-O-47676-46260	C. Derich	4,956.00
4/28/2023	142105	TR15-R-SB-47170-45774	J. Dvonch	1,365.00
4/28/2023	142151	TR15-R-SB-47316-45918	C. McLaughlin	1,746.00
4/28/2023	142162	TR15-R-SM-42621-41312	J. Palmer	741.00
4/28/2023	142176	TR15-R-SM-46981-45595	N. Sivaprakasam	2,094.00
4/28/2023	142110	TR16-C-IRWD-45816-47380	Emerald Court Apartments (Lake Forest)	7,044.23
4/28/2023	142131	TR16-C-LH-49788-48330	La Habra Place HOA (La Habra)	1,750.00
4/28/2023	142096	TR16-C-MNT-38663-47983	Crest De Ville Comm Assc (Laguna Niguel)	2,973.00
4/28/2023	142161	TR16-C-MNT-44091-47319	Pacific Island I HOA (Laguna Niguel)	26,331.00
4/28/2023	142133	TR16-C-MNT-4463-47426	Laguna Heights Comm Assc (Laguna Niguel)	150,000.00
4/28/2023	142114	TR16-C-NWPT-38663-47563	Harbor Cove (Newport Beach)	16,350.00
4/28/2023	142092	TR16-C-NWPT-4463-48266	Canyon Hills Comm Assc (Newport Beach)	1,698.00
4/28/2023	142184	TR16-C-NWPT-48241-47137	The Irvine Company LLC (Newport Beach)	11,690.00
4/28/2023	142174	TR16-C-SM-4463-48207	Sendero Neighborhood Corp (Rancho Mission Viejo)	22,496.00
4/28/2023	142120	TR16-R-FV-51017-49589	J. Horner	3,480.00
4/28/2023	142158	TR16-R-GG-48759-47274	A. Nguyen	4,971.00
4/28/2023	142126	TR16-R-HB-49067-47592	W. Kielsmeier	2,106.00
4/28/2023	142108	TR16-R-HB-49568-48082	J. Elmore	3,036.00
4/28/2023	142107	TR16-R-HB-51031-49610	J. Ellis	5,529.00
4/28/2023	142127	TR16-R-IRWD-3110-48199	P. Kim	975.00
4/28/2023	142087	TR16-R-IRWD-49141-47666	J. Arena	1,475.00
4/28/2023	142142	TR16-R-IRWD-49263-47795	J. Linnan	10,375.00
4/28/2023	142173	TR16-R-IRWD-49350-47869	S. Sefami	6,010.00
4/28/2023	142180	TR16-R-IRWD-49457-47971	B. Star	3,925.00
4/28/2023	142164	TR16-R-IRWD-49582-48097	T. Pan	3,150.00
4/28/2023	142186	TR16-R-IRWD-49704-48243	S. Wloczyniak	1,620.00
4/28/2023	142139	TR16-R-IRWD-49812-48352	K. Lee	3,265.00
4/28/2023	142095	TR16-R-IRWD-50884-49460	J. Chung	3,875.00
4/28/2023	142147	TR16-R-IRWD-50928-49492	D. McCoy	4,365.00
4/28/2023	142086	TR16-R-LH-48288-46837	P. Alvarez	7,800.00
4/28/2023	142099	TR16-R-LH-48493-47027	J. Der	2,217.05
4/28/2023	142179	TR16-R-MESA-49154-47683	D. Stack	3,501.00

Municipal Water District of Orange County
Disbursement Ratification Report
For the Month of April 2023

Name/ Date	Check/ EFT	Invoice	Description	Amount
Turf Rebate - Continued				
4/28/2023	142103	TR16-R-MESA-49862-48420	A. Dodson	1,530.93
4/28/2023	142169	TR16-R-MNT-49565-48079	M. Reese	2,097.09
4/28/2023	142090	TR16-R-MNT-49756-48297	A. Brueggeman	5,360.00
4/28/2023	142146	TR16-R-MNT-49843-48391	N. McAfee	699.65
4/28/2023	142140	TR16-R-MNT-50898-49463	N. Levyssohn	5,336.00
4/28/2023	142111	TR16-R-MNT-50933-49497	S. Fekrirad	7,024.00
4/28/2023	142160	TR16-R-O-47744-48390	M. Nguyen	3,396.00
4/28/2023	142156	TR16-R-O-48775-47291	B. Mottram	2,478.00
4/28/2023	142170	TR16-R-O-48790-47304	E. Rostom	2,583.00
4/28/2023	142171	TR16-R-O-49173-47705	D. Schober	3,117.00
4/28/2023	142166	TR16-R-O-49460-47976	R. Ranallo	3,678.00
4/28/2023	142089	TR16-R-O-49622-48142	R. Bridgewater	4,908.00
4/28/2023	142154	TR16-R-SB-47006-45618	T. Morelock	1,386.00
4/28/2023	142145	TR16-R-SC-49657-48184	R. Mayer	642.85
4/28/2023	142116	TR16-R-SM-49396-47913	J. Heller	2,160.00
4/28/2023	142188	TR16-R-SM-50899-49456	J. Yuh	1,527.00
4/28/2023	142113	TR16-R-SOCO-48146-46703	W. Gordon	3,369.00
4/28/2023	142168	TR16-R-SOCO-48596-47121	E. Ransom	3,261.00
4/28/2023	142185	TR16-R-TUST-48476-47013	H. Thoms	1,320.00
4/28/2023	142118	TR16-R-TUST-48480-47015	M. Homan	5,757.00
4/28/2023	142091	TR16-R-TUST-49634-48155	D. Campeau	3,369.00
4/28/2023	142157	TR16-R-WEST-49748-48290	H. Ngoc Vo	6,165.00
4/28/2023	142165	TR16-R-YLWD-49140-47664	R. Quinonez	6,297.00
4/28/2023	142149	TR16-R-YLWD-49639-48201	D. McKenna	4,947.00
Total				465,096.80
US Bank				
4/28/2023	142199	6066/8910-MAR23	02/23/23-03/22/23 Cal Card Charges	5,267.86
Total				5,267.86
Verizon Wireless				
4/04/2023	142069	9930870516	March 2023 4G Mobile broadband unlimited service	76.02
Total				76.02
Total Other Funds Disbursements				8,803,227.21
Total Disbursements				8,833,766.25


Harvey De La Torre, Interim General Manager


Hilary Chumpitazi, Treasurer

Cal Card Charges
Statement Date: March 22, 2023
Payment Date: April 28, 2023

Date	Description	Amount
Administration Card:		
2/15/2023	Water Loss Control Shared Services tools and supplies	254.10
2/17/2023	DocuSign Business Pro annual subscription renewal	2,760.00
2/21/2023	WEROC office supplies	21.01
2/21/2023	03/03/23 Lunch for Board meeting	502.08
2/22/2023	AWWA Sustainable Water Management Conference from April 16-19, 2023 in Minneapolis, MN - Airfare for R. Davis	617.80
2/22/2023	Refund duplicate charge on Interim GM card for ACWA Spring Conference in Monterey, CA from May 9-11, 2023 - Registration for D. Micalizzi	(815.00)
2/23/2023	Legislative Activities in Sacramento, CA from February 21-23, 2023 - Accommodations for H. Baez	1,057.50
2/24/2023	01/25/23-02/24/23 Web hosting service for Mwdoc.com	15.65
2/24/2023	CAPIO 2023 Annual Conference from May 1-4, 2023 in Monterey, CA - Airfare for T. Baca and S. Wilson	299.92
2/24/2023	Urban Water Institute Spring Conference from February 22-24, 2023 in Palm Springs, CA - Accommodations for A. Heide, D. Micalizzi, Directors Nederhood, Crane, and Thomas	2,248.80 ¹
2/24/2023	Public Sector Human Resources Association membership renewal for C. Harris	175.00
2/27/2023	Staples office supply order	44.54
2/28/2023	Amazon office supplies	50.58
2/28/2023	Amazon office supply order	89.61
2/28/2023	ACWA DC 2023 from February 28-March 2, 2023 in Washington DC - Accommodations for H. Baez and M. Haley	986.28
2/28/2023	Food for staff farewell lunch	436.78
3/01/2023	Water Loss Control Shared Services polo shirts and hats	1,358.27
3/01/2023	CSDA Leadership Academy in La Quinta, CA on February 26, 2023 - Accommodations for Director Crane	616.65
3/01/2023	ACWA DC 2023 in Washington DC from February 28-March 2, 2023 - Group Dinner for Director Seckel, H. Baez, M. Haley and 13 Guests	1,806.72
3/02/2023	ACWA DC 2023 from February 28 - March 2, 2023 in Washington DC - H. Baez Business expense for meals and transportation	553.80
3/02/2023	Office supply order	93.60
3/02/2023	DC Legislation on February 28-March 2, 2023 in Washington DC - Accommodations for Director Seckel	1,032.26
3/02/2023	ACWA DC 2023 from February 28-March 2, 2023 in Washington DC - Accommodations for H. Baez and M. Haley	2,064.52
3/02/2023	ACWA DC 2023 in Washington DC from February 28-March 2, 2023 - Airfare for H. Baez and M. Haley	1,075.79
3/06/2023	Grant Management USA training in Anaheim, CA from March 30-31, 2023 - Registration for T. Fann and S. Fetter	990.00
3/08/2023	Laptop chargers and USB splitter for conference room 101	47.87
3/08/2023	Microphone clip for conference room 101	10.82
3/08/2023	20 year anniversary gift card for staff	100.00
3/10/2023	Nameplate for Director	32.52
3/12/2023	MWDQC office carpet cleaning	800.00
3/15/2023	Lunch for Administration department meeting	101.03
3/20/2023	Governmentjobs.com (NeoGov) Principal Engineer job posting	125.00
3/21/2023	Brown and Caldwell Water Jobs Principal Engineer job posting	200.00
Total:		19,753.50

Cal Card Charges
Statement Date: March 22, 2023
Payment Date: April 28, 2023

Date	Description	Amount
General Manager Card:		
2/24/2023	Refund hotel deposits for Urban Water Institute Spring Conference from February 22-24, 2023 in Palm Springs, CA - Accommodations for D. Micalizzi, A. Heide, and Directors Nederhood, Crane, and Thomas	(1,052.40)
Total:		(1,052.40)
Interim General Manager Card:		
3/01/2023	ACWA Legislative Symposium in Sacramento, CA on March 23, 2023 - Registration for H. Baez	325.00
3/01/2023	AWWA Sustainable Water Management Conference in Minneapolis, MN from April 16-19, 2023 - Airfare for J. Berg	420.40
3/01/2023	ACWA Spring Conference in Monterey, CA from May 9-11, 2023 - Duplicate registration for D. Micalizzi	815.00 ²
3/13/2023	SWRCB Workshop on WUE Standards in Sacramento, CA on March 22, 2023 - Airfare for J. Berg	600.96
3/15/2023	03/01-03/15/23 Meals for H. De La Torre's meetings	150.92
3/20/2023	OC Register Notice of Public Hearing for Ordinance Adjusting Compensation for Directors	1,930.50
Total:		4,242.78
Public Affairs Card:		
2/22/2023	February 2023 Fiverr translation services for WEEA career brochures	17.83
2/23/2023	Refund from Kahoot for cancelled 1/25/23 subscription renewal	(720.00)
2/23/2023	Urban Water Institute Spring Conference in Palm Springs, CA from February 22-24, 2023 - Dinner on 02/23/23 for D. Micalizzi, A. Heide, and Directors Dick, Nederhood and Thomas	463.76 ³
3/02/2023	03/02/23-04/01/23 Zoom Video Communications fee with audio licenses	174.93
3/03/2023	March 2023 Public Storage Unit for Public Affairs	485.00
3/07/2023	50% Deposit to Christopher Todd/Studios for headshots of MWDOC staff and board for website	975.00
3/07/2023	California Community College Association for Occupational Education Spring Conference in Sacramento, CA on April 20, 2023 - Airfare for T. Baca	441.96
3/07/2023	WEEA Presentation at the CA-NV AWWA Spring Conference in San Diego, CA from April 2-5, 2023 - Accommodation for T. Baca	247.03
Total:		2,085.51
WEROC Card:		
2/22/2023	Portable three panel whiteboard divider for WEROC EOC	2,209.75
2/24/2023	ICS 300 for San Diego County Water Agencies in Romana, CA on February 22-24, 2023 - Accommodations for V. Osborn	356.40
2/28/2023	February 2023 FormSwift fee for Form Templates	37.00
3/08/2023	Four 3-ring view binders for WEROC EOC	108.74
3/20/2023	CESA Conference in Lake Tahoe, CA from May 1-4, 2023 - Registration for V. Osborn	599.00
3/20/2023	California Emergency Services Association membership for J. Schunk and D. Anderson	130.00
3/20/2023	California Emergency Services Association Conference in Lake Tahoe, CA from May 1-4, 2023 - Registration for J. Schunk and D. Anderson	1,448.00
3/20/2023	CESA Conference in Lake Tahoe, CA from May 1-4, 2023 - Airfare for V. Osborn	357.96
Total:		5,246.85

¹ \$1,052.40 deposit refund issued 02/24/23 on GM card

² Refund issued on Admin Credit Card

³ One dinner reimbursed

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the Month of April 2023

Item 1d

Name/ Date	Check/ EFT	Invoice	Description	Amount
Core Disbursements:				
E Art Consulting				
4/10/2023	142070	1435	50% Deposit for Office Artwork on canvas and installation	8,054.47
Total				8,054.47
Total Core Disbursements				8,054.47
Choice Disbursements:				
Total Choice Disbursements				-
Other Funds Disbursements:				
Total Other Funds Disbursements				-
Total Disbursements				8,054.47


Harvey De La Torre, Interim 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
 March 31, 2023

Item 1e

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

Fund	Book Value	% of Portfolio
Restricted Reserves		
WEROC Operating Fund	\$401,299	2.86%
Designated Reserves		
Operating Reserves	\$5,675,047	40.50%
Election Reserve	461,678	3.29%
OPEB Reserve	297,147	2.12%
Total Designated Reserves	\$6,433,872	45.91%
General Operations Fund	\$7,050,252	50.31%
Water Purchase Payments Fund	1,533,971	10.95%
Conservation Fund	(1,423,907)	(10.16%)
Trustee Activities - AMP	18,540	0.13%
Total Other Funds	\$7,178,856	51.23%
Total	\$14,014,027	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	7.91%	\$1,108,921	\$1,108,921
Short-term investment			
• LAIF	40.82%	5,720,301	5,720,301
• OCIP	29.15%	4,084,876	4,084,876
Long-term investment			
• US Government Issues	1.79%	249,929	227,918
• Corporate Bond	8.56%	1,200,000	1,079,124
• Certificates of Deposit	11.77%	1,650,000	1,581,328
Total	100.00%	\$14,014,027	\$13,802,468

The average number of days to maturity/call as of March 31, 2023, equaled 138 and the average yield to maturity is 2.792%. During the month, the District's average daily balance was \$17,104,491.90. 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 March 2023.

The (\$211,559) difference between the book value and the market value on March 31, 2023, 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.


 Harvey De La Torre
 Interim General Manager


 Hilary Chumitazi
 Treasurer

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 18700 Ward Street
 Fountain Valley, California 92708

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

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

Megan Yoo Schneider, P.E.
 President

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

Randall Crane, Ph.D.
 Director

Larry D. Dick
 Director

Al Nederhood
 Director

Karl W. Seckel, P.E.
 Director

Jeffery M. Thomas
 Director

Harvey De La Torre
 Interim 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



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary March 31, 2023

3/31/2023	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,650,000.00	1,581,328.50	1,650,000.00	12.79	769	2.762
Corporate Bond	1,200,000.00	1,079,124.00	1,200,000.00	9.30	410	1.518
US Government Issues	250,000.00	227,917.50	249,928.86	1.94	56	0.860
Local Agency Investment Funds	5,720,300.92	5,720,300.92	5,720,300.92	44.32	1	2.822
Orange County Investment Pool	4,084,875.67	4,084,875.67	4,084,875.67	31.65	1	3.253
Total Investments	12,905,176.59	12,693,546.59	12,905,105.45	100.00	138	2.792
Cash						
Cash	1,108,921.08	1,108,921.08	1,108,921.08		1	0.00
Total Cash and Investments	14,014,097.67	13,802,467.67	14,014,026.53		138	2.792

Total Earnings	Month Ending March	Fiscal Year to Date
Current Year	44,991.32	356,678.73
Average Daily Balance	17,104,491.90	
Effective Rate of Return	2.792%	

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.



