

CALLEGUAS MUNICIPAL WATER DISTRICT

2100 Olsen Road, Thousand Oaks, California 91360

www.calleguas.com

BOARD OF DIRECTORS MEETING

December 20, 2023, 5:00 p.m.

AGENDA

Written communications from the public must be received by 8:30 a.m. on the Thursday preceding a regular Board meeting in order to be included on the agenda and considered by the Board at that meeting. Government Code Section 54954.2 prohibits the Board from taking action on items not posted on the agenda except as provided in Subsection 54954.2(b).

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND ROLL CALL

BOARD OF DIRECTORS

Scott H. Quady, President

Andy Waters, Vice-President

Raul Avila, Secretary

Jacquelyn McMillan, Treasurer

Thibault Robert, Director

2. PUBLIC COMMENTS

This portion of the agenda may be utilized by any member of the public to address the Board of Directors on any matter within the jurisdiction of the Board that does not appear on the agenda. Depending on the subject matter, the Board of Directors may be unable to respond at this time, or until the specific topic is placed on the agenda at a future CMWD Board Meeting, in accordance with the Ralph M. Brown Act. Please limit remarks to three minutes.

To participate:

<https://us06web.zoom.us/j/86320297528?pwd=TEpmRGdsTk4xbG5FMkpuc0MwNTZxdz09>

Phone # +1 (720) 707-2699 *825427# (Denver)

Meeting ID: 863 2029 7528

Password: 825427

3. PRESENTATION

A. Presentation of ACWA JPIA President’s Special Recognition Award Certificates

4. ITEMS TO BE ADDED TO THE AGENDA – GOVERNMENT CODE 54954.2(b)

Consideration of any items that require addition to the agenda due to the existence of an emergency situation, the need to take immediate action, and requests for remote participation due to emergency circumstances.

5. CONSENT CALENDAR

Consent Calendar items are to be approved or accepted by vote on one motion unless a Board member requests separate consideration. If any Board member requests that an item be removed from the Consent Calendar for further discussion, it will be moved to the first item on the Action Items portion of the Agenda.

A. Approve the Minutes of the December 6, 2023 Regular Board Meeting

6. ACTION ITEMS

Action Items call for separate discussion and action by the Board for each agendized topic.

A. Discussion regarding employee cost of living adjustment and revised salary schedule

7. REPORTS

Report items are placed on the agenda to provide information to the Board and the public and no Board action is sought.

A. GENERAL MANAGER AND STAFF REPORTS

1. General Manager’s Report
2. November 2023 Water Use and Sales, October 2023 Power Generation, and November 2023 Investment Summary Reports – Dan Smith, Manager of Finance
3. Annual Audit Report – Dan Smith, Manager of Finance
4. Imported Water Supply Conditions Report – Jennifer Lancaster, Manager of Water Resources
5. “Building Resilience Through...” Series of Flyers - Jennifer Lancaster, Manager of Water Resources
6. Construction Updates – Fernando Baez, Manager of Engineering

B. GENERAL COUNSEL REPORT

1. General Counsel's Report

C. BOARD OF DIRECTORS REPORTS

1. Board Member Reports on Ancillary Duties

Reports on ancillary duties are placed on the agenda to provide a forum for discussion concerning the activities of external entities to which Calleguas Board members are assigned in a representative capacity.

- a. Report of ACWA Region 8 Director
- b. Report of ACWA Joint Powers Insurance Authority Representative
- c. Report of Association of Water Agencies of Ventura County Representative
- d. Report of Fox Canyon Groundwater Management Agency Representative
- e. Report of Metropolitan Water District Director
- f. Report of Ventura LAFCo Commissioner
- g. Report of Ventura County Regional Energy Alliance Representative
- h. Report of Ventura County Special Districts Association Representative

2. Directors' List of Administrative Code Reimbursable Meetings Other than Ancillary Duties

Reimbursable meetings reports are placed on the agenda to comply with statutory and Calleguas Administrative Code requirements for members of a legislative body who attend a meeting at the expense of the local agency to provide a report of the meeting.

3. Discussion regarding upcoming meetings to be attended by Board members
4. Request for Future Agenda Items

8. INFORMATION ITEMS

A. WRITTEN COMMUNICATION

1. Letter Supporting Metropolitan Programs for Surplus Water Management, Metropolitan Member Agency Managers to Metropolitan General Manager, December 6, 2023.
2. Calleguas Staff Response to Metropolitan Climate Adaptation Plan for Water (CAMP4W) Request for Comments on CAMP4W Task Force Draft Evaluative Criteria, Associate General Manager (Strategy & Policy) to CAMP4W staff, December 8, 2023.

9. CLOSED SESSION

10. ADJOURNMENT to Board Meeting January 03, 2023 at 5:00 p.m.

Note: Calleguas Municipal Water District conducts in-person meetings in accordance with the Brown Act. The District has also established alternative methods of participation which permit members of the public to observe and address public meetings telephonically and/or electronically. These methods of participation can be accessed through the internet link provided at the top of this agenda.

In addition to the above referenced methods of participation, members of the public may also participate by submitting comments by email to info@calleguas.com by 5:00 p.m. on the calendar day prior to the public meeting. Email headers should refer to the Board meeting for which comments are offered. Comments received will be placed into the record and distributed appropriately.

Agendas, agenda packets, and additional materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available on the District website at www.calleguas.com

Pursuant to Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and applicable federal rules and regulations, requests for disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the Secretary to the Board in advance of the meeting to ensure the availability of the requested service or accommodation. Notices, agendas, and public documents related to the Board meetings can be made available in appropriate alternative format upon request.

CALLEGUAS MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
December 06, 2023

MINUTES

The meeting of the Board of Directors of Calleguas Municipal Water District was held in-person at 2100 E. Olsen Road, Thousand Oaks CA 91360. The District also provided telephonic and electronic methods of participation for the public as noted on the meeting agenda.

The meeting was called to order by Scott Quady, President of the Board, at 5:00 p.m.