Harvey De La Torre, Interim General Manager

Date

05/04/2023



Hilary Chumipitazi, Treasurer

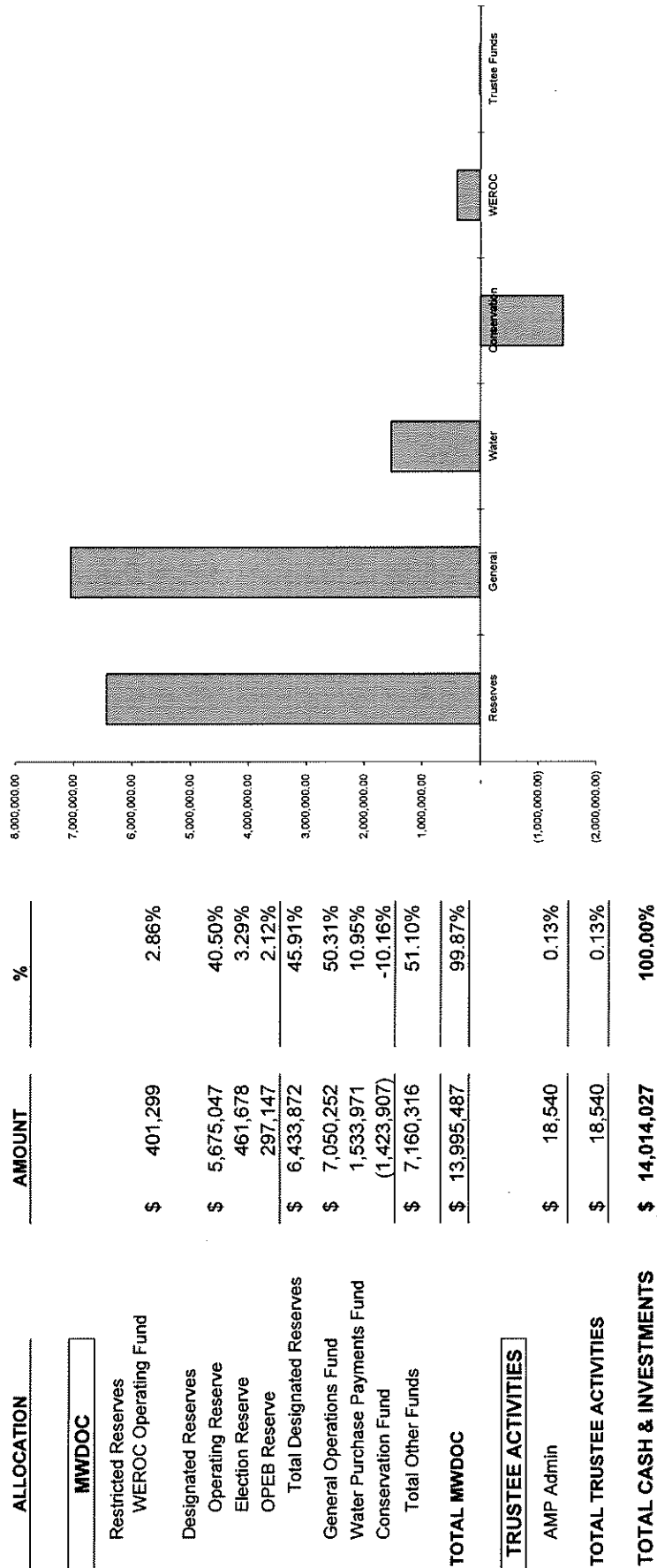
Date

05/04/2023

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
March 31, 2023

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	5,720,300.92	5,720,300.92	5,720,300.92	2.822	2.822	1	N/A
Sub Total			5,720,300.92	5,720,300.92	5,720,300.92	2.822	2.822	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	4,084,875.67	4,084,875.67	4,084,875.67	3.253	3.253	1	N/A
Sub Total			4,084,875.67	4,084,875.67	4,084,875.67	3.253	3.253	1	
Total Investments			9,805,176.59	9,805,176.59	9,805,176.59	3.002	3.002		
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	1,108,421.08	1,108,421.08	1,108,421.08	0.000	0.000	1	N/A
Total Cash			1,108,921.08	1,108,921.08	1,108,921.08	0.000	0.000	1	
Total Cash and Investments			10,914,097.67	10,914,097.67	10,914,097.67	3.002	3.002	1	
Total Earnings									
Current Year			39,260.08		308,368.29				

**Municipal Water District of Orange County
Cash and Investments at March 31, 2023**



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS Post-Employment Benefits Trust**Account Report for the Period**
3/1/2023 to 3/31/2023Hilary Chumpitazi
Accounting Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Balance as of 3/1/2023	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 3/31/2023
OPEB	\$2,463,805.96	\$0.00	\$39,614.54	\$1,215.70	\$0.00	\$0.00	\$2,502,204.80
PENSION	\$1,072,430.74	\$0.00	\$17,243.18	\$529.15	\$0.00	\$0.00	\$1,089,144.77
Totals	\$3,536,236.70	\$0.00	\$56,857.72	\$1,744.85	\$0.00	\$0.00	\$3,591,349.57

Investment Selection

Source	
OPEB	Moderate HighMark PLUS
PENSION	Moderate HighMark PLUS

Investment Objective

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

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	1.61%	4.41%	-6.24%	7.86%	4.50%	5.45%	10/26/2011
PENSION	1.61%	4.41%	-6.21%	7.82%	-	-	7/31/2018

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

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

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

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

NET PERFORMANCE FEE ANALYSIS

As of March 31, 2023

Over 10 Years

Over 5 Years

Over 3 Years

Over 1 Year

PARS/HIGHMARK	PARS/HIGHMARK	PARS/HIGHMARK	PARS/HIGHMARK
Moderate (50% Fixed Income/Cash) -6.09% minus weighted PARS administration fee (-) 0.25% minus weighted HighMark investment management fee (-) 0.35%	Moderate (50% Fixed Income/Cash) 7.93% minus weighted PARS administration fee (-) 0.25% minus weighted HighMark investment management fee (-) 0.35%	Moderate (50% Fixed Income/Cash) 4.60% minus weighted PARS administration fee (-) 0.25% minus weighted HighMark investment management fee (-) 0.35%	Moderate (50% Fixed Income/Cash) 5.44% minus weighted PARS administration fee (-) 0.25% minus weighted HighMark investment management fee (-) 0.35%
1-Year Net Return -6.69%	3-Year Net Return 7.33%	5-Year Net Return 4.00%	10-Year Net Return 4.84%

CALPERS CERBT	CALPERS CERBT	CALPERS CERBT	CALPERS CERBT
Strategy 2 (48% Fixed Income/Cash) -9.65% minus fees (-) -0.08%	Strategy 2 (48% Fixed Income/Cash) 5.90% minus fees (-) 0.09%	Strategy 2 (48% Fixed Income/Cash) 4.02% minus fees (-) 0.08%	Strategy 2 (48% Fixed Income/Cash) 4.73% minus fees (-) 0.10%
1-Year Net Return -9.73%	3-Year Net Return 5.81%	5-Year Net Return 3.94%	10-Year Net Return 4.63%

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

PARS DIVERSIFIED PORTFOLIOS MODERATE

Q1 2023

WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

Comprehensive Investment Solution

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

Rigorous Manager Due Diligence

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

Flexible Investment Options

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

Risk Management

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

PORTFOLIO FACTS

HighMark Plus (Active)

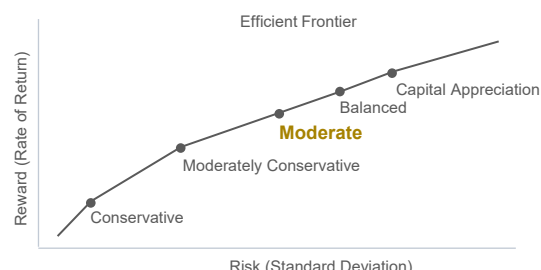
Composite Inception Date 10/2004
No of Holdings in Portfolio 20

Index Plus (Passive)

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

INVESTMENT OBJECTIVE

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



ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	47%
Fixed Income	40 - 60%	45%	48%
Cash	0 - 20%	5%	5%

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

HighMark Plus Composite (Active)

	Gross	Net
Current Quarter*	4.42%	4.33%
Blended Benchmark*, **	4.39%	
Year To Date*	4.42%	4.33%
Blended Benchmark*, **	4.39%	
1 Year	-6.09%	-6.43%
Blended Benchmark**	-5.25%	
3 Year	7.93%	7.54%
Blended Benchmark**	7.65%	
5 Year	4.60%	4.23%
Blended Benchmark**	4.97%	
10 Year	5.44%	5.06%
Blended Benchmark**	5.74%	

Index Plus Composite (Passive)

	Gross	Net
Current Quarter*	4.29%	4.19%
Blended Benchmark*, **	4.39%	
Year To Date*	4.29%	4.19%
Blended Benchmark*, **	4.39%	
1 Year	-5.45%	-5.79%
Blended Benchmark**	-5.25%	
3 Year	7.08%	6.69%
Blended Benchmark**	7.65%	
5 Year	4.55%	4.18%
Blended Benchmark**	4.97%	
10 Year	5.31%	4.93%
Blended Benchmark**	5.74%	

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

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

HighMark Plus Composite (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.45%
2017	13.19%
2018	-4.03%
2019	17.71%
2020	12.92%
2021	9.31%
2022	-14.63%

Index Plus Composite (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%
2017	11.59%
2018	-4.03%
2019	17.52%
2020	11.23%
2021	10.18%
2022	-14.21%

HOLDINGS

HighMark Plus (Active)

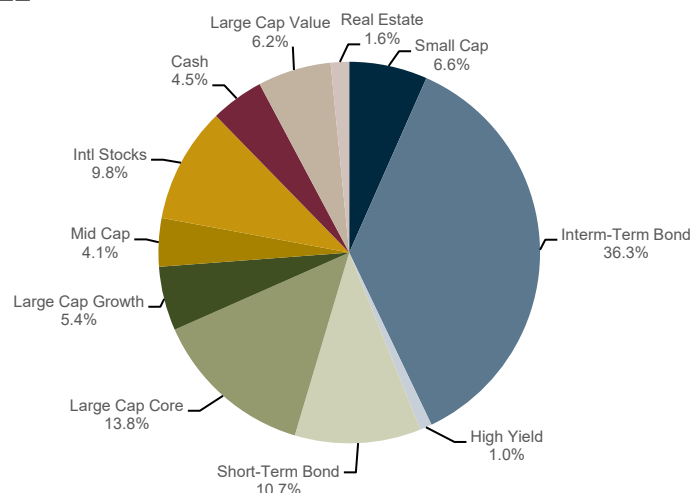
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large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

Index Plus (Passive)

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

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

STYLE



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

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

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

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

HIGHMARK CAPITAL MANAGEMENT

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

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with \$8.6 billion in assets under management and \$9.6 billion in assets under advisement*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®

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

Salvatore "Tory" Milazzo III, CFA®

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

J. Keith Stribling, CFA®

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

Christiane Tsuda

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

Anne Wimmer, CFA®

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

Asset Allocation Committee

Number of Members: 15
Average Years of Experience: 28
Average Tenure (Years): 16

Manager Review Group

Number of Members: 6
Average Years of Experience: 23
Average Tenure (Years): 12

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

Item 2

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2022 THRU MARCH 31, 2023**

**Municipal Water District of Orange County
Combined Balance Sheet
As of March 31, 2023**

	<u>Amount</u>
<u>ASSETS</u>	
Cash in Bank	1,108,921.08
Investments	12,905,105.45
Accounts Receivable	15,604,931.88
Accounts Receivable - Other	195,096.64
Accrued Interest Receivable	125,331.18
Prepays/Deposits	284,306.73
Leasehold Improvements	7,001,517.44
Furniture, Fixtures & Equipment	885,094.81
Less: Accumulated Depreciation	<u>(3,820,942.18)</u>
TOTAL ASSETS	<u><u>34,289,363.03</u></u>
<u>LIABILITIES AND FUND BALANCES</u>	
<u>LIABILITIES</u>	
Accounts Payable	16,247,447.20
Accounts Payable - Other	182.00
Accrued Salaries and Benefits Payable	687,880.92
Other Liabilities	961,472.20
Unearned Revenue	<u>1,062,950.06</u>
TOTAL LIABILITIES	<u><u>18,959,932.38</u></u>
<u>FUND BALANCES</u>	
<u>Restricted Fund Balances</u>	
WEROC Reserves	<u>240,442.01</u>
Total Restricted Fund Balances	<u>240,442.01</u>
<u>Unrestricted Fund Balances</u>	
<u>Designated Reserves</u>	
Operating Reserve	5,675,047.00
Election Reserve	461,678.00
OPEB Reserve	<u>297,147.00</u>
Total Designated Reserves	<u>6,433,872.00</u>
General Fund	5,811,879.95
General Fund Capital	<u>83,747.32</u>
Total Unrestricted Fund Balances	<u>12,329,499.27</u>
<u>Excess Revenue over Expenditure</u>	
Operating Fund	3,038,442.46
Other Funds	<u>(278,953.09)</u>
TOTAL FUND BALANCES	<u><u>15,329,430.65</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>34,289,363.03</u></u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2022 thru March 31, 2023

	<u>Month to Date</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Encumbrance</u>	<u>Budget Remaining</u>
REVENUES						
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	48,663.06	370,998.80	145,971.00	254.16%	0.00	(225,027.80)
Subtotal	48,663.06	9,624,206.05	9,399,177.97	102.39%	0.00	(225,028.08)
Choice Programs	12,738.00	1,298,081.16	1,328,114.20	97.74%	0.00	30,033.04
MWD Revenue - Shared Services	13,600.00	62,730.00	0.00	0.00%	0.00	(62,730.00)
Miscellaneous Income	0.50	2,217.42	3,000.00	73.91%	0.00	782.58
School Contracts	26,089.29	83,204.68	429,837.67	19.36%	0.00	346,632.99
Delinquent Payment Penalty	0.00	3,597.63	0.00	0.00%	0.00	(3,597.63)
Transfer-In from Reserve	0.00	0.00	457,061.00	0.00%	0.00	457,061.00
Subtotal	52,427.79	1,449,830.89	2,218,012.87	65.37%	0.00	768,181.98
TOTAL REVENUES	101,090.85	11,074,036.94	11,617,190.84	95.32%	0.00	543,153.90

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
July 1, 2022 thru March 31, 2023

	<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	415,846.50	3,339,258.13	4,429,129.50	75.39%	0.00	1,089,871.37
Salaries & Wages - Grant Recovery	(1,660.00)	(4,511.35)	(20,000.00)	(22.56)%	0.00	(15,488.65)
Director's Compensation	21,610.38	201,042.02	275,041.20	73.10%	0.00	73,999.18
MWD Representation	11,787.48	105,432.46	157,166.40	67.08%	0.00	51,733.94
Employee Benefits	114,398.50	1,029,209.44	1,441,831.24	71.38%	0.00	412,621.80
Employee Benefits - Grant Recovery	(340.00)	(908.93)	0.00	0.00%	0.00	908.93
CalPers Unfunded Liability Contribution	0.00	207,000.00	207,000.00	100.00%	0.00	0.00
Director's Benefits	8,715.37	79,643.71	132,976.50	59.89%	0.00	53,332.79
Health Insurance for Retirees	9,653.03	57,020.74	94,554.00	60.30%	0.00	37,533.26
Training Expense	1,090.00	5,529.58	53,000.00	10.43%	0.00	47,470.42
Tuition Reimbursement	0.00	2,653.00	5,000.00	53.06%	0.00	2,347.00
Temporary Help Expense	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Personnel Expenses	581,101.26	5,021,368.80	6,780,698.84	74.05%	0.00	1,759,330.04
Engineering Expense	15,033.50	148,848.00	410,000.00	36.30%	95,515.53	165,636.47
Legal Expense	17,721.20	119,601.71	235,750.00	50.73%	135,398.29	(19,250.00)
Audit Expense	0.00	27,000.00	35,000.00	77.14%	4,500.00	3,500.00
Professional Services	159,093.89	822,010.70	1,516,256.00	54.21%	1,026,316.20	(332,070.90)
Professional Fees	191,848.59	1,117,460.41	2,197,006.00	50.86%	1,261,730.02	(182,184.43)
Conference - Staff	325.00	17,360.00	56,205.00	30.89%	0.00	38,845.00
Conference - Directors	0.00	11,009.72	23,905.00	46.06%	0.00	12,895.28
Travel & Accom. - Staff	9,377.63	34,808.00	90,325.00	38.54%	0.00	55,517.00
Travel & Accom. - Directors	2,847.73	11,335.67	32,900.00	34.45%	0.00	21,564.33
Travel & Conference	12,550.36	74,513.39	203,335.00	36.65%	0.00	128,821.61
Membership/Sponsorship	175.00	144,343.24	145,847.00	98.97%	0.00	1,503.76
CDR Support	14,365.50	43,096.50	57,462.00	75.00%	14,365.50	0.00
Dues & Memberships	14,540.50	187,439.74	203,309.00	92.19%	14,365.50	1,503.76
Business Expense	204.79	985.46	2,500.00	39.42%	0.00	1,514.54
Office Maintenance	11,418.06	126,368.51	151,400.00	83.47%	34,563.12	(9,531.63)
Building Repair & Maintenance	10,990.74	19,865.79	22,056.00	90.07%	11,360.58	(9,170.37)
Storage Rental & Equipment Lease	58.67	526.23	1,800.00	29.24%	273.77	1,000.00
Office Supplies	1,855.96	20,968.31	35,000.00	59.91%	1,737.77	12,293.92
Supplies - Water Loss Control	2,281.82	6,294.44	4,000.00	157.36%	0.00	(2,294.44)
Postage/Mail Delivery	478.13	6,516.76	11,300.00	57.67%	1,117.68	3,665.56
Subscriptions & Books	0.00	203.40	1,000.00	20.34%	0.00	796.60
Reproduction Expense	0.00	14,722.18	84,000.00	17.53%	3,503.88	65,773.94
Maintenance - Computers	58.69	4,618.22	7,000.00	65.97%	0.00	2,381.78
Software Purchase	6,469.04	80,977.84	95,093.00	85.16%	524.79	13,590.37
Software Support	15.65	30,221.02	55,615.00	54.34%	0.00	25,393.98
Computers and Equipment	350.00	23,160.41	43,950.00	52.70%	0.00	20,789.59
Maintenance Expense	0.00	0.00	6,000.00	0.00%	0.00	6,000.00
Automotive Expense	1,138.27	4,073.15	13,500.00	30.17%	0.00	9,426.85
Vehicle Expense	705.20	7,869.22	7,343.00	107.17%	0.00	(526.22)
Toll Road Charges	63.51	230.18	2,100.00	10.96%	0.00	1,869.82
Insurance Expense	15,548.32	137,271.99	140,000.00	98.05%	0.00	2,728.01
Utilities - Telephone	3,226.19	26,957.41	43,690.00	61.70%	342.09	16,390.50
Bank Fees	0.00	780.58	2,600.00	30.02%	0.00	1,819.42
Miscellaneous Expense	13,844.66	42,205.36	69,520.00	60.71%	1,455.00	25,859.64
MWDOC's Contrb. to WEROC	24,690.83	222,217.51	296,290.00	75.00%	0.00	74,072.49
Depreciation Expense	7,951.36	71,561.79	0.00	0.00%	0.00	(71,561.79)
Other Expenses	101,349.89	848,595.76	1,095,757.00	77.44%	54,878.68	192,282.56
Election Expense	0.00	643,450.91	300,728.00	213.96%	0.00	(342,722.91)
Capital Acquisition	0.00	115,862.19	113,280.00	102.28%	34,967.71	(37,549.90)
Building Expense	2,040.00	26,903.28	723,077.00	3.72%	23,334.79	672,838.93
TOTAL EXPENSES	903,430.60	8,035,594.48	11,617,190.84	69.17%	1,389,276.70	2,192,319.66
NET INCOME (LOSS)	(802,339.75)	3,038,442.46	0.00	0.00%	(1,389,276.70)	(1,649,165.76)

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
July 1, 2022 thru March 31, 2023

	<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	5,855,877.00	112,868,814.30	157,620,717.70	71.61%	44,751,903.40
Readiness to Serve Charge	1,141,583.00	9,511,000.19	11,142,354.00	85.36%	1,631,353.81
Capacity Charge CCF	293,620.00	3,576,449.86	5,396,060.00	66.28%	1,819,610.14
SCP/SAC Pipeline Surcharge	18,325.34	245,314.97	318,000.00	77.14%	72,685.03
Interest Revenue	0.00	0.00	4,547.00	0.00%	4,547.00
TOTAL WATER REVENUES	7,309,405.34	126,201,579.32	174,481,678.70	72.33%	48,280,099.38
<u>WATER PURCHASES</u>					
Water Sales	5,855,877.00	112,868,814.30	157,620,717.70	71.61%	44,751,903.40
Readiness to Serve Charge	1,141,583.00	9,511,000.05	11,142,354.00	85.36%	1,631,353.95
Capacity Charge CCF	293,620.00	3,576,450.00	5,396,060.00	66.28%	1,819,610.00
SCP/SAC Pipeline Surcharge	18,325.34	245,314.97	318,000.00	77.14%	72,685.03
TOTAL WATER PURCHASES	7,309,405.34	126,201,579.32	174,477,131.70	72.33%	48,275,552.38
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 March 31, 2023**

	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
Spray To Drip Conversion			
Revenues	264,166.85	434,927.51	60.74%
Expenses	375,279.37	434,927.51	86.29%
Excess of Revenues over Expenditures	(111,112.52)	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	280.00	1,000.00	28.00%
Expenses	280.00	1,000.00	28.00%
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	46,781.22	60,000.00	77.97%
Expenses	40,980.00	60,000.00	68.30%
Excess of Revenues over Expenditures	5,801.22	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	4,758,003.43	6,061,364.00	78.50%
Expenses	5,012,337.54	6,061,364.00	82.69%
Excess of Revenues over Expenditures	(254,334.11)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	100,719.65	321,700.00	31.31%
Expenses	104,631.34	321,700.00	32.52%
Excess of Revenues over Expenditures	(3,911.69)	0.00	
Recycled Water Program			
Revenues	1,582.75	50,000.00	3.17%
Expenses	1,582.75	50,000.00	3.17%
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	241,047.50	331,303.00	72.76%
Expenses	301,671.90	331,303.00	91.06%
Excess of Revenues over Expenditures	(60,624.40)	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	13.20	1,750.00	0.75%
Expenses	0.00	1,750.00	0.00%
Excess of Revenues over Expenditures	13.20	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 March 31, 2023

	<u>Year to Date Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
Rain Barrel			
Revenues	180.00	0.00	0.00%
Expenses	180.00	0.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
 Total WUE Projects			
Revenues	5,434,848.60	8,545,274.01	63.60%
Expenses	5,859,016.90	8,545,274.01	68.56%
Excess of Revenues over Expenditures	(424,168.30)	0.00	
 WEROC			
Revenues	491,868.53	565,941.00	86.91%
Expenses	562,887.99	565,941.00	99.46%
Excess of Revenues over Expenditures	(71,019.46)	0.00	



Memorandum

DATE: May 15, 2023

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

FROM: Harvey De La Torre, Interim General Manager

SUBJECT: Quarter ending March 2023 Fiscal YTD Financials Actual versus Budget

The following reports are attached:

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget Summary Report
Fiscal Year to Date ending March 2023 (Unaudited)
(\$000 Omitted)
General Fund and Reserve Fund

GENERAL FUND

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
<u>REVENUES</u>			
Water Rate revenues:			
Retail Connection Charge	8,885	8,885	100.00%
Ground Water Customer Charge	368	368	100.00%
Subtotal	<u>9,253</u>	<u>9,253</u>	<u>100.00%</u>
Other Revenues:			
Interest Income ⁽¹⁾	371	146	254.16%
Choice Programs ⁽²⁾	1,361	1,328	102.46%
School Contracts ⁽³⁾	83	430	19.36%
Other Income ⁽⁴⁾	6	3	193.84%
Transfer in from Reserve ⁽⁵⁾	0	457	0.00%
Subtotal	<u>1,821</u>	<u>2,364</u>	<u>77.02%</u>
TOTAL REVENUES	<u><u>11,074</u></u>	<u><u>11,617</u></u>	<u><u>95.32%</u></u>
<u>EXPENSES</u>			
Personnel Expenses (including Directors)	5,021	6,781	74.05%
Professional Services ⁽⁶⁾	849	1,551	54.73%
Outside Engineering ⁽⁶⁾	149	410	36.30%
Legal Expense	120	236	50.73%
Travel & Conference ⁽⁷⁾	75	203	36.65%
Dues and Memberships	187	203	92.19%
General & Admin Expense ⁽⁸⁾	1,492	1,396	106.84%
Building Repair & Expense ⁽⁶⁾	27	723	3.72%
Capital Acquisition ⁽⁹⁾	116	113	102.28%
TOTAL EXPENSES	<u><u>8,036</u></u>	<u><u>11,617</u></u>	<u><u>69.17%</u></u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>3,038</u></u>		

RESERVE FUND

Beginning Balance	7,305
Nov 2021 - draw from FY 2020-21 Reserves	(871)
TOTAL RESERVE FUND⁽¹⁰⁾	<u><u>6,434</u></u>

- (1) Interest rates continue to rise
(2) Choice Programs are funded at beginning of year
(3) Schools originally anticipated higher participation
(4) Other Income includes delinquent water pmt and CalCard rebates
(5) Transfer in from Reserves is moved at year-end
(6) Projects in process
(7) Travel and Conferences are scheduled throughout the fiscal year
(8) Gen & Admin includes election expense
(9) Capital is using carryover funds to complete multi-year projects
(10) Reserve Fund will be revised July 2023

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending March 2023 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge	8,885,401	8,885,401	100.00%
Ground Water Customer Charge	367,806	367,806	100.00%
Water Rate Revenues	9,253,207	9,253,207	100.00%
Choice Programs	1,298,081	1,328,114	97.75%
MWD Revenue - Shared Services	62,730	0	0.00%
Interest Revenue	370,999	145,971	254.16%
Miscellaneous Income	5,815	3,000	193.84%
School Contracts	83,205	429,838	0.00%
Transfer in from Reserve	0	457,061	0.00%
Other Revenues	1,820,830	2,363,984	77.02%
TOTAL REVENUES	11,074,037	11,617,191	95.32%

OPERATING EXPENSES			
Salaries & Wages	3,339,258	4,429,130	75.39%
less Recovery's	(4,511)	(20,000)	22.56%
Directors' Compensation	201,042	275,041	73.10%
MWD Representation	105,432	157,166	67.08%
Employee Benefits	1,029,209	1,441,831	71.38%
less Recovery's	(909)	0	0.00%
CALPERS Unfunded Liability Contribution	207,000	207,000	100.00%
Directors Benefits	79,644	132,977	59.89%
Health Insurances for Retirees	57,021	94,554	60.31%
Training Expense	5,530	53,000	10.43%
Tuition Reimbursement	2,653	5,000	53.06%
Temporary Help Expense	0	5,000	0.00%
Personnel Expenses	5,021,369	6,780,699	74.05%
Engineering Expense	148,848	410,000	36.30%
Legal Expense	119,602	235,750	50.73%
Audit Expense	27,000	35,000	77.14%
Professional Services	822,010	1,516,256	54.21%
Professional Fees	1,117,460	2,197,006	50.86%
Conference-Staff	17,360	56,205	30.89%
Conference-Directors	11,010	23,905	46.06%
Travel & Accom.-Staff	34,808	90,325	38.54%
Travel & Accom.-Directors	11,335	32,900	34.45%
Travel & Conference	74,513	203,335	36.65%
Membership/Sponsorship	144,343	145,847	98.97%
CDR Support	43,097	57,462	75.00%
Dues & Memberships	187,440	203,309	92.19%

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending March 2023 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	986	2,500	39.44%
Maintenance Office	126,369	151,400	83.47%
Building Repair & Maintenance	19,866	22,056	90.07%
Storage Rental & Equipment Lease	526	1,800	29.22%
Office Supplies	20,968	35,000	59.91%
Supplies - Water Loss Control	6,294	4,000	157.35%
Postage/Mail Delivery	6,517	11,300	57.67%
Subscriptions & Books	203	1,000	20.30%
Reproduction Expense	14,722	84,000	17.53%
Maintenance-Computers	4,618	7,000	65.97%
Software Purchase	80,978	95,093	85.16%
Software Support	30,221	55,615	54.34%
Computers and Equipment	23,161	43,950	52.70%
Maintenance Expense	0	6,000	0.00%
Automotive Expense	4,073	13,500	30.17%
Vehicle Expense	7,869	7,343	107.16%
Toll Road Charges	230	2,100	10.95%
Insurance Expense	137,272	140,000	98.05%
Utilities - Telephone	26,958	43,690	61.70%
Bank Fees	781	2,600	30.04%
Miscellaneous Expense	42,205	69,520	60.71%
MWDOC's Contribution to WEROC	222,218	296,290	75.00%
Depreciation Expense	71,562	0	0.00%
Election Expense	643,451	300,728	0.00%
MWDOC Building Expense	26,903	723,077	3.72%
Capital Acquisition	115,862	113,280	102.28%
Other Expenses	1,634,813	2,232,842	73.22%
TOTAL EXPENSES	8,035,595	11,617,191	69.17%
EXCESS OF REVENUES OVER EXPENSES	3,038,442	0	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Revenues and Expenditures
Fiscal Year to Date ending March 2023 (Unaudited)
Water Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>Water Revenues</u>			
Water Sales	112,868,814	157,620,718	(44,751,904)
Readiness to Serve Charge	9,511,000	11,142,354	(1,631,354)
Capacity Charge CCF	3,576,450	5,396,060	(1,819,610)
SCP/SAC Pipeline Surcharge	245,315	318,000	(72,685)
Interest ⁽¹⁾	-	4,547	(4,547)
Total Water Revenues	<u>126,201,579</u>	<u>174,481,679</u>	<u>(48,280,100)</u>
<u>Water Purchases</u>			
Water Sales	112,868,814	157,620,718	(44,751,904)
Ready to Serve Charge	9,511,000	11,142,354	(1,631,354)
Capacity Charge CCF	3,576,450	5,396,060	(1,819,610)
SCP/SAC Pipeline Surcharge	245,315	318,000	(72,685)
Total Water Purchases	<u>126,201,579</u>	<u>174,477,132</u>	<u>(48,275,553)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>4,547</u>	<u>(4,547)</u>

⁽¹⁾ Interest for disbursed Tier 2 Funds

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending March 2023 (Unaudited)
Other Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>WEROC</u>			
Revenues	491,869	565,941	(74,072)
Expenditures	562,888	565,941	(3,053)
Excess of Revenues over Expenditures	<u>(71,019)</u>	<u>0</u>	<u>(71,019)</u>

WUE Projects (details on next page)

Revenues	5,434,849	8,545,274	(3,110,425)
Expenditures	5,859,017	8,545,274	(2,686,257)
Excess of Revenues over Expenditures	<u>(424,168)</u>	<u>0</u>	<u>(424,168)</u>

Footnote:

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending March 2023 (Unaudited)
Water Use Efficiency Projects

	Actual	Variance %	Fiscal Year Budget	% of Budget	Projected Final FY Budget
<u>Spray to Drip Conversion</u>					
Revenues	264,167		434,928	60.74%	434,928
Expenditures	375,279		434,928	86.29%	434,928
Excess of Revenues over Expenditures	(111,113)	-42%			

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

Budget Variance: Program activity is higher than previous fiscal years and is on trajectory to spend projected budget.

Member Agency Administered Pass thru

Revenues	0		255,000	0.00%	255,000
Expenditures	0		255,000	0.00%	255,000
Excess of Revenues over Expenditures	0	0%			

Actual Variance: No activity that falls outside of other reported regional programs has occurred.

Budget Variance: No Member Agency Administered (MAA) pass through funding is anticipated this year as all MAA funding is allocated to programs implemented regionally.

ULFT Rebate Program

Revenues	280		1,000	28.00%	1,000
Expenditures	280		1,000	28.00%	1,000
Excess of Revenues over Expenditures	0	0%			

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

Budget Variance: Program consistently has low participation.

HECW Rebate Program

Revenues	46,781		60,000	77.97%	60,000
Expenditures	40,980		60,000	68.30%	60,000
Excess of Revenues over Expenditures	5,801	12%			

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

Budget Variance: EGIA device rebates have seen lower than average activity this fiscal year.

CII Rebate Program

Revenues	399		2,000	19.95%	2,000
Expenditures	399		2,000	19.95%	2,000
Excess of Revenues over Expenditures	0	0%			

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

Budget Variance: EGIA device rebates have seen lower than average activity this fiscal year.

Notes:

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending March 2023 (Unaudited)
Water Use Efficiency Projects

	Actual	Variance %	Fiscal Year Budget	% of Budget	Projected Final FY Budget
<u>Turf Removal Program</u>					
Revenues	4,758,003		6,061,364	78.50%	6,061,364
Expenditures	5,012,338		6,061,364	82.69%	6,061,364
Excess of Revenues over Expenditures	(254,334)	-5%			

Actual Variance: Posted revenues from Grants (DWR & USBR) lagging slightly behind expenses. All revenue reporting for reimbursement is up to date.

Budget Variance: Program activity has been the highest activity since 2014-15 and is on trajectory to spend or slightly exceed projected budget.

<u>Comprehensive Landscape (CLWUE)</u>					
Revenues	100,900		321,700	31.36%	321,700
Expenditures	104,811		321,700	32.58%	321,700
Excess of Revenues over Expenditures	(3,912)	-4%			

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

Budget Variance: EGIA device rebates have seen lower than average activity this fiscal year.

<u>Recycled Water Program</u>					
Revenues	1,583		50,000	3.17%	50,000
Expenditures	1,583		50,000	3.17%	50,000
Excess of Revenues over Expenditures	0	0%			

Actual Variance: Projects are currently being implemented with activity reported over the course of the fiscal year.

Budget Variance: Program is experiencing lower than average participation overall. There are projects in progress but typically take long periods of time to complete and will be paid next fiscal year.

<u>WSIP - Industrial Program</u>					
Revenues	0		32,645	0.00%	32,645
Expenditures	0		32,645	0.00%	32,645
Excess of Revenues over Expenditures	0	0%			

Actual Variance: Projects are currently being implemented with activity reported over the course of the fiscal year.

Budget Variance: Program is experiencing lower than average participation; however, projects are anticipated to be completed in the latter half of the fiscal year. At least one project is anticipated to be completed before the end of the fiscal year, but the program will likely come in under budget.

<u>Land Design Program</u>					
Revenues	241,048		331,303	72.76%	331,303
Expenditures	301,672		331,303	91.06%	331,303
Excess of Revenues over Expenditures	(60,624)	-25%			

Actual Variance: All local, State, and Federal Grant reporting is current.

Budget Variance: This program is tied directly to activity in the turf program and there has been an increase in participation. Controls have been implemented to stay on budget; the program will likely finish slightly over the projected budget.

Notes:

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending March 2023 (Unaudited)
Water Use Efficiency Projects

	Actual	Variance %	Fiscal Year Budget	% of Budget	Projected Final FY Budget
<u>Pressure Regulation Valve Program</u>					
Revenues	21,675		26,961	80.40%	26,961
Expenditures	21,675		26,961	80.40%	26,961
Excess of Revenues over Expenditures	0	0%			

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

Budget Variance: This is a pilot program that is close to wrapping up next fiscal year. It is likely expenses will remain as is until activity resumes next fiscal year.