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND ROLL CALL

Directors Present at District Headquarters:	Scott Quady, President Andy Waters, Vice-President Raul Avila, Secretary Jacquelyn McMillan, Treasurer Thibault Robert, Director
Staff Present at District Headquarters:	Kristine McCaffrey, Deputy General Manager Fernando Baez, Manager of Engineering Tricia Ferguson, Assistant Manager of H.R. and Risk Management Henry Graumlich, Associate General Manager- Water Policy and Strategy Charlotte Holifield, Government Relations Supervisor/Public Information Officer Jennifer Lancaster, Manager of Water Resources Rob Peters, Manager of Operations and Maintenance Ian Prichard, Associate General Manager – Strategic Policy Implementation Wes Richardson, Manager of Information Technology Steve Sabbe, IT Specialist Kara Wade, Clerk of the Board
Staff Present via Videoconference:	Kayde Wade, Administrative Assistant
Legal Counsel Present at District Headquarters:	Walter Wendelstein, Wendelstein Law Group, PC, District Counsel

2. PUBLIC COMMENTS

None

3. PRESENTATION

- A. Recognition of employee Tori Hren for receipt of the ACWA JPIA H.R. LaBounty Award honoring water industry employees who implement significant safety program improvements.

The Assistant Manager of Human Resources and Risk Management presented Tori Hren, Environmental Health and Safety Specialist, with the Association of California Water Agencies (ACWA) Joint Powers Insurance Authority (JPIA) H.R. LaBounty Award honoring water industry employees who implement significant safety program improvements. The award was for Calleguas' Confined Space Rescue Training Facility. The project was designed to achieve multiple goals that include pipeline encasement locating equipment testing and confined space entry and rescue training.

4. ITEMS TO BE ADDED TO THE AGENDA– GOVERNMENT CODE 54954.2(b)

None

5. CONSENT CALENDAR

- A. Approve the Minutes of the November 15, 2023 Regular Board Meeting
- B. Receive and affirm the Payment Register for the District's activities from October 24, 2023 to November 27, 2023
- C. Authorize the Deputy General Manager to sign Amendment 2 to the Grant Agreement Between the State of California (Department of Water Resources) and Calleguas Municipal Water District Agreement Number 4600015015, Urban Community Drought Relief & Proposition 1 Round 2 Integrated Regional Water Management (IRWM) Implementation Grants; Authorize the Deputy General Manager to sign Integrated Regional Water Management Implementation Subgrant Agreements Between Calleguas Municipal Water District and Garden Acres Mutual Water Company, City of San Buenaventura, University of California – Santa Barbara, United Water Conservation District, and Casitas Municipal Water District; Authorize the Deputy General Manager to sign Urban Community Drought Relief Subgrant Agreement Between Calleguas Municipal Water District and Nyeland Acres Mutual Water Company; and Approve an Amendment to the scope of work by Kennedy Jenks Consultants to perform grant administration services in the amount of \$304,510

Dina Ontiveras, President of Nyeland Acres Mutual Water Company (NAMWC), requested that the Board approve these items, as they provide grant funding for a much-needed pipeline in NAMWC's service area. NAMWC serves a disadvantaged community comprised primarily of farm laborers and their families. She stated that they are grateful for Calleguas's support in administering this funding.

- D. Approve Capital Project Budget Allocation in the amount of \$24,800,000; Adopt Resolution No. 2081 Approving the Plans and Specifications and Calling for Bids; and Approve Professional Services by Kennedy Jenks in the amount of \$2,542,000 to Perform Bid and Construction Support Services for Crew Building Improvements and Networking Center Relocation (Project No. 603)

The Manager of Engineering provided a presentation explaining the need for and various elements of the project.

On a motion by Director Avila, seconded by Director McMillan, the Board of Directors voted 5-0 to approve the Consent Calendar.

AYES: Directors Robert, McMillan, Avila, Waters, Quady
NOES: None

6. ACTION ITEMS

- A. Approve the proposed District Legislative Advocacy Procedures and Legislative Priorities Policy

On a motion by Director Avila, seconded by Director McMillan, the Board of Directors voted 5-0 to approve the District Legislative Advocacy Procedures and Legislative Priorities Policy.

AYES: Directors Robert, McMillan, Avila, Waters, Quady
NOES: None

7. REPORTS

- A. GENERAL MANAGER AND STAFF REPORTS

- 1. Monthly Status Report

The Board asked questions, which the Deputy General Manager and department managers answered.

- 2. October 2023 Financial Report - Dan Smith, Manager of Finance

The Manager of Finance presented the report.

3. Update on the Water Resources Implementation Strategy (WRIST) – Kristine McCaffrey, Deputy General Manager, and Ian Prichard, Associate General Manager – Strategic Policy Implementation

The Deputy General Manager provided a brief overview of recent progress on the WRIST, including the productive Partner Workshop #2, and ongoing and upcoming work to develop and evaluate themed portfolios of projects.

4. SWP Water Supply Initial Allocation from DWR for the 2023/2024 Water Year- Jennifer Lancaster, Manager of Water Resources

The Manager of Water Resources said that the initial 2023/2024 allocation for the State Water Project (SWP) is 10%. The final allocation will be announced in May or June 2024. She said that Lake Oroville is at 133% of average storage for this time of year.

B. GENERAL COUNSEL REPORT

1. General Counsel's Report

General Counsel said that, in accordance with Board direction at the November 15, 2023 Board meeting, he prepared and submitted the necessary documents to opt out of the Per- and Polyfluorinated Substances (PFAs) settlements with Dupont and 3M. He attended the ACWA Legal Affairs Committee meeting at the ACWA Fall Conference. The committee's primary focus was on issues associated with Propositions 26 and 218 and water rates.

C. BOARD OF DIRECTORS REPORTS

1. Board Member Reports on Ancillary Duties

Reports on ancillary duties are placed on the agenda to provide a forum for discussion concerning the activities of external entities to which Calleguas Board members are assigned in a representative capacity.