<u>Rotating Nozzle Program</u>					
Revenues	13		1,750	0.75%	5,000
Expenditures	0		1,750	0.00%	5,000
Excess of Revenues over Expenditures	13	0%			

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

Budget Variance: EGIA device rebates have seen lower than average activity this fiscal year.

<u>Dedicated Irrigation Meters Measurement Project (DIMM)</u>					
Revenues	0		966,624	0.00%	966,624
Expenditures	0		966,624	0.00%	966,624
Excess of Revenues over Expenditures	0	0%			

Actual Variance:

Budget Variance: Work is in progress but has a lengthy timeline to completion. Final completion of work has had to slightly pause to consider direction coming from the State in regards to the Conservation Framework. Approximately 15% of project expenses are expected to be incurred in the remainder of the fiscal year, with most activity invoiced next fiscal year.

Notes:

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



ACTION ITEM

May 17, 2023

TO: Board of Directors

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

Harvey De La Torre, Interim General Manager

Staff Contact: Hilary Chumpitazi, Accounting Manager

SUBJECT: Annual Review of District Investment Policy and Guidelines

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Approve the staff recommendation for changes to our Investment Policy and Guidelines and adopt a Resolution.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

MWDOC's Administrative Code requires an annual review of this policy and Board Resolution No. 2114, May 2021, establishing the District's Investment Policy and Guidelines. The 2023 Local Agency Investment Guidelines had some changes that do not affect our investment policy and the County of Orange did not have any changes. We are updating our Glossary Section 2110 with the Governmental Accounting Standards Board name change of the Comprehensive Annual Financial Report (CAFR) to Annual Comprehensive Financial Report (ACFR).

Attached is the revised resolution.

STAFF RECOMMENDATION

Staff recommends approving the change to our Investment Policy and Guidelines and adopt a Resolution.

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

**RESOLUTION NO. 2114
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
INVESTMENT POLICY AND GUIDELINES**

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**RESOLUTION NO. 2114
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
INVESTMENT POLICY AND GUIDELINES
2021**

BE IT RESOLVED by the Board of Director of the Municipal Water District of Orange County that the following is the policy and guidelines of the District for investment of funds and rescinds prior Resolution No. 2084, dated May 15, 2019.

SECTION 2100 - PURPOSE

The purpose of this policy is to set forth the investment and operational policies for the management of the public funds of Municipal Water District of Orange County. These policies have been adopted by, and can be changed only by a majority vote of the Board of Directors.

These policies are designed to ensure the prudent management of public funds, the safety of principal, the availability of operating funds when needed, and an investment return competitive with those of comparable funds and financial market indexes.

A copy of this policy will be provided to all investment brokers and investment managers doing business with the Municipal Water District of Orange County. Receipt of this policy, including confirmation that it has been reviewed by persons dealing directly with the Municipal Water District of Orange County's account will be received prior to any organization providing investment services to the Municipal Water District of Orange County.

SECTION 2101 - STATUTORY AND DELEGATED AUTHORITY

Authority to manage the investment of surplus funds is derived from California Government Code Sections 53601, et seq. In accordance with Section 53607 of the Government Code of the State of California, the authority of the Board of Directors to invest public funds may be delegated to the Treasurer for a one-year period, which may be renewed annually.

The Municipal Water District of Orange County (MWDOC) Board of Directors has expressly delegated the investment authority of the Board of Directors to the Treasurer pursuant to Resolution No. 1166. By Resolution No. 1277, the Board of Directors created the office of Deputy Treasurer and delegated to the Deputy Treasurer the authority to direct investment of MWDOC funds under the circumstances set forth in said Resolution, and to make a monthly report of those transactions to the Board. The Board of Directors created the office of Alternate Deputy Treasurer by Resolution No. 1434 and specified circumstances under which the Alternate Deputy Treasurer would have authority to direct the investment of MWDOC funds.

No person may engage in an investment transaction on behalf of MWDOC unless he or she has been duly appointed by the Board of Directors to the office of Treasurer, Deputy Treasurer, or Alternate Deputy Treasurer, and subject to the limitations and conditions set forth in the Resolutions establishing those offices and the terms of this policy. Notwithstanding the foregoing, upon the occurrence of a vacancy in the office of Treasurer, the Board of Directors may appoint an Acting Treasurer, who shall have and exercise the authority delegated to the Treasurer until appointment of a successor Treasurer by the Board of Directors.

The delegations in Resolution Nos. 1277 and 1434 are renewed on the adoption of this Policy. The Treasurer shall be responsible for all transactions undertaken and shall establish procedures and a system of internal controls to regulate the activities of subordinate officials.

SECTION 2101.5 – COMPLIANCE EXCEPTIONS REPORTING

Any compliance exceptions with the Investment Policy and Guidelines (IPG) will be reported within 72 hours to the General Manager, Board President, and the Chair of the Administration & Finance Committee. At the time of reporting, a recommended resolution to the matter shall be included. Notification shall also be included in the monthly Treasurer's Report to the Board of Directors with the resolution noted.

SECTION 2102 - ORGANIZATION

The organizational structure of the investment functions of MWDOC shall consist of the Board of Directors, the Administration & Finance Committee, the Treasurer and Deputy Treasurers. The responsibilities of these groups are as follows:

Board of Directors - the elected body responsible for the administration and investment of the assets of MWDOC. The Board may acquire, hold, manage, purchase, sell, assign, trade, transfer and/or dispose of any security, evidence of debt, or other investment in which MWDOC's assets may be invested by law. To assist them in discharging their responsibilities, the Board shall appoint a Treasurer, Deputy Treasurers and custodians of assets.

Administration & Finance Committee - appointed by the Board to review transactions, performance and asset mix, monitor, recommend policy, and propose adjustments for Board approval.

Treasurer - responsible for the administration and the investment of the funds, subject to the policies and restrictions set by the Board. The Treasurer as investment officer of MWDOC is granted full authority and responsibility by the Board in the purchase, sale, assignment, exchange and transfer of securities and for the safe custody of security holdings, subject to Board policies, rules, regulations and directives consistent with regulatory and statutory limitations. The Treasurer is responsible for interpreting, administering and advising on legal requirements, investment policies and strategies; collecting income, preparation of reports. Also responsible for Deputy Treasurer, and investment staff compliance with this Investment Policy and guidelines.

Deputy Treasurers - act in the absence of the Treasurer as specified within the Resolution of appointment to fulfill the duties and responsibilities as assigned by the Treasurer.

SECTION 2103- INVESTMENT PHILOSOPHY

Except where specifically directed by the State Constitution, statutes or regulations, the general investment policies of MWDOC will be guided by the prudent investor standard ("Standard") set forth in California Government Code Section 53600.3. Under this Standard, those with investment responsibility for public funds are trustees and, as trustees, shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of MWDOC, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a

like character and with like aims to safeguard the principal and maintain the liquidity needs of the agency.

This Standard shall be applied in the context of managing the overall investment portfolio. The investment officer, acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

SECTION 2104 - SCOPE

It is intended that this Investment Policy cover all funds and investment activities of MWDOC. Any reference to the portfolio shall mean the collection of MWDOC securities held by the Treasurer. Those securities held in Trust or escrow by a third-party Trustee or escrow agent on behalf of MWDOC are invested under the Treasurer's direction in accordance with this Investment Policy and the terms of the specific escrow or trust agreements related to the funds.

MWDOC funds are divided into two categories, and the investment objectives and policies vary with the nature of the fund.

- Operating and Fiduciary Funds - These funds are to provide for the ordinary annual operating expenses of MWDOC (General Fund, Water Fund) and Funds to provide for trustee functions and expenditures (WFC, with the exception of the Debt Service Reserve) and other specified recurring and non-recurring purposes where MWDOC serves in a fiduciary role. These funds are considered "short-term" for investment purposes and will be invested to provide the safety and liquidity to meet all anticipated expenditures.
- Reserve funds – These funds are designated for contingencies or emergencies and may be used to supplement the other funds as necessary. These funds may be invested "longer-term" as defined in this Investment Policy.

SECTION 2105- INVESTMENT OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing MWDOC's funds, the primary objective is to safeguard the principal of the funds. The secondary objective is to meet the liquidity needs of MWDOC. The third objective is to achieve a maximum return on invested funds (California Government Code Section 53600.5.). It is the policy of MWDOC to invest funds in a manner to obtain the highest yield possible while meeting the daily cash flow demands of MWDOC as long as investments meet the criteria established by this investment policy for safety and liquidity and conform to all laws governing the investment of MWDOC's funds.

Safety of Principal.

Safety of principal is the foremost objective of MWDOC. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they arise from securities defaults, institution default, broker-dealer default, or erosion of market value of securities. MWDOC shall mitigate the risk to the principal of invested funds by limiting credit and interest rate risks. Credit risk is the risk of loss due to the failure of a security's issuer or

backer. Interest rate risk is the risk that the market value of the MWDOC's portfolio will change due to an increase/decrease in general interest rates.

1) Credit risk will be mitigated by:

- (a) Limiting investments to only the most creditworthy types of permissible investments as described in Section 2106;
- (b) By pre-qualifying the financial institutions with which the Agency will do business; and
- (c) By diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the District.

2) Interest rate risk will be mitigated by:

- (a) Structuring the portfolio so that securities mature to meet the District's cash requirements for ongoing obligations, thereby reducing the possible need to sell securities on the open market at a loss prior to their maturity to meet those requirements; and
- (b) Investing primarily in shorter term securities.

Liquidity

Availability of sufficient cash to pay for current expenditures shall be maintained. An adequate percentage of the portfolio shall be maintained in liquid short-term securities which can be converted to cash as necessary to meet disbursement requirements. Since cash requirements cannot always be anticipated, sufficient investments in securities with active secondary or resale markets shall be utilized.

Rates of Return

Yield on investments shall be considered only after the basic requirements of safety and liquidity have been met. The investment portfolio shall be designed to attain a market average rate of return throughout budgetary and economic cycles, taking into account the MWDOC's risk constraints, the composition and cash flow characteristics of the portfolio, and applicable laws.

SECTION 2106- INVESTMENT POLICY GUIDELINES

MWDOC authorized investment types, amounts, maturities, and other characteristics are stated in the Government Code Section 53601 (as periodically amended), and with the following exceptions as noted below.

- Collective Investment Pools - Assets of any of the funds may be invested in collective investment pools run and managed by other public bodies and banks that are approved by the Board of Directors. However, no such investment shall be made in a pool where the investment objectives differ from the investment objectives listed in Section 2105 of this investment policy, nor should any investment be made in a fund that engages in market timing or anticipating interest rate changes or that uses derivatives or other securities other than as a hedge against interest rate risk. The investment shall not exceed 20% of portfolio in effect immediately after such investment and no more than 10% in one pool.

- Money Market Mutual Funds - Investment in shares of money market mutual funds may be made if the investments meet the same restrictions as those of collective investment pools. In addition, purchase of these funds must not result in payment of a purchase premium or commission. These mutual funds must attain the highest ranking of two nationally recognized ratings services and the investment adviser must be registered with the Securities and Exchange Commission (SEC) as an investment adviser with not less than five years' experience managing market mutual funds with investment portfolios of greater than \$500 million. An investment shall not exceed 20% of portfolio in effect immediately after such investment.
- Cash Holdings - The portfolio will hold sufficient cash equivalent investments to ensure availability of sufficient funds to meet known obligations for the next three months. Idle cash will be invested to the fullest extent practicable in interest-bearing investments.
- Other permissible investments for the Operating and Fiduciary funds are:
 - Bank checking accounts, time deposits or certificates of deposit not to exceed the current Federal Deposit Insurance Corporation (FDIC) limit without being collateralized.
 - Negotiable Certificates of Deposit shall not exceed 30% of portfolio in effect immediately after such investment and no more than 5% in one issuer.
 - U.S. Treasury obligations.
 - U.S. Government Agency obligations and, U.S. Government Instrumentality obligations. May not invest more than 50% of portfolio from one issuer.
 - Prime Commercial Paper rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch. May not exceed 25% of portfolio in effect immediately after such investment and may purchase no more than 10% of the outstanding commercial paper of any single issuer. The maximum maturity for Commercial Paper is 270 days.
 - Prime Banker's Acceptances rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch shall not exceed 40% of portfolio in effect immediately after such investment and no more than 5% may be of any one commercial bank. The maximum maturity is 180 days.
 - Corporate Securities (Medium-Term Notes) with a rating of "A" or better by at least two nationally recognized rating services. Shall not exceed 30% of portfolio in effect immediately after such investment with no more than 10% in one issuer.
 - Loans with an agreement for the collateral to be repurchased by the borrower (Repurchase Agreements); the amount of such instruments will not exceed 20% of the market value of the portfolio with no more than 10% from one issuer. Maximum maturity is 1 year. U.S. Treasury and Agency securities are acceptable collateral with a market value of at least 102% of the value of the Repurchase Agreement. Prior to investment, a Master Repurchase Agreement will be signed with the qualified counterparty.
- Permissible investments for Reserve Funds are:
 - All investments permitted for the Operating and Fiduciary funds, except maturities may not exceed five years without Board approval prior to investment.
- Prohibited Investments and Investment Practices - The following are prohibited:

- Purchases on margin or short sales.
 - “Derivative” securities of any type.
 - Lending securities with an agreement to buy them back after a stated period of time (Reverse Repurchase Agreements).
 - Futures, Options and Margin Trading
 - In no instance shall a swap be used in speculation. Losses are only acceptable if the proposed swap or trade can clearly enhance quality or yield (value) over the life of the new security on a Total Return basis.
 - Investments are limited to maturities of five years or less without express authorization of the Board prior to the investment.
- Diversification - The investment portfolio will be diversified to avoid undue concentration in securities of one type or securities of one financial institution, so that no single investment or class of investments can have a disproportionate impact on the total portfolio. This restriction does not apply to U.S. Treasury securities.
 - Exemptions - Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by the current policy.

SECTION 2107 - EXECUTION

The responsibility for the execution of security transactions shall rest with such qualified members of the investment staff as designated by the Board. The selection of the broker-dealer for a specific transaction shall be based on price and yield quotations. Every effort shall be made to obtain appropriate discounts on individual orders.

Security orders shall be placed on the basis of accepted investment practices. All security transactions, including for repurchase agreements, entered into by MWDOC shall be on a Delivery-vs.-Payment (DVP) basis, i.e. payment will be made upon receipt of the securities to the safekeeping or trust account or custodial facility. All securities shall be held in MWDOC's name pursuant to an agreement and all financial institutions are instructed to mail confirmation and safekeeping receipts directly to MWDOC within three business days after the trade.

Receipts for the confirmation of trades of authorized securities will include information on trade date, par value, maturity, interest rate, price, yield, settlement date, description of securities purchased, agency's name, amount due, and third party custodial information.

SECTION 2108 - PERSONAL CONDUCT

The Board of Directors of Municipal Water District of Orange County is acutely aware of the responsibilities the staff has in administering the investment assets of MWDOC.

Members of the Board of Directors, the Treasurer, Deputy Treasurers and members of the investment staff may not have a direct or indirect interest in the gains or profits of any investment made by MWDOC and may not receive any pay or emolument (profit arising from office or employment usually in the form of compensation or perquisites) for services other than as designated by MWDOC for compensation and authorized expenses.

All persons responsible for investment decisions or who are involved in the management of MWDOC assets shall be governed in their personal investment activities by the codes of conduct established by the applicable state statutes, the Financial Industry Regulatory Authority (FINRA), the Securities and Exchange Commission, and the Code of Ethics and Standards of Professional Conduct of the Association for Investment Management and Research.

All persons responsible for investment decisions or who are involved in the management of MWDOC assets shall refrain from any personal business activity that could conflict with the proper execution and management of the MWDOC investment program, or that could impair their ability to make impartial investment decisions.

SECTION 2109 - REPORTING

The Treasurer shall prepare an investment report monthly, including a management summary that provides the status of the current investment portfolio and transactions made over the last month. The Report shall be submitted within forty-five (45) days following the month ended. The report should be provided to and reviewed by the General Manager, the Administration & Finance Committee and provided to the Board of Directors. The report will include the following:

- A listing of individual securities held at the end of the reporting period;
- Average weighted yield to maturity of portfolio on MWDOC investments;
- Listing of investments by maturity date;
- Market values of current investments;
- Percentage of the total portfolio which each type of investment represents.

This investment policy shall be reviewed by the Administration and Finance Committee annually and as frequently as necessary, to enable the Treasurer to respond to changing economic and market conditions.

SECTION 2110 - GLOSSARY

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR): A set of government financial statements comprising the financial report of a government entity that complies with the accounting requirements of the Governmental Accounting Standards Board (GASB). It is composed of three sections: Introductory, Financial and Statistical.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

BROKER-DEALER: A person or firm acting as a principal in securities transaction as either a broker or a dealer depending on the transaction. Technically, a broker is only an agent who executes orders on behalf of clients, whereas a dealer acts as a principal and trades from the firm's own account. Transaction confirmations must disclose this information. Because most brokerage firms act as both brokers and principals, the term broker-dealer is commonly used to describe them.

CASH EQUIVALENTS (CE): Highly liquid and safe instruments or investments that can be converted into cash immediately. Examples include bank accounts, money market funds, and Treasury bills.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity that usually pays interest. Also referred to as Negotiable CD's, they are insured by FDIC up to \$250,000, but they are not collateralized beyond that amount.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERICAL PAPER: Short-term unsecured promissory note issued by corporations or municipalities with maturities ranging from 2 to 270 days.

~~**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):** It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.~~

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (*e.g., U.S. Treasury Bills.*)

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, *e.g.,* S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 3,543 commercial banks that are members of the system.

FITCH, INC.: (See Nationally Recognized Statistical Rating Organization)

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Residential mortgage-backed security (MBS) instruments influencing the volume of bank credit guaranteed by GNMA and issued by geographically diverse mortgage companies, commercial banks, and thrifts of all sizes, as well as state housing finance agencies. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term “pass-throughs” is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM TERM NOTES: Debt securities issued by a corporation or depository institution with a maturity of five years or less. This can also include debt securities originally issued for maturities longer than five years, but which have now fallen within the five year maturity range. If issued by a bank they are also referred to as “bank notes”.

MOODY’S INVESTORS SERVICES, INC.: (See Nationally Recognized Statistical Rating Organization)

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers’ acceptances, etc.) are issued and traded.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION: Firms that review the creditworthiness of the issuers of debt securities and express their opinion in the form of letter ratings (e.g. AAA, AA, A, BBB, etc.). The primary rating agencies are the following Standard & Poor’s Corporation, Moody’s Investor Services, Inc., and Fitch, Inc.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect.

Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

OPTIONS: A contract that gives the buyer the right to buy or sell an obligation at a specified price for a specified time.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit weekly reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C) 3-1: See Uniform Net Capital Rule.

STANDARD & POOR'S CORPORATION: (See Nationally Recognized Statistical Rating Organization)

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TOTAL RETURN: A measure of performance, Total Return is the actual rate of return of an investment or a pool of investments, over a given evaluation period. Total Return accounts for two categories of return: income and capital appreciation. Income includes interest paid by fixed-income investments, distributions or dividends. Capital appreciation represents the change in the market price of an asset.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

TREASURY SECURITIES: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

U.S. GOVERNMENT AGENCY SECURITIES: Debt securities issued by U.S. Government sponsored enterprises and federally related institutions (FHLB, Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), FNMA).

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

BE IT FURTHER RESOLVED the investment policy shall be reviewed by the Administration and Finance Committee annually, and as frequently as necessary, to enable the Treasurer to respond to changing market conditions;

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

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

I certify the foregoing is a true, full and correct copy of Resolution No. 2114 adopted by the Board of Director of Municipal Water District of Orange County at its Regular meeting held on May 19, 2021.

Maribeth Goldsby, District Secretary
Municipal Water District of Orange County



INFORMATION ITEM

May 15, 2023

TO: Board of Directors

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

Harvey De La Torre, Interim General Manager

Staff Contact: Cathy Harris, Director of Human Resources and Admin.

SUBJECT: APPROVAL OF AUTO ALLOWANCE RECIPIENTS

STAFF RECOMMENDATION

It is recommended that the Administration and Finance Committee review and approve the additional position eligible to receive a car allowance, as presented.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

In accordance with the District's Auto Allowance Policy, the General Manager shall submit an annual report to the Administration and Finance Committee listing employees that receive an auto allowance and any exceptions to the provisions of the policy. Since this item was last presented to the Committee, in February 2023, organizational changes have been implemented resulting in a new position that is eligible for a car allowance based on the nature of the job classification.

The following positions are currently receiving monthly auto allowances in the amount of \$500:

CAR ALLOWANCE RECIPIENTS

Budgeted (Y/N): Y	Budgeted amount: \$45,000	Core X	Choice _
Action item amount:			
Fiscal Impact (explain if unbudgeted):			

Director of Water Use Efficiency
Director of Public Affairs
Governmental Affairs Manager
Director of Emergency Management
Assistant General Manager
Director of Engineering/District Engineer
*Director of Metropolitan Issues and Policy

*Due to internal reorganization of positions, a new position, Director of Metropolitan Issues and Policy, was created. Based on the nature of the job classification, staff is recommending this position receive an auto allowance, retroactive to May 1, 2023.

The Interim General Manager receives a monthly car allowance in the amount of \$750.

STAFF RECOMMENDATION

It is recommended that the Administration and Finance Committee review and approve the new position eligible to receive a car allowance, as presented.

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: **Motorola Solutions Inc.**
- B. Contract awards to Supplier over prior 36-months: N/A
- C. Product(s) or Service(s) to be provided and Deliverables (2) 800Mhz Motorola APX 8000 dual band handheld radios, batteries and chargers
- D. Justification Definition: The Countywide 800MHz System is a proprietary, public safety system and these APX radios are not in standard Motorola dealer price handbook.
- E. Narrative Explanation: Motorola is the only vendor that can provide the equipment and highly specialized technical knowledge for the countywide 800MHz system. WEROC reached out to 6 vendors and only one beside Motorola was able to provide a quote for the public safety equipment. The County of Orange secured Motorola under contract and with the master agreement developed the Orange County Price book available to all agencies part of the system. Only Motorola can ensure equipment compatibility without additional costs or technical requirements. MWDOC did a sole source agreement with Motorola back in 2017 when WEROC member agencies including MWDOC became part of the system. This was signed by AGM Karl Seckel on 8/28/2017.
- F. Budget Line Item Reference & Amount: Non Budgeted Using WEROC operating reserves and will be reimbursed by FY21 Homeland Security Grant Funding via the Orange County Sheriff's Department (refer to P&O March 2023 item #4).
- G. Core or Choice designation: Core
- H. Signature/Approvals:



 Requestor Date



 Interim General Manager Date

* 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****April 7, 2023 – May 8, 2023**

Activity	Summary
Administration/ Board	<p>Administration team worked on the following:</p> <ul style="list-style-type: none">• Scheduled meetings for Harvey De La Torre and Board members (including Special Board meetings and Ad Hoc meetings).• Assisted Harvey with various write-ups and follow-up for the Committees and Board.• Continue to send the Water Supply Reports to the member agencies.• Processed and reviewed agreements for appropriate Board approval and insurance requirements as well as execution following approval; conferred with staff on processes.• Responded to one Public Records Act request.• Made various updates/changes to the website including WACO items, District calendar, etc.• Coordinated various updates to database; created new lists.• Coordinated logistics, presentations, agendas, etc. for special board meetings.• Coordinated with legal counsel on various issues, including AB 2449 requirements, ordinances, Brown Act requirements, etc.• Researched the Administrative Code for management staff on various issues.• Prepared appropriate documentation, ordinance, and notice for OC Register.• Coordinated Ethics and Harassment Prevention trainings.• Prepared and sent water rates resolution to agencies.• Met with IT staff and consultant regarding IT needs for Board Room and Conference Room 101.• Worked with management staff on sole source forms and requirements.• Assisted Ad Hoc Committee re GM Recruitment efforts on meeting scheduling.• Coordinated and sent letter to LAFCO.• Solicited availability and scheduled both in-person and Zoom meetings for the Interim General Manager and Director of Engineering.• Registered Staff and Directors for various conferences, made travel accommodations and processed business expenses.• Hosted ISDOC Executive Meeting.• Followed-up and gathered speaker information and presentation material for the ISDOC Virtual Quarterly Meeting.• Attended three Next Wave 2023 - EOC Staff - Mini Training Topics• Attended the virtual monthly WebEOC Training from the OA.• Prepared agreements and solicited signatures for Interim GM, Government Affairs Manager and Director of Engineering.

Administration/ Board (continued)	<ul style="list-style-type: none"> Formatted and sent letters for the Interim GM and Government Affairs Manager. Prepared and submitted expenses for Interim GM, Director of Engineering & Government Affairs Manager.
Records Management	<ul style="list-style-type: none"> Continued to review incoming mail and log necessary documents into the Laserfiche system. Staff continues to review documents and update information in Laserfiche. Consulted with Gladwell Governmental Services regarding retention of litigation files.
Health and Welfare Benefits	<ul style="list-style-type: none"> Preliminary information on 2024 Health benefits renewal rates was received from JPIA. A 10% increase is anticipated across the board for medical benefits. JPIA will be discussing rates and renewal info at their annual health benefits meeting next month. All JPIA members typically receive a complete report in September on plan rates and offerings, changes, etc.
Recruitment / Departures	<ul style="list-style-type: none"> Recruitment for IT Systems Analyst is underway. 2nd interviews are scheduled for May 15 and 16 for the Principal Engineer recruitment. It is anticipated that the position will be filled within the next couple of weeks. Interviews continue for the Water Use Efficiency Intern. This position will also be filled within the next couple of weeks. Recruiting efforts have started for the Public Affairs Coordinator I position.
Projects/ Activities	<p>Administration Team worked on the following:</p> <ul style="list-style-type: none"> Harassment Prevention training is being scheduled for the end of June for all staff. Assisted with WACO on Meetings via Zoom, PowerPoint presentations, preparing for hybrid meetings, various correspondence and note taking. Coordinating with WACO president and speakers. The Wellness program for 2023 will be winding down at the end of June. MWDOC received \$1,360 for the current year and it is hoped that JPIA will continue the program for the next year. Participated in planning meetings with consultant regarding Kitchen Remodel and Atrium Project. Attended Board Meetings and Committee Meetings. Met with Ad-Hoc Committee regarding GM Recruitment. Developing RFP for Executive Search Firm to be released on May 11 Organized and participated in interviews for Principal Engineer and Water Use Efficiency Intern. Attended Special Joint MWDOC/OCWD Meeting on May 5. Updating Salary Schedule for approval in June. Assisting with mailing for nomination of Director Nederhood to the CSDA Board. MWDOC will host the quarterly OC HR group meeting on May 18th.



INFORMATION ITEM

May 15, 2023

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

FROM: Harvey De La Torre, Interim 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
SCO+Census report fillings for MWD OC and WFC	100%	01-27-2023	Completed
Annual Financial Audit	100%	11-03-2022	Completed
Conducting interviews for an IT consultant to co-manage and supplement IT.	100%	02-01-2023	Completed
Preparation of documents for FY 2023-24 budget process.	100%	04-30-2023	Completed
2023-Q1 KnowBe4 training	90%	03-31-2023	In Progress
RFP for Custodial Services	0%	06-30-2023	Not Started
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	On-going
2023 W-9 collection for conservation rebates. Currently holding 4 rebate checks awaiting a W-9 form.	On-going	On-going	On-going

Information Technology

Description (sorted by % of completion)	% of Completion	Estimated/Actual Completion date	Status
Microsoft Office 365 software upgrade	97%	06-30-2023	In Progress
Onboarding of Accent Computer Solutions	95%	06-30-2023	In Progress
Replace computers/laptops for Staff	80%	On-Going	On-Going
Replace End-Of-Life Cisco Voice Gateway router (hardware and software)	65%	06-30-2023	In Progress
Windows Operating systems software upgrade for all Servers	20%	06-30-2023	In Progress
Replace Wireless Access Controller for wireless network	0%	06-30-2023	Not Started
Network security issues (hackers, viruses and spam emails)	On-going	On-going	On-Going



INFORMATION ITEM

May 15, 2023

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

FROM: Harvey De La Torre, Interim 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 March.**
- Estimated OC Water Usage, Monthly, Comparison to Previous Years Water usage in March **2023 was below average compared to the last 5 years.** We are projecting a decrease in overall water usage compared to FY 2021-22. On March 24th 2023, state officials eased back drought emergency provisions that were in place since July 2021.
- Historical OC Water Consumption Orange County M & I water consumption is **projected to be 505,000 AF in FY 2022-23** (this includes ~11 TAF of agricultural usage and non-retail water agency usage). This is about **41,000 AF less than FY 2021-22** and is about **54,500 AF less than FY 2020-21**. Water usage per person is projected to be slightly lower in **FY 2022-23 for Orange County at 144 gallons per day** (This includes recycled water usage). Although OC population has increased

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):			

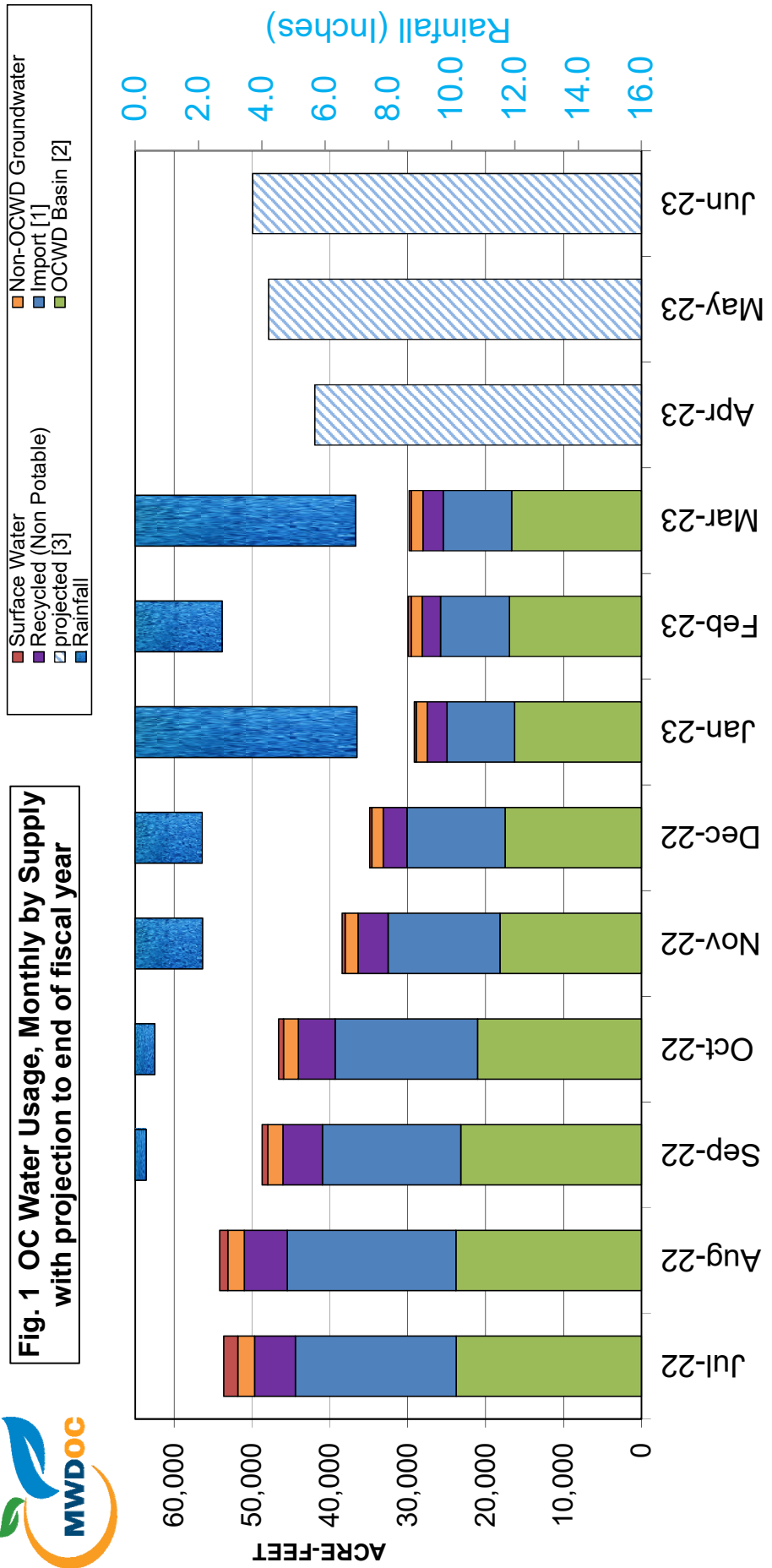
20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts. ***O.C. Water Usage has declined significantly since the FY 2013-14. Since FY 2013-14 average O.C. Annual 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 May was above average*** for this period. Water year to date rainfall in Orange County is ***22.45 inches***, which is ***179% of normal***.
- Northern California accumulated precipitation through ***early May was 135% 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 215% of normal as of April 9th, 2023. As of early May, 7.98% of California is experiencing moderate drought conditions. 0.0% of California is experiencing severe to exceptional drought conditions.*** The State Water Project Contractors Table A Allocation was increased to 100% as of April for WY 2023.
- Colorado River Basin accumulated precipitation through ***early May was 121% of normal*** for this period. The ***Upper Colorado Basin snowpack was 131% of normal*** as of April 10th 2023. ***Lake Mead and Lake Powell*** combined have about ***41.0% of their average storage volume*** for this time of year and are at ***27.2% 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 May was ***24.3' BELOW the "trigger" limit.*** The USBR has declared a ***shortage on the Colorado River that started on January 1st 2022. There is a 93% chance of shortage continuing in 2024, 57% in 2025 and 47% in 2026.*** Lake Mead as of early May was ***5.7' ABOVE the State of California "trigger" limit.*** ***There is a 0% chance of mandatory cutbacks for California in 2024, 3% in 2025 and 3% in 2026.***