- a. Report of ACWA Region 8 Director

Director Quady said he attended the ACWA Region 8 Meeting at the ACWA Fall Conference. He said there will be Board member changes for 2024.

b. Report of ACWA Joint Powers Insurance Authority Representative

Director Quady attended the California Water Insurance Fund meeting where they discussed the liability program, status of investments, workers' compensation insurance, and cybersecurity issues. He said that the Employee Hotline may not be utilized enough and discussed California Occupational Safety and Health Administration workplace violence protocols. He said that several Calleguas staff were recognized for receiving certifications and awards, including Wes Richardson, Manager of IT (for participating in ACWA JPIA Leadership Essentials for the Water Industry); Tricia Ferguson, Assistant Manager of Human Resources and Risk Management (for completing Supervisor certifications in Supervisor Basics, Human Resources, and Operation); and Tori Hren, Environmental Health and Safety Specialist (for the H.R. LaBounty Award). Director Avila noted that drones must be registered with the Federal Aviation Administration and prescription safety glasses are covered under vision insurance.

c. Report of Association of Water Agencies of Ventura County Representative

No Report

d. Report of Fox Canyon Groundwater Management Agency Representative

Director Avila reported that he attended the meeting on December 6. There were discussions regarding the 2023/2024 Watermaster budget, a new well permit, and a Policy Advisory Committee.

e. Report of Metropolitan Water District Director

Director McMillan referenced her written report on the Metropolitan meetings she attended from November 16 to December 6. Director McMillan's report is attached and made part of these minutes.

f. Report of Ventura LAFCo Commissioner

No report

g. Report of Ventura County Regional Energy Alliance Representative

Director Quady said that he attended a meeting on November 16 where Energy Champions were honored and new projects were announced.

h. Report of Ventura County Special Districts Association Representative

No report

2. Directors' List of Administrative Code Reimbursable Meetings Other than Ancillary Duties *Reimbursable meetings reports are placed on the agenda to comply with statutory and Calleguas Administrative Code requirements for members of a legislative body who attend a meeting at the expense of the local agency to provide a report of the meeting.*

Board members provided reports on various meetings that they attended which are subject to the District reimbursement policy.

3. Discussion regarding upcoming meetings to be attended by Board members
4. Request for Future Agenda Items

Director Waters suggested a possible agenda item regarding ongoing governance and staffing issues at the Fox Canyon Groundwater Management Agency.

8. INFORMATION ITEMS

None

9. CLOSED SESSION

None

10. ADJOURNMENT

Director Quady declared the meeting adjourned at 6:20 p.m.

Respectfully submitted,

Raul Avila, Board Secretary

SCOTT H. QUADY, PRESIDENT
DIVISION 2

ANDY WATERS, VICE PRESIDENT
DIVISION 3

RAUL AVILA, SECRETARY
DIVISION 1

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

THIBAUT ROBERT, DIRECTOR
DIVISION 4

ANTHONY GOFF
GENERAL MANAGER



BOARD MEMORANDUM

Date: December 20, 2023
To: Board of Directors
From: Grant Burton, Manager of Human Resources and Risk Management
Subject: Discussion regarding employee cost of living adjustment and revised salary schedule

Objective: Consistent with the strategic objective of pursuing workplace excellence, ensure that Calleguas's salaries remain competitive to attract and retain high-quality employees.

Recommended Action: Approval of a cost-of-living adjustment of 2.8% effective January 1, 2024 and adoption of revised salary schedules effective January 1, 2024 and July 1, 2024.

Budget Impact: The budget for the current fiscal year assumed an increase of 5%, therefore, there will not be a budget increase over the amount budgeted for salary and benefit costs in the current fiscal year.

Discussion:

Section 12.4.2 (b) of Calleguas' Administrative Code states: "In December of each year, the General Manager shall recommend to the Board a percentage cost-of-living adjustment (COLA) based on the Federal Consumer Price Index (CPI) Report for the 12 month period ending in November for the urban area in closest proximity to the District. Any COLA approved by the Board shall become effective January 1 and apply to salaries, tuition reimbursement amounts, special duty incentive pay, and daily on-call duty pay. The COLA does not apply to the salaries of the General Manager and District Counsel." Over the last 20 years, the Board has approved the COLA adjustment in the amount of the CPI.

Calleguas has high quality and hardworking staff, and it is recommended that the Board approve a COLA effective January 1, 2024 and adopt the resultant revised salary schedules for January 1, 2024 and July 1, 2024.

Attachments:

1. Proposed 2024 salary schedules, including tuition reimbursement amounts, special duty incentive pay, daily on-call duty pay, and retirement health savings account contribution
2. Chart of Calleguas COLA increases for the past 20 years