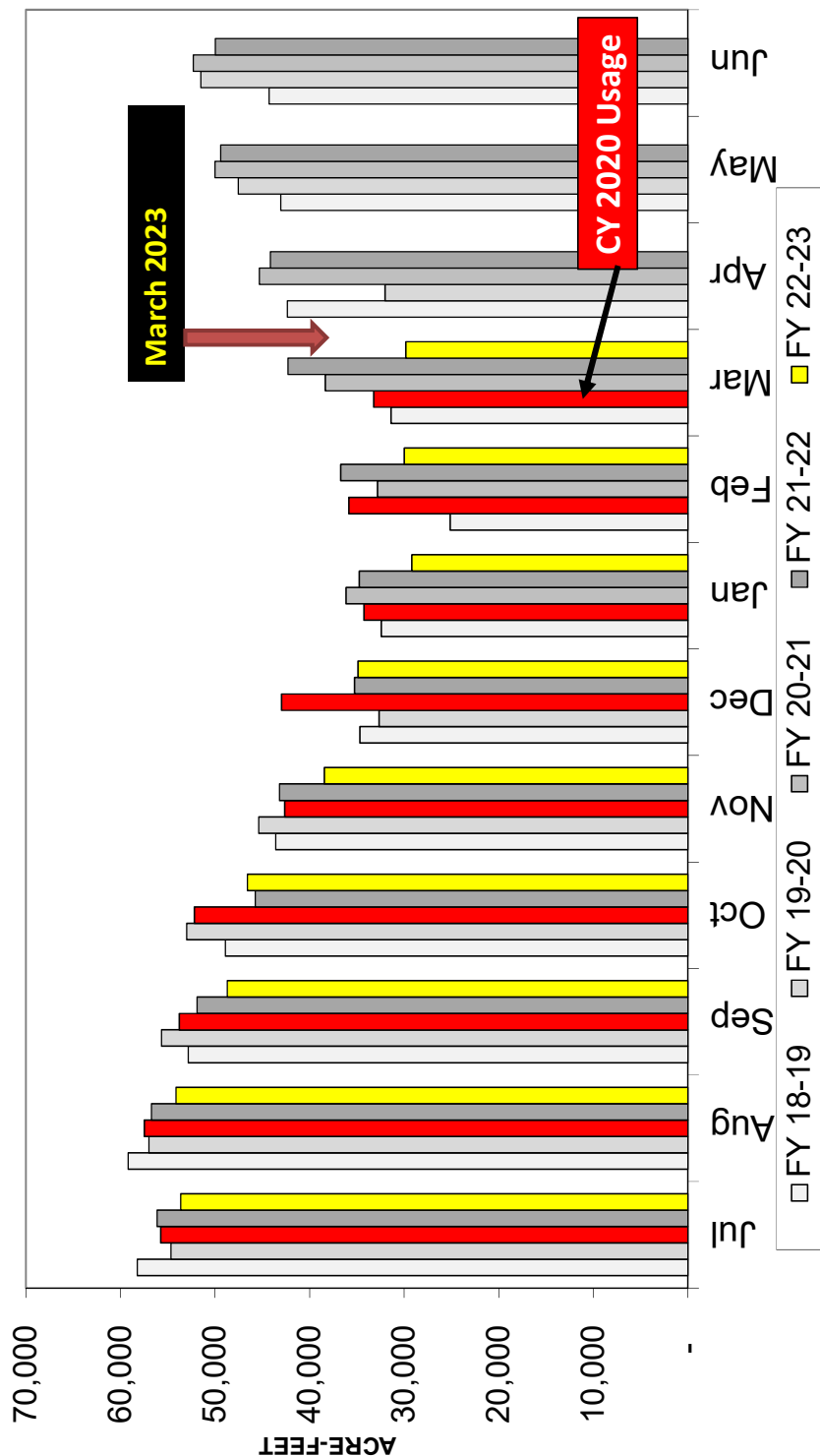
**Fig. 1 OC Water Usage, Monthly by Supply
with projection to end of fiscal year**



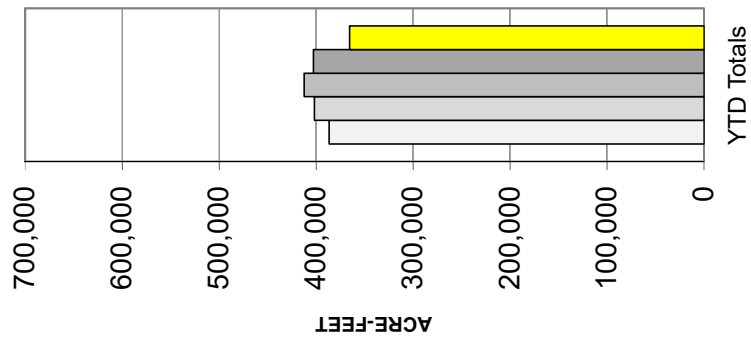
- [1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water and deliveries into Irvine Lake.
- [2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '22-23 is 85%.
- [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

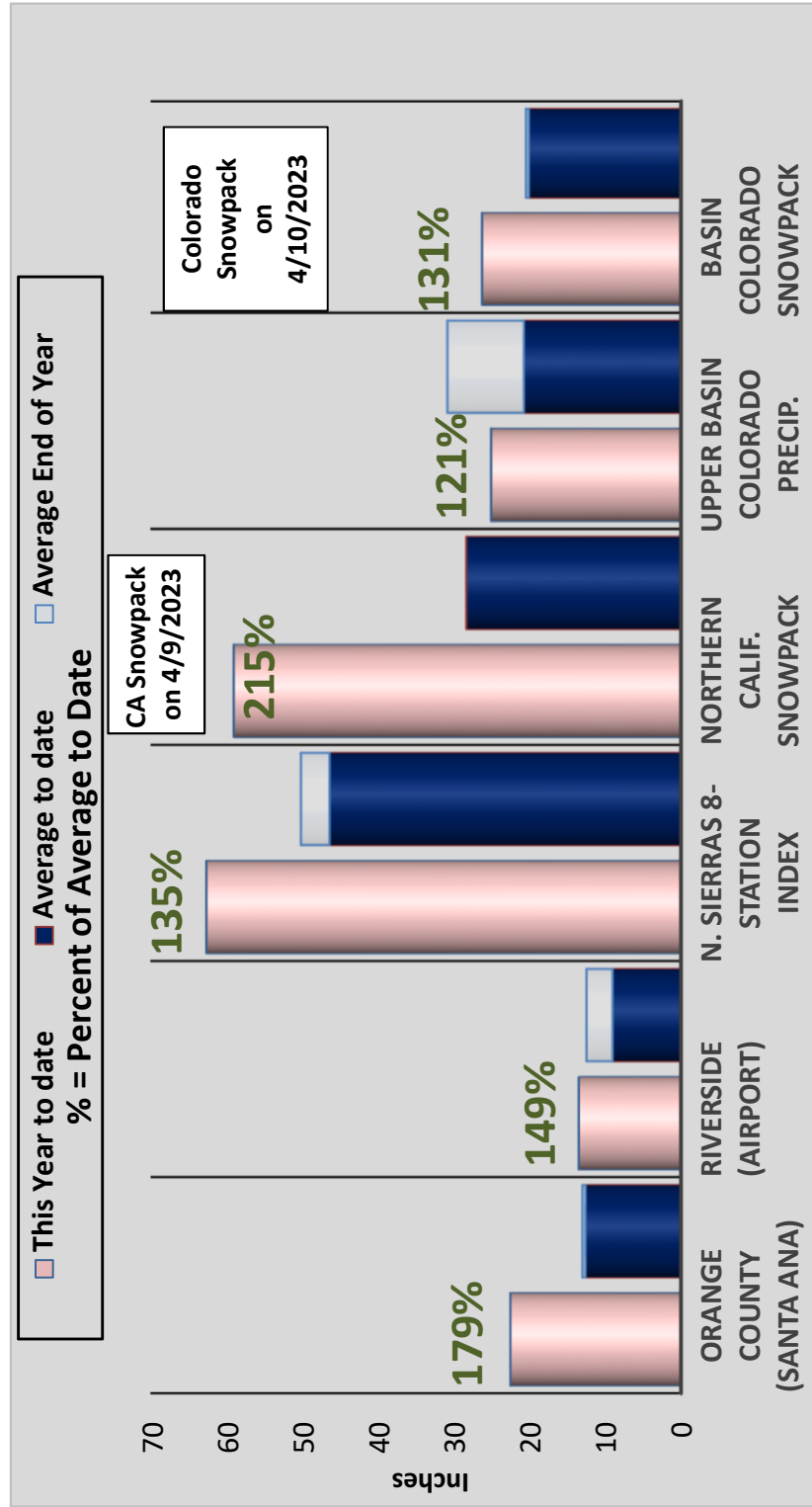


Partial Year Subtotals



[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.

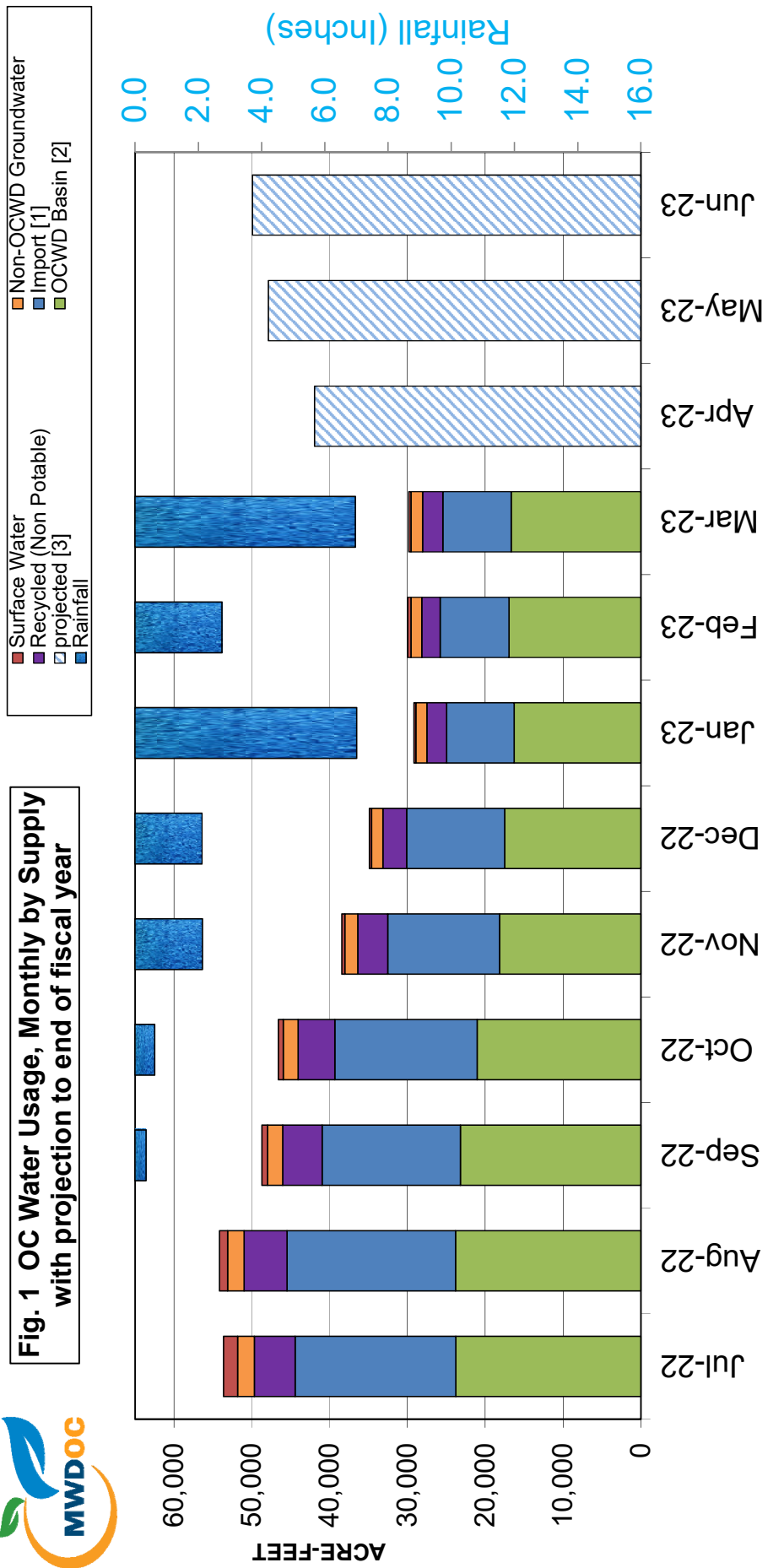
Accumulated Precipitation for the Oct.-Sep. water year, early of May 2023



* 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.



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



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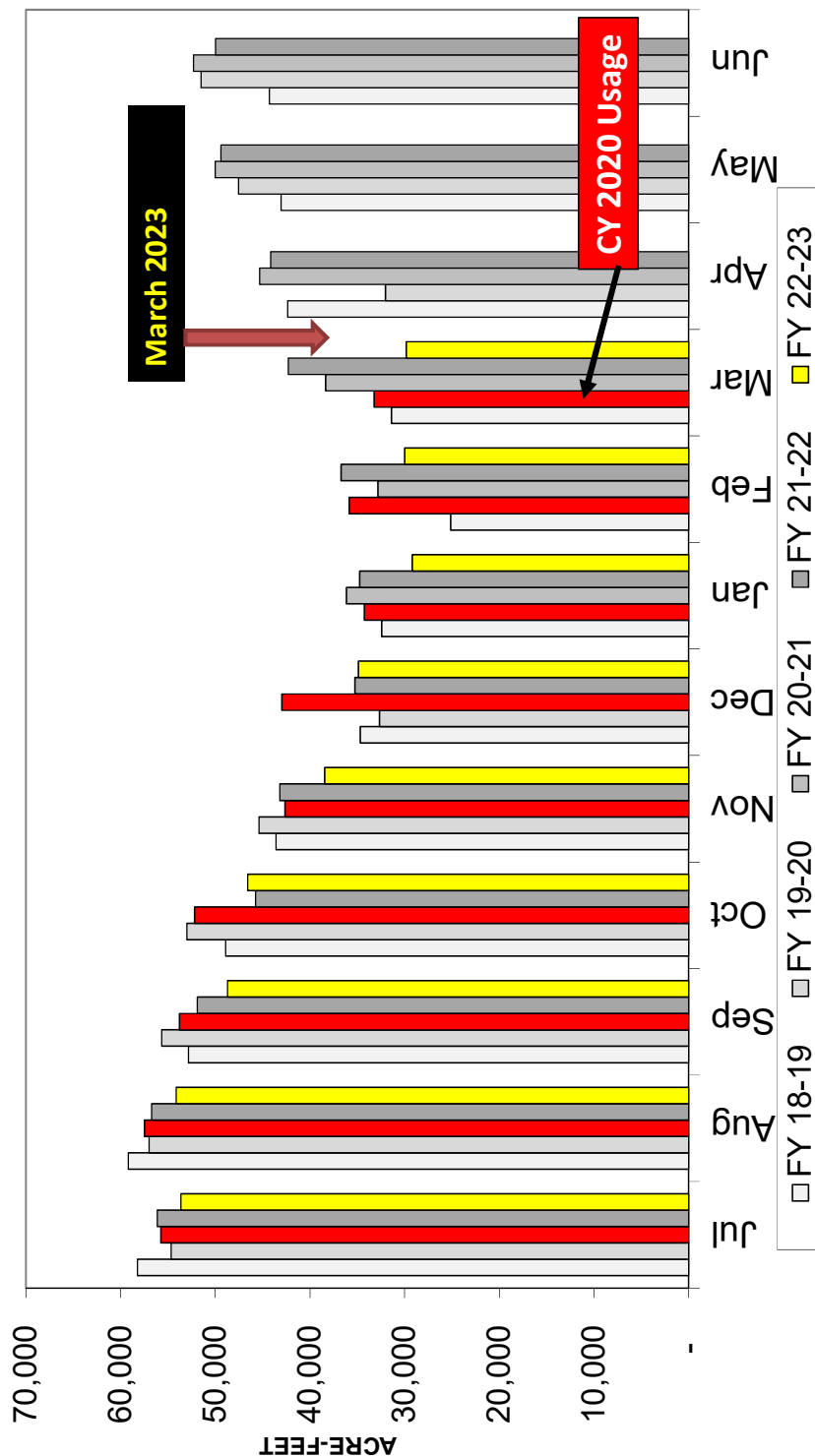
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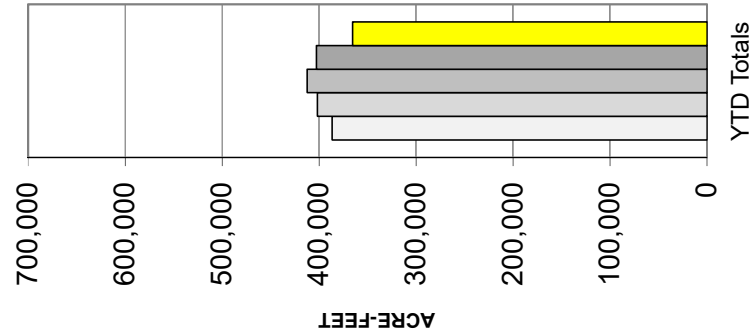
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Fig. 2 OC Monthly Water Usage [1]: Comparison to Last 4 Fiscal Years

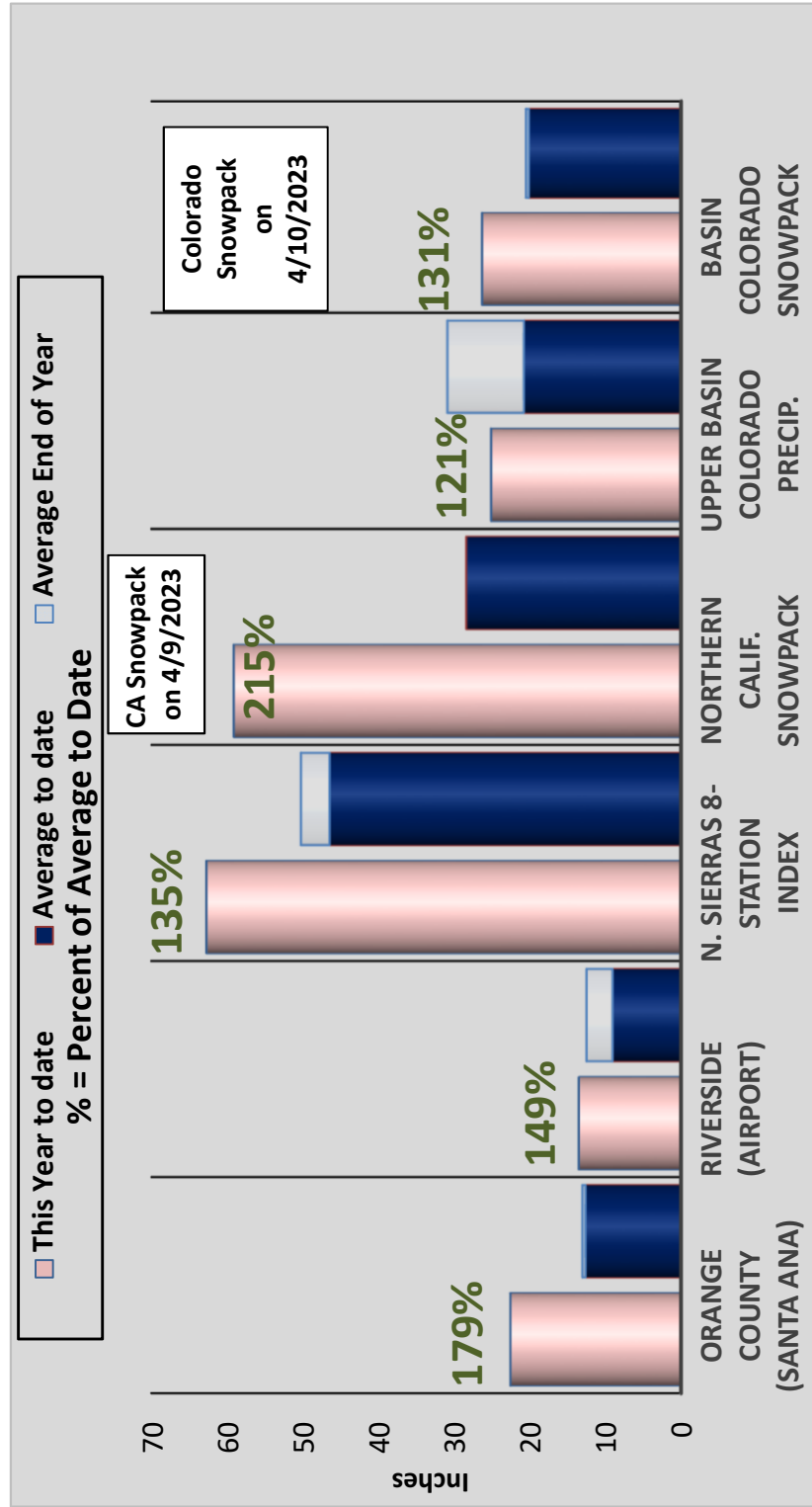


Partial Year Subtotals



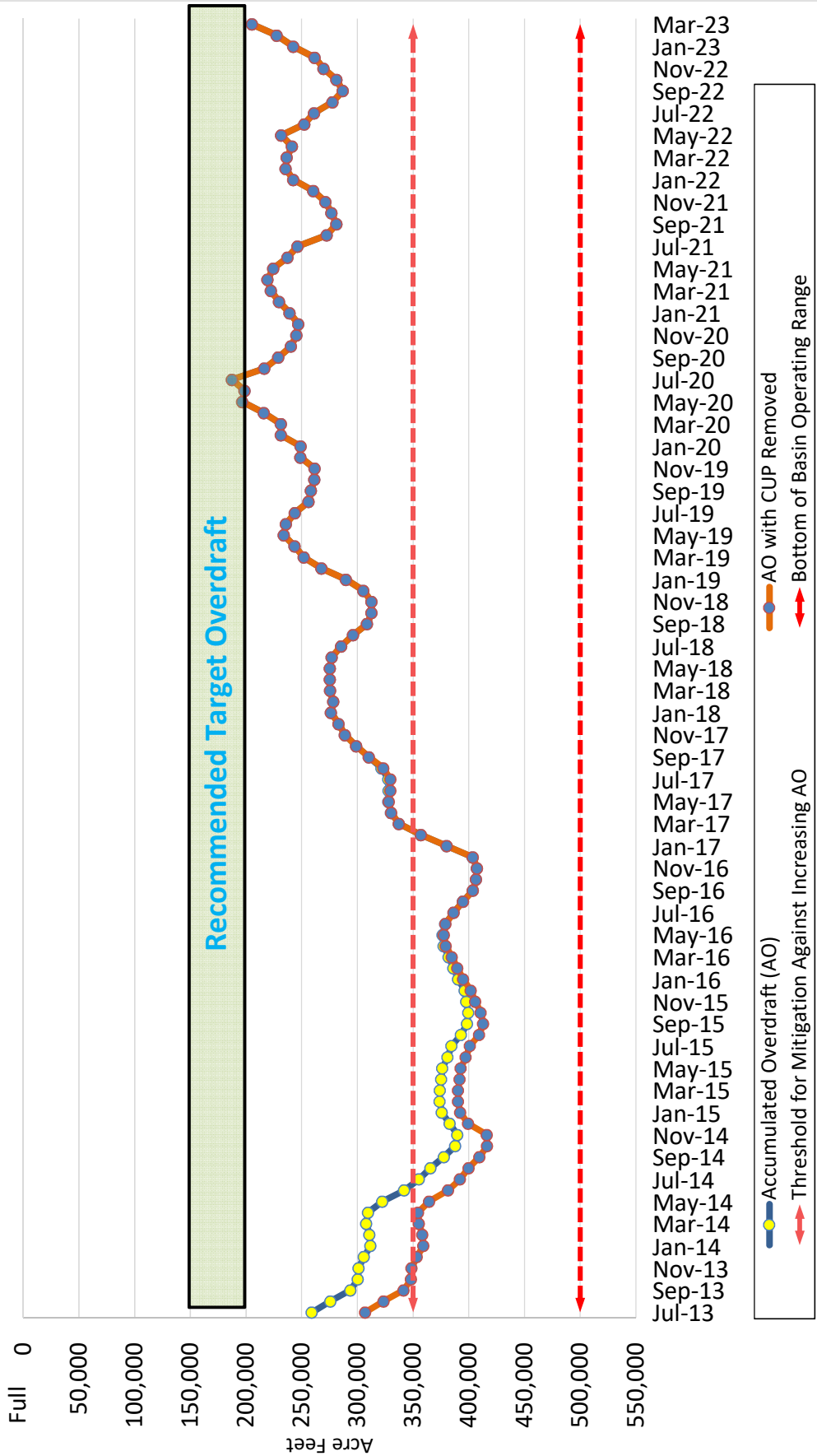
[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water and excludes GWRS production) Recent months numbers include some estimation.

Accumulated Precipitation **for the Oct.-Sep. water year, early of May 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.

Accumulated Overdraft of the OCWD Groundwater Basin as of March 2023



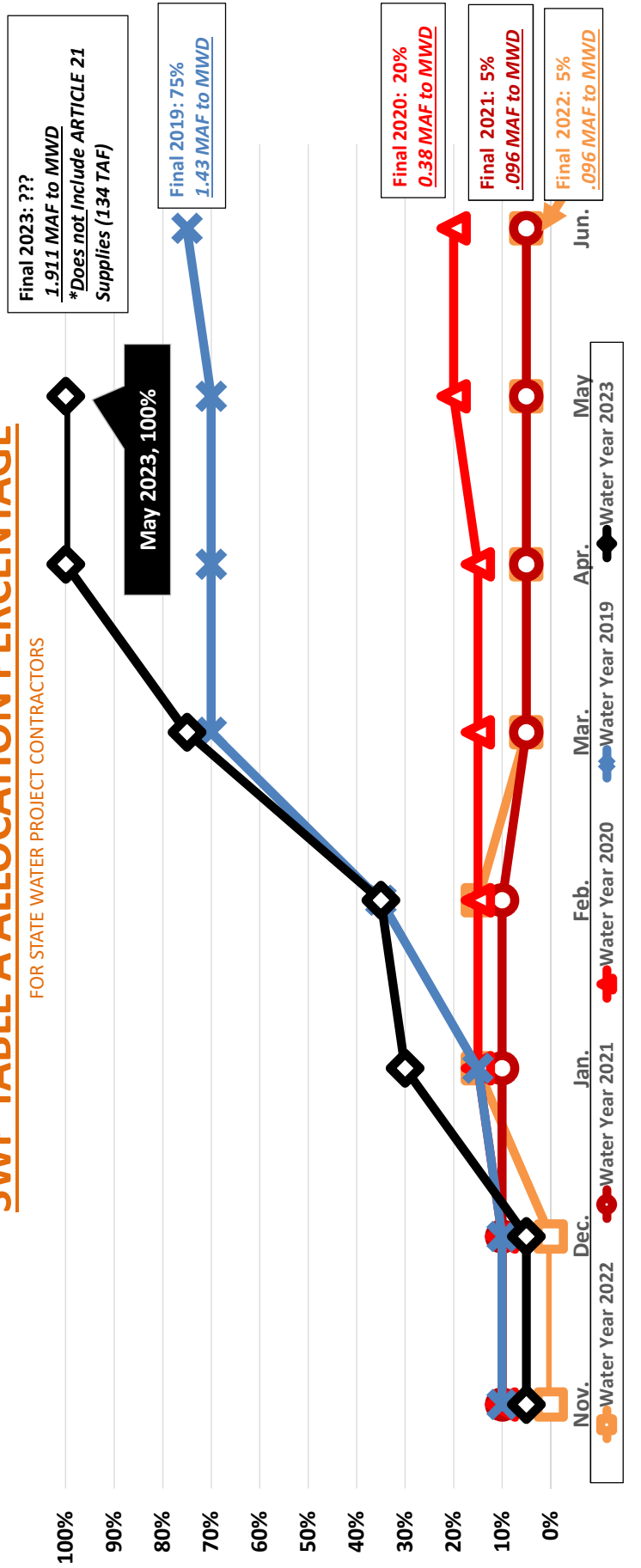
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
AO (AF)	246,350	272,443	281,354	276,909	271,455	260,387	242,511	235,744	236,708	241,450	231,699	252,348
AO w/CUP removed (AF)	246,350	272,442	281,354	276,909	271,455	260,387	242,510	235,744	236,708	241,450	231,699	252,348
AO (AF)	261,145	277,756	286,988	281,407	269,746	261,614	242,610	227,738	205,331			
AO w/CUP removed (AF)	261,145	277,756	286,986	281,407	269,746	261,614	242,610	227,738	205,331			