CALLEGUAS MWD SALARY SCHEDULE

Effective: January 1, 2024

Position	Annual Salary Range		Semi-Monthly Salary Range	
	Minimum	Maximum	Minimum	Maximum
Board				
Board Member (Per Meeting)		\$ 230.00		
ADMINISTRATION				
Administrative Assistant 1	\$52,226.64	\$71,555.04	\$2,176.11	\$2,981.46
Administrative Assistant 2	\$59,803.44	\$81,936.00	\$2,491.81	\$3,414.00
Senior Administrative Assistant	\$69,014.16	\$94,555.44	\$2,875.59	\$3,939.81
Management Analyst	\$91,436.88	\$125,276.64	\$3,809.87	\$5,219.86
Clerk of the Board	\$110,664.72	\$151,620.00	\$4,611.03	\$6,317.50
Government Relations Supervisor/PIO	\$122,905.44	\$168,391.20	\$5,121.06	\$7,016.30
Associate General Manager - Strategic Planning	\$176,308.80	\$241,558.32	\$7,346.20	\$10,064.93
Deputy General Manager	\$222,813.36	\$305,273.76	\$9,283.89	\$12,719.74
General Manager	\$0.00	\$396,750.00	\$0.00	\$16,531.25
FINANCE				
Accounting Technician 1	\$58,630.80	\$80,329.68	\$2,442.95	\$3,347.07
Accounting Technician 2	\$66,680.64	\$91,357.68	\$2,778.36	\$3,806.57
Senior Accounting Technician	\$71,909.04	\$98,521.44	\$2,996.21	\$4,105.06
Accounting Supervisor	\$114,462.00	\$156,822.96	\$4,769.25	\$6,534.29
Manager of Finance	\$188,361.36	\$258,071.52	\$7,848.39	\$10,752.98
HUMAN RESOURCES & RISK MANAGEMENT				
Sr Human Resources Analyst	\$84,576.00	\$115,876.56	\$3,524.00	\$4,828.19
Emergency Response Coordinator	\$93,581.52	\$128,214.96	\$3,899.23	\$5,342.29
Environmental Health & Safety Specialist	\$109,888.32	\$150,556.80	\$4,578.68	\$6,273.20
Assistant Manager of Human Resources & Risk Management	\$137,486.16	\$188,368.08	\$5,728.59	\$7,848.67
Manager of Human Resources & Risk Management	\$170,459.52	\$233,544.96	\$7,102.48	\$9,731.04
ENGINEERING				
Administrative Assistant 1	\$52,226.64	\$71,555.04	\$2,176.11	\$2,981.46
Administrative Assistant 2	\$59,803.44	\$81,936.00	\$2,491.81	\$3,414.00
Senior Administrative Assistant	\$69,014.16	\$94,555.44	\$2,875.59	\$3,939.81
Department Administrator 1	\$71,909.04	\$98,521.44	\$2,996.21	\$4,105.06
Department Administrator 2	\$83,195.28	\$113,984.40	\$3,466.47	\$4,749.35
Construction Inspector 1	\$82,725.84	\$113,341.68	\$3,446.91	\$4,722.57
Construction Inspector 2	\$90,616.56	\$124,152.72	\$3,775.69	\$5,173.03
Assistant Project Manager	\$94,862.40	\$129,969.84	\$3,952.60	\$5,415.41
Associate Project Manager	\$107,094.96	\$146,729.28	\$4,462.29	\$6,113.72
Project Manager	\$125,610.96	\$172,098.00	\$5,233.79	\$7,170.75
Senior Project Manager	\$141,276.24	\$193,560.48	\$5,886.51	\$8,065.02
Manager of Engineering	\$188,361.36	\$258,071.52	\$7,848.39	\$10,752.98
WATER RESOURCES & PUBLIC AFFAIRS				
Water Resource Specialist	\$91,746.48	\$125,700.72	\$3,822.77	\$5,237.53
Senior Water Resource Specialist	\$100,921.44	\$138,270.96	\$4,205.06	\$5,761.29
Public Affairs Specialist	\$85,074.24	\$116,558.88	\$3,544.76	\$4,856.62
Senior Communications Specialist	\$93,581.52	\$128,214.96	\$3,899.23	\$5,342.29
Principal Water Resource Specialist	\$118,245.84	\$162,007.20	\$4,926.91	\$6,750.30
Manager of Water Resources & Public Affairs	\$170,459.52	\$233,544.96	\$7,102.48	\$9,731.04

CALLEGUAS MWD SALARY SCHEDULE

Effective: January 1, 2024

Position	Annual Salary Range		Semi-Monthly Salary Range	
	Minimum	Maximum	Minimum	Maximum
INFORMATION TECHNOLOGY				
IT Specialist 1	\$83,405.52	\$114,272.64	\$3,475.23	\$4,761.36
IT Specialist 2	\$91,746.48	\$125,700.72	\$3,822.77	\$5,237.53
IT Specialist 3	\$106,527.36	\$145,951.44	\$4,438.64	\$6,081.31
Sr IT Specialist	\$119,220.24	\$163,342.08	\$4,967.51	\$6,805.92
Manager of Information Technology	\$170,459.52	\$233,544.96	\$7,102.48	\$9,731.04
OPERATIONS AND MAINTENANCE				
Operations Administration				
Manager of Operations & Maintenance	\$176,308.80	\$241,558.32	\$7,346.20	\$10,064.93
System Maintenance Division				
Maintenance Worker 1	\$54,582.72	\$74,782.80	\$2,274.28	\$3,115.95
Maintenance Worker 2	\$62,279.04	\$85,327.68	\$2,594.96	\$3,555.32
Senior Maintenance Worker	\$74,274.24	\$101,762.40	\$3,094.76	\$4,240.10
Construction Inspector 1	\$82,725.84	\$113,341.68	\$3,446.91	\$4,722.57
Senior Maintenance Crew Leader	\$88,041.12	\$120,623.76	\$3,668.38	\$5,025.99
System Maintenance Supervisor	\$113,377.20	\$155,336.64	\$4,724.05	\$6,472.36
Distribution System Division				
Electro Mechanical Technician 1	\$67,376.88	\$92,311.92	\$2,807.37	\$3,846.33
Electro Mechanical Technician 2	\$79,214.64	\$108,530.88	\$3,300.61	\$4,522.12
Senior Electro Mechanical Technician	\$88,041.12	\$120,623.76	\$3,668.38	\$5,025.99
Distribution Crew Leader	\$95,492.88	\$130,833.60	\$3,978.87	\$5,451.40
Distribution System Supervisor	\$113,377.20	\$155,336.64	\$4,724.05	\$6,472.36
Control System Division				
Instrumentation Technician	\$73,933.92	\$101,295.60	\$3,080.58	\$4,220.65
Senior Instrumentation Technician	\$88,041.12	\$120,623.76	\$3,668.38	\$5,025.99
Control Technician	\$78,438.24	\$107,466.96	\$3,268.26	\$4,477.79
Senior Control Technician	\$95,492.88	\$130,833.60	\$3,978.87	\$5,451.40
Control System Specialist	\$104,995.20	\$143,852.88	\$4,374.80	\$5,993.87
Control System Supervisor	\$119,394.00	\$163,580.16	\$4,974.75	\$6,815.84
Operations Division				
Water Distribution Operator	\$71,708.88	\$98,247.36	\$2,987.87	\$4,093.64
Water Treatment Operator	\$83,829.84	\$114,854.16	\$3,492.91	\$4,785.59
Senior Operator	\$95,492.88	\$130,833.60	\$3,978.87	\$5,451.40
Assistant Operations Supervisor	\$107,094.96	\$146,729.28	\$4,462.29	\$6,113.72
Operations Supervisor	\$119,394.00	\$163,580.16	\$4,974.75	\$6,815.84
Regulatory Compliance Division				
Laboratory Technician	\$78,438.00	\$107,466.72	\$3,268.25	\$4,477.78
Laboratory Coordinator	\$89,320.08	\$122,376.24	\$3,721.67	\$5,099.01
Regulatory Compliance Supervisor	\$122,905.44	\$168,391.20	\$5,121.06	\$7,016.30
General Services Division				
Administrative Assistant 1	\$52,226.64	\$71,555.04	\$2,176.11	\$2,981.46
Administrative Assistant 2	\$59,803.44	\$81,936.00	\$2,491.81	\$3,414.00
Senior Administrative Assistant	\$69,014.16	\$94,555.44	\$2,875.59	\$3,939.81
Facility Coordinator 1	\$60,178.80	\$82,449.84	\$2,507.45	\$3,435.41
Facility Coordinator 2	\$74,274.24	\$101,762.40	\$3,094.76	\$4,240.10
General Services Supervisor	\$113,377.20	\$155,336.64	\$4,724.05	\$6,472.36

CALLEGUAS MWD SALARY SCHEDULE

Effective: **January 1, 2024**

Position	Annual Salary Range		Semi-Monthly Salary Range	
	Minimum	Maximum	Minimum	Maximum
Part-Time Positions (Hourly)				
Cleaning Crew-Crew Leader (Hourly)	\$0.00	\$29.15	\$0.00	\$29.15
Cleaning Crew 2 (Hourly)	\$0.00	\$27.13	\$0.00	\$27.13
Cleaning Crew 1 (Hourly)	\$0.00	\$25.10	\$0.00	\$25.10
Student Intern (Hourly)	\$20.00	\$30.00	\$20.00	\$30.00

CALLEGUAS MWD SALARY SCHEDULE

Effective: July 1, 2024

Position	Annual Salary Range		Semi-Monthly Salary Range	
	Minimum	Maximum	Minimum	Maximum
Board				
Board Member (Per Meeting)		\$ 230.00		
ADMINISTRATION				
Administrative Assistant 1	\$52,226.64	\$71,555.04	\$2,176.11	\$2,981.46
Administrative Assistant 2	\$62,195.76	\$85,213.44	\$2,591.49	\$3,550.56
Senior Administrative Assistant	\$71,429.52	\$97,865.28	\$2,976.23	\$4,077.72
Management Analyst	\$91,436.88	\$125,276.64	\$3,809.87	\$5,219.86
Clerk of the Board	\$115,091.52	\$157,685.76	\$4,795.48	\$6,570.24
Government Relations Supervisor/PIO	\$122,905.44	\$168,391.20	\$5,121.06	\$7,016.30
Associate General Manager - Strategic Planning	\$186,006.00	\$254,844.24	\$7,750.25	\$10,618.51
Deputy General Manager	\$222,813.36	\$305,273.76	\$9,283.89	\$12,719.74
General Manager	\$0.00	\$396,750.00	\$0.00	\$16,531.25
FINANCE				
Accounting Technician 1	\$58,630.80	\$80,329.68	\$2,442.95	\$3,347.07
Accounting Technician 2	\$66,680.64	\$91,357.68	\$2,778.36	\$3,806.57
Senior Accounting Technician	\$71,909.04	\$98,521.44	\$2,996.21	\$4,105.06
Accounting Supervisor	\$120,757.44	\$165,448.08	\$5,031.56	\$6,893.67
Manager of Finance	\$195,895.68	\$268,394.16	\$8,162.32	\$11,183.09
HUMAN RESOURCES & RISK MANAGEMENT				
Sr Human Resources Analyst	\$88,804.80	\$121,670.16	\$3,700.20	\$5,069.59
Emergency Response Coordinator	\$97,324.80	\$133,343.76	\$4,055.20	\$5,555.99
Environmental Health & Safety Specialist	\$114,283.92	\$156,578.88	\$4,761.83	\$6,524.12
Assistant Manager of Human Resources & Risk Management	\$137,486.16	\$188,368.08	\$5,728.59	\$7,848.67
Manager of Human Resources & Risk Management	\$170,459.52	\$233,544.96	\$7,102.48	\$9,731.04
ENGINEERING				
Administrative Assistant 1	\$52,226.64	\$71,555.04	\$2,176.11	\$2,981.46
Administrative Assistant 2	\$62,195.76	\$85,213.44	\$2,591.49	\$3,550.56
Senior Administrative Assistant	\$71,429.52	\$97,865.28	\$2,976.23	\$4,077.72
Department Administrator 1	\$74,785.20	\$102,462.24	\$3,116.05	\$4,269.26
Department Administrator 2	\$83,195.28	\$113,984.40	\$3,466.47	\$4,749.35
Construction Inspector 1	\$86,034.96	\$117,875.52	\$3,584.79	\$4,911.48
Construction Inspector 2	\$94,241.04	\$129,118.08	\$3,926.71	\$5,379.92
Assistant Project Manager	\$94,862.40	\$129,969.84	\$3,952.60	\$5,415.41
Associate Project Manager	\$107,094.96	\$146,729.28	\$4,462.29	\$6,113.72
Project Manager	\$125,610.96	\$172,098.00	\$5,233.79	\$7,170.75
Senior Project Manager	\$141,276.24	\$193,560.48	\$5,886.51	\$8,065.02
Manager of Engineering	\$195,895.68	\$268,394.16	\$8,162.32	\$11,183.09
WATER RESOURCES & PUBLIC AFFAIRS				
Water Resource Specialist	\$100,921.20	\$138,270.72	\$4,205.05	\$5,761.28
Senior Water Resource Specialist	\$111,013.68	\$152,098.08	\$4,625.57	\$6,337.42
Public Affairs Specialist	\$88,477.20	\$121,221.36	\$3,686.55	\$5,050.89
Senior Communications Specialist	\$97,324.80	\$133,343.76	\$4,055.20	\$5,555.99
Principal Water Resource Specialist	\$131,252.88	\$179,827.44	\$5,468.87	\$7,492.81
Manager of Water Resources & Public Affairs	\$177,277.92	\$242,886.00	\$7,386.58	\$10,120.25

CALLEGUAS MWD SALARY SCHEDULE

Effective: July 1, 2024

Position	Annual Salary Range		Semi-Monthly Salary Range	
	Minimum	Maximum	Minimum	Maximum
INFORMATION TECHNOLOGY				
IT Specialist 1	\$83,405.52	\$114,272.64	\$3,475.23	\$4,761.36
IT Specialist 2	\$91,746.48	\$125,700.72	\$3,822.77	\$5,237.53
IT Specialist 3	\$106,527.36	\$145,951.44	\$4,438.64	\$6,081.31
Sr IT Specialist	\$119,220.24	\$163,342.08	\$4,967.51	\$6,805.92
Manager of Information Technology	\$177,277.92	\$242,886.00	\$7,386.58	\$10,120.25
OPERATIONS AND MAINTENANCE				
Operations Administration				
Manager of Operations & Maintenance	\$186,006.00	\$254,844.24	\$7,750.25	\$10,618.51
System Maintenance Division				
Maintenance Worker 1	\$56,765.76	\$77,773.68	\$2,365.24	\$3,240.57
Maintenance Worker 2	\$65,392.80	\$89,594.16	\$2,724.70	\$3,733.09
Senior Maintenance Worker	\$77,245.20	\$105,833.04	\$3,218.55	\$4,409.71
Construction Inspector 1	\$86,034.96	\$117,875.52	\$3,584.79	\$4,911.48
Senior Maintenance Crew Leader	\$91,562.64	\$125,448.96	\$3,815.11	\$5,227.04
System Maintenance Supervisor	\$118,479.12	\$162,326.64	\$4,936.63	\$6,763.61
Distribution System Division				
Electro Mechanical Technician 1	\$70,071.84	\$96,004.56	\$2,919.66	\$4,000.19
Electro Mechanical Technician 2	\$79,214.64	\$108,530.88	\$3,300.61	\$4,522.12
Senior Electro Mechanical Technician	\$91,562.64	\$125,448.96	\$3,815.11	\$5,227.04
Distribution Crew Leader	\$98,358.00	\$134,758.80	\$4,098.25	\$5,614.95
Distribution System Supervisor	\$118,479.12	\$162,326.64	\$4,936.63	\$6,763.61
Control System Division				
Instrumentation Technician	\$73,933.92	\$101,295.60	\$3,080.58	\$4,220.65
Senior Instrumentation Technician	\$88,041.12	\$120,623.76	\$3,668.38	\$5,025.99
Control Technician	\$81,575.76	\$111,765.84	\$3,398.99	\$4,656.91
Senior Control Technician	\$95,492.88	\$130,833.60	\$3,978.87	\$5,451.40
Control System Specialist	\$104,995.20	\$143,852.88	\$4,374.80	\$5,993.87
Control System Supervisor	\$119,394.00	\$163,580.16	\$4,974.75	\$6,815.84
Operations Division				
Water Distribution Operator	\$71,708.88	\$98,247.36	\$2,987.87	\$4,093.64
Water Treatment Operator	\$83,829.84	\$114,854.16	\$3,492.91	\$4,785.59
Senior Operator	\$99,312.72	\$136,067.28	\$4,138.03	\$5,669.47
Assistant Operations Supervisor	\$107,094.96	\$146,729.28	\$4,462.29	\$6,113.72
Operations Supervisor	\$124,169.76	\$170,123.28	\$5,173.74	\$7,088.47
Regulatory Compliance Division				
Laboratory Technician	\$78,438.00	\$107,466.72	\$3,268.25	\$4,477.78
Laboratory Coordinator	\$89,320.08	\$122,376.24	\$3,721.67	\$5,099.01
Regulatory Compliance Supervisor	\$129,050.88	\$176,810.64	\$5,377.12	\$7,367.11
General Services Division				
Administrative Assistant 1	\$52,226.64	\$71,555.04	\$2,176.11	\$2,981.46
Administrative Assistant 2	\$62,195.76	\$85,213.44	\$2,591.49	\$3,550.56
Senior Administrative Assistant	\$71,429.52	\$97,865.28	\$2,976.23	\$4,077.72
Facility Coordinator 1	\$60,178.80	\$82,449.84	\$2,507.45	\$3,435.41
Facility Coordinator 2	\$74,274.24	\$101,762.40	\$3,094.76	\$4,240.10
General Services Supervisor	\$118,479.12	\$162,326.64	\$4,936.63	\$6,763.61

CALLEGUAS MWD SALARY SCHEDULE

Effective: July 1, 2024

Position	Annual Salary Range		Semi-Monthly Salary Range	
	Minimum	Maximum	Minimum	Maximum
Part-Time Positions (Hourly)				
Cleaning Crew-Crew Leader (Hourly)	\$0.00	\$29.15	\$0.00	\$29.15
Cleaning Crew 2 (Hourly)	\$0.00	\$27.13	\$0.00	\$27.13
Cleaning Crew 1 (Hourly)	\$0.00	\$25.10	\$0.00	\$25.10
Student Intern (Hourly)	\$20.00	\$30.00	\$20.00	\$30.00

Calleguas MWD Other Rates of Pay Effective: January 1, 2024

Standby Duty

\$ 64.40 Per Day

Special Incentive Pay

Hazmat Level "A" Team	\$	1,734.79	per year
Hazmat Decontamination Team	\$	693.92	per year

Tuition Reimbursement

Quarter Unit	\$	543.71	maximum
Semester Unit	\$	815.56	maximum

District Housing Lease Rates

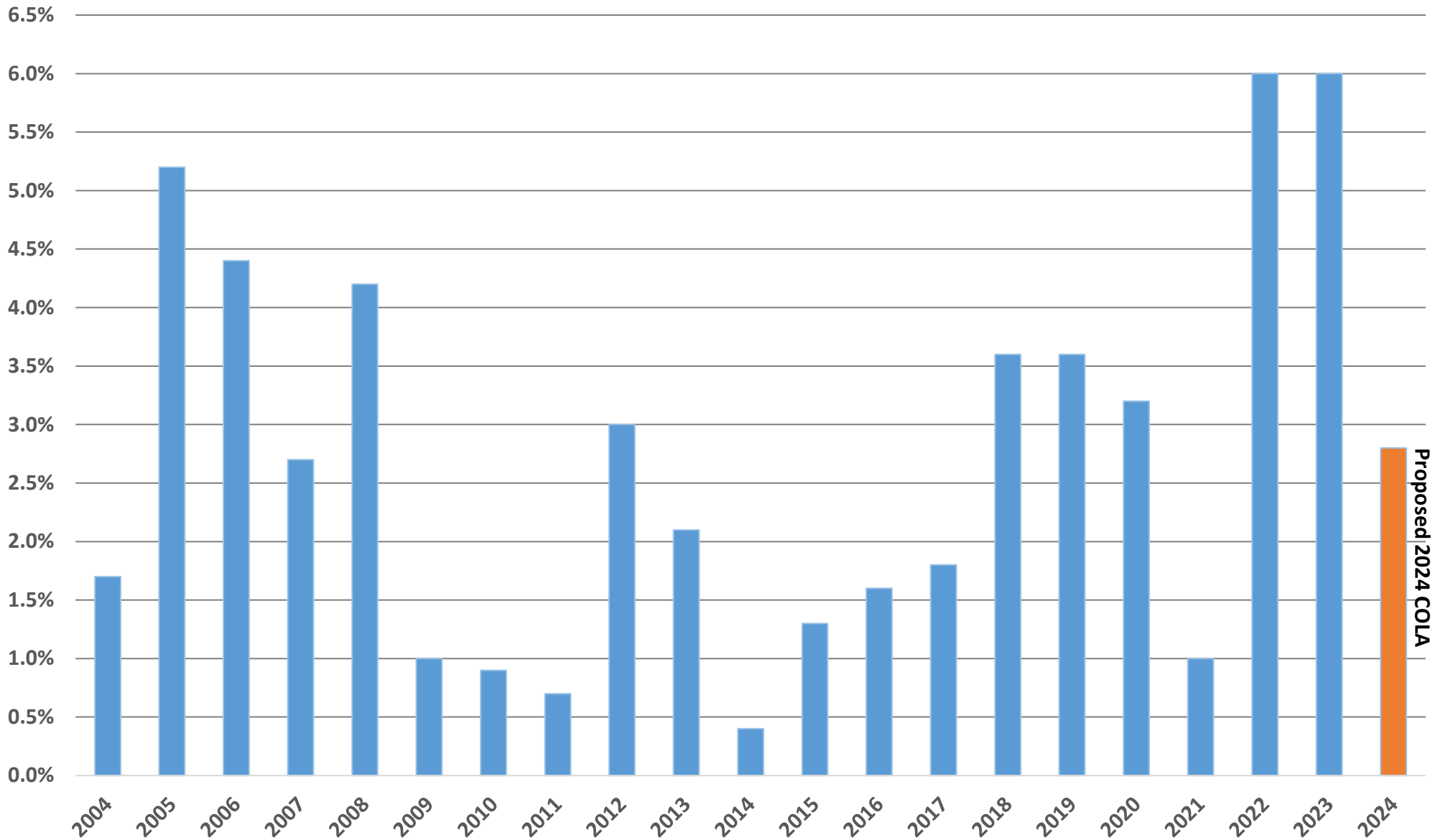
District House #1, 2 & 3	\$	1,733.68	Effective Feb-2024
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Retirement Health Account Contribution*

For Employees Hired after 01/01/13	\$	180.10	per pay period
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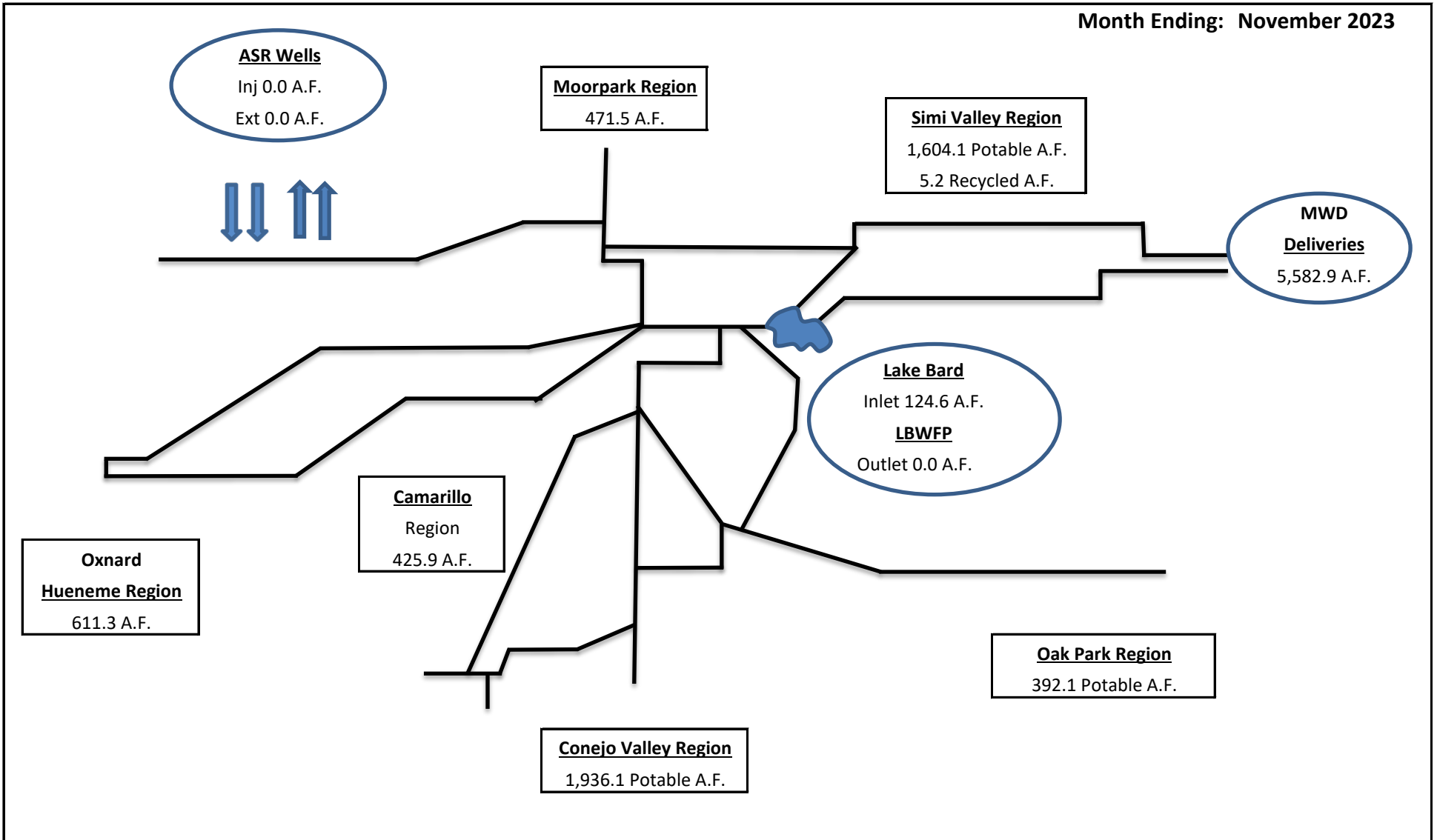
* Annual calculation based on Health Premiums not COLA

CMWD Historical and Proposed COLA Adjustments



**Calleguas Municipal Water District
Water Use and Sales
System Usage by Region**

Month Ending: November 2023



Current Fiscal Year to Date:

33,888.0	A.F. Potable
38.7	A.F. Recycled
325.8	A.F. SMP Brine
-	A.F. SMP Non-Brine

As of Fiscal Year 11/30/22

30,470.6	A.F. Potable
43.2	A.F. Recycled
127.5	A.F. SMP Brine
-	A.F. SMP Non-Brine

As of Fiscal Year 11/30/21

44,077.9	A.F. Potable
33.6	A.F. Recycled

**Calleguas Municipal Water District
Revenues from Water Sales
For the Month of November 2023**

Organization	Water Use Acre Feet	Water Sales	RTS, CRC, Penalties & Pumping Charges	Billing Amount
Potable Water				
Berylwood Heights Mutual Water Co.	-	\$ -	\$ 150.00	\$ 150.00
Brandeis Mutual Water Co.	3.8	6,163.09	951.00	7,114.09
Butler Ranch	-	-	150.00	150.00
California American Water Co	959.5	1,565,927.38	195,982.00	1,761,909.38
Camarillo, City of	177.5	289,747.44	71,475.00	361,222.44
Camrosa Water District	247.2	403,504.51	76,995.00	480,499.51
Crestview Mutual Water Co.	-	-	1,793.00	1,793.00
Ventura Co WWD #38	103.6	169,123.31	22,230.45	191,353.76
Solano Verde Mutual Water	17.8	29,092.01	5,945.00	35,037.01
Oak Park Water Service	133.8	218,354.29	55,142.54	273,496.83
Oxnard, City of	611.3	997,693.00	149,946.00	1,147,639.00
Pleasant Valley Mutual Water Co.	1.2	1,936.97	7,680.00	9,616.97
California Water Service Co.	451.6	736,936.42	141,868.58	878,805.00
Simi Valley, City of	1,240.5	2,024,534.89	266,509.28	2,291,044.17
Golden State Water	359.8	587,145.34	70,754.00	657,899.34
Thousand Oaks, City of	661.9	1,080,248.37	136,745.00	1,216,993.37
Ventura Co WWD #1	471.5	769,557.69	124,717.82	894,275.51
Ventura Co WWD #19	-	-	3,373.00	3,373.00
Potable Total	5,441.0	\$ 8,879,964.71	\$ 1,332,407.67	\$ 10,212,372.38

Potable 2022	4,880.2
Potable 2021	7,089.9

Organization	Water Use Acre Feet	Water Sales	Pumping Charges	Billing Amount
Recycled Water				
Simi Valley, City of (Rec)	5.2	6,942.71	-	6,942.71
Recycled Sales Total	5.2	\$ 6,942.71	\$ -	\$ 6,942.71

Recycled 2022	3.1
Recycled 2021	4.7

**Calleguas Municipal Water District
Revenues from Other Water Sales & SMP
For the Month of November 2023**

Organization	Water Use Acre Feet	Water Sales	RTS, CRC, Penalties & Pumping Charges	Billing Amount
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Construction Water Sales

Environmental Construction		\$	\$	\$
		\$	\$	\$
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
Construction Water Sales Total	-	\$ -	\$ -	\$ -

Organization	Discharge Acre Feet	Water Sales	Const Replacement, Maint Fee & Penalties	Billing Amount
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SMP Brine Discharge

Camrosa	19.1	\$ 12,891.21	\$ 1,082.00	\$ 13,973.21
Oxnard		\$ -	\$ -	\$ -
Camarillo	56.9	\$ 38,328.49	\$ 297.44	\$ 38,625.93
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
Total SMP Discharge	76.0	\$ 51,219.70	\$ 1,379.44	\$ 52,599.14

SMP Brine 2022

SMP Non-Brine Discharge

Camrosa		\$ -	\$ -	\$ -
Oxnard		\$ -	\$ -	\$ -
Camarillo		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -
Total SMP Discharge	-	\$ -	\$ -	\$ -

SMP Non-Brine 2022

**Calleguas Municipal