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

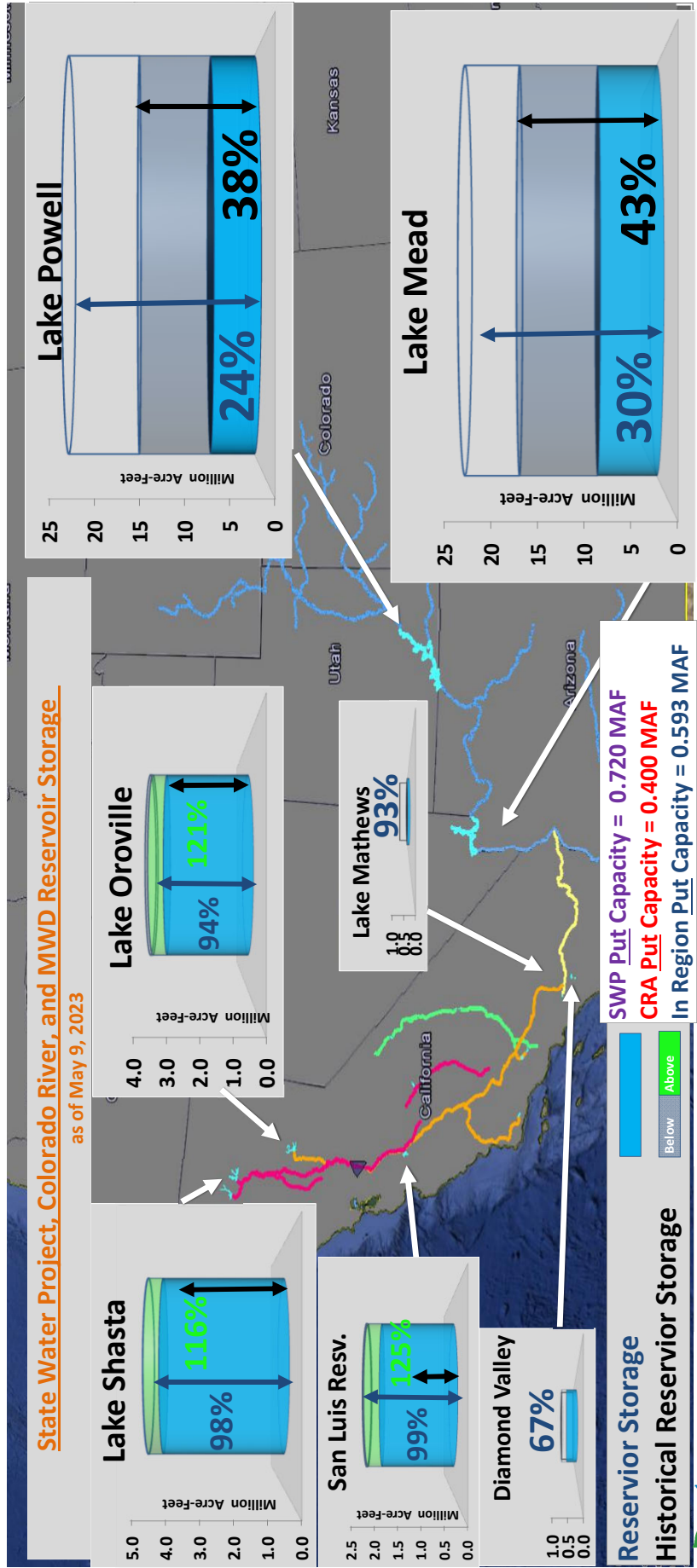


SWP TABLE A ALLOCATION PERCENTAGE

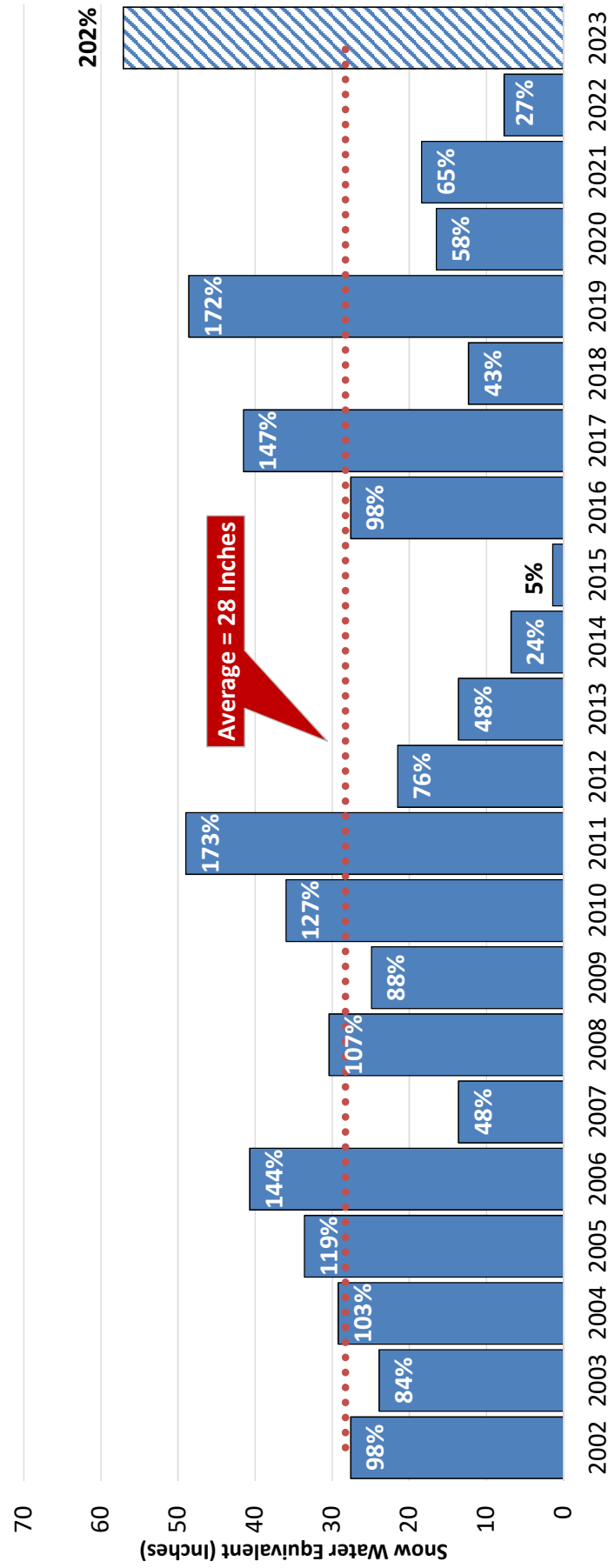
FOR STATE WATER PROJECT CONTRACTORS



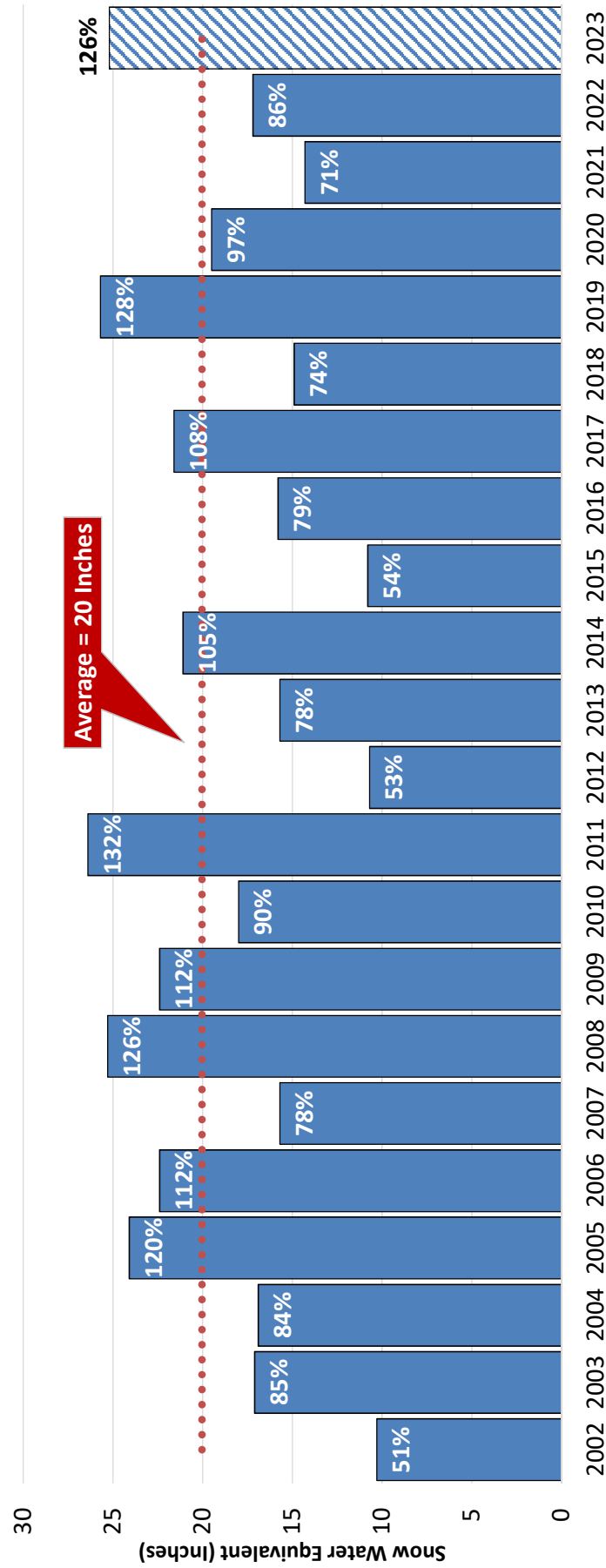
State Water Project, Colorado River, and MWD Reservoir Storage as of May 9, 2023



Historical Northern California April 1st Peak Snow Water Equivalent

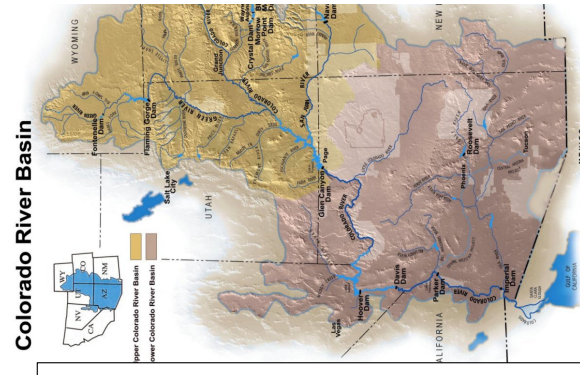
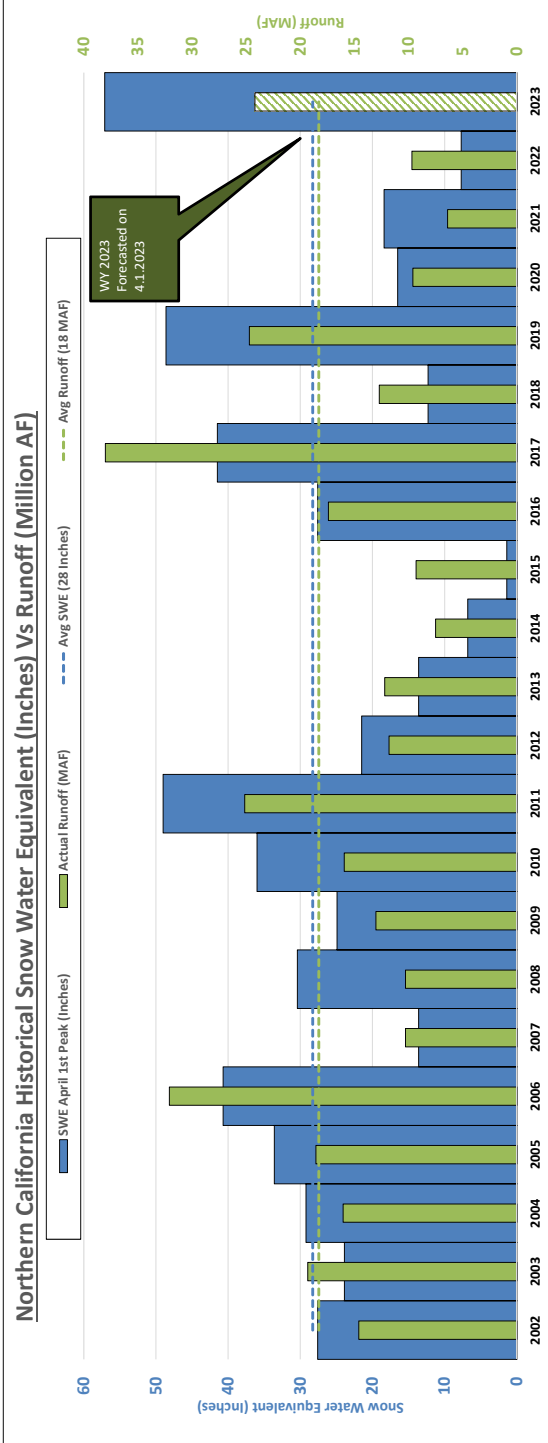


Historical Colorado Basin April 15th Peak Snow Water Equivalent

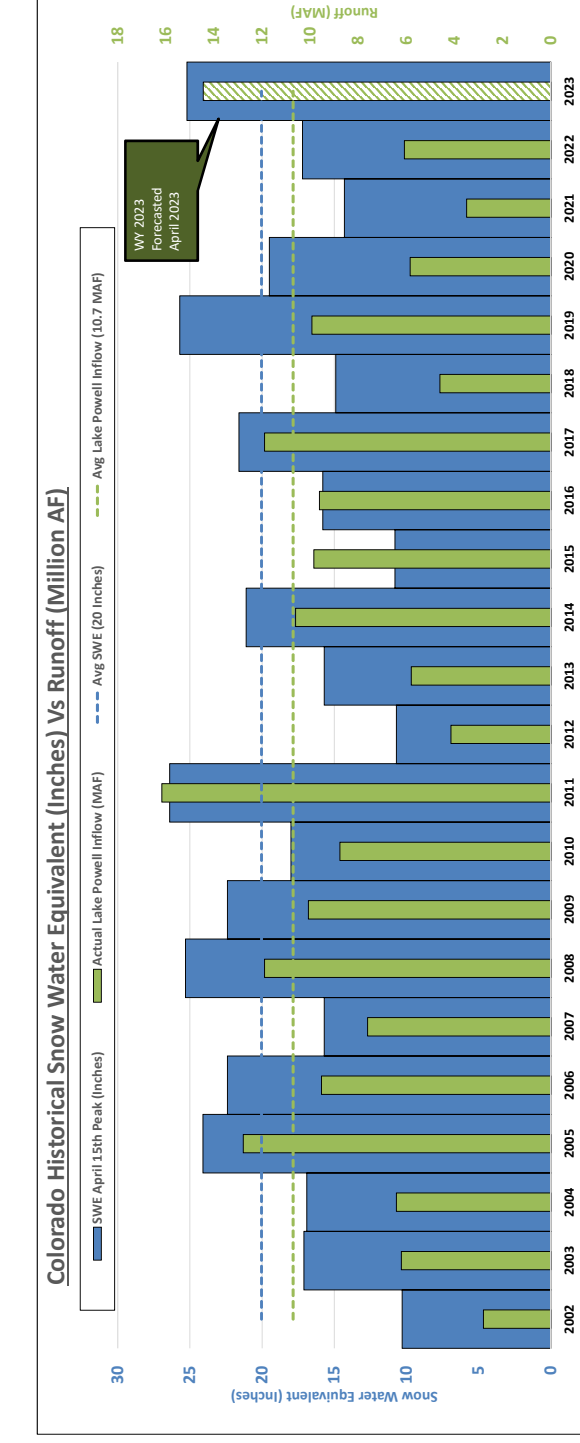




Sacramento River Basin

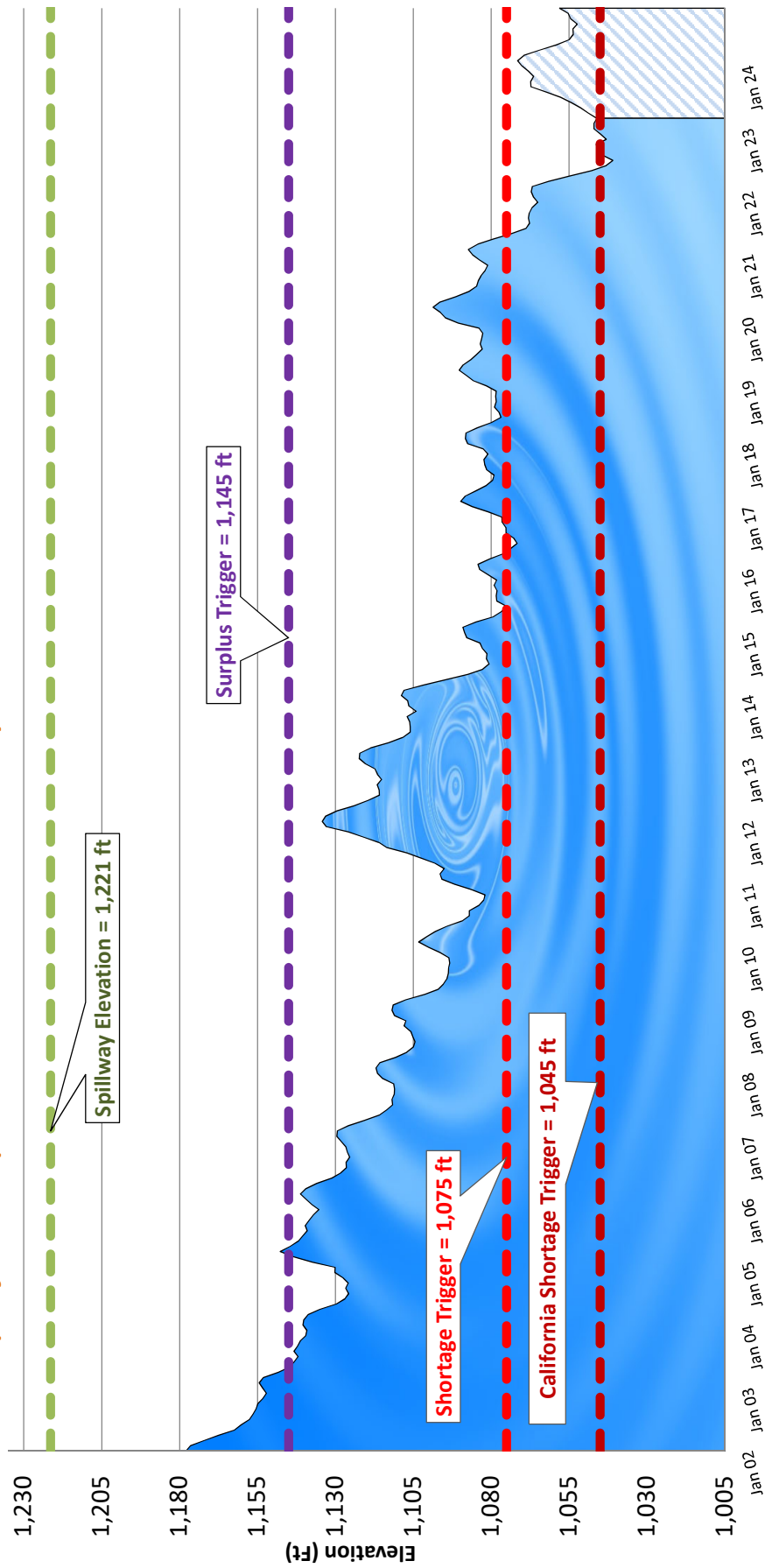


Colorado River Basin





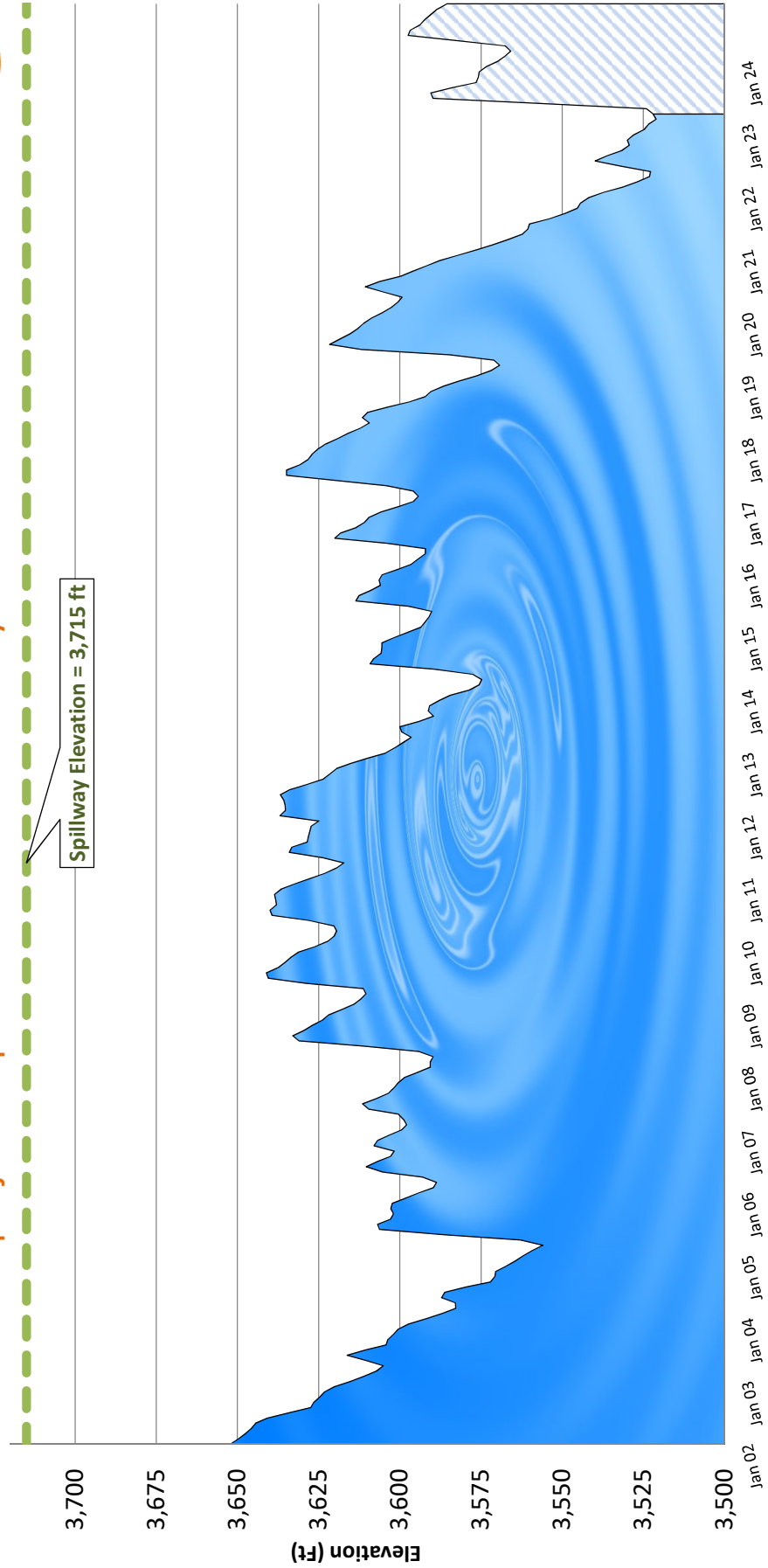
Lake Mead Levels: Historical and Projected projection per USBR 24-Month Study





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

■ Historical □ Projected



Lake Mead Historical Water Elevation Level

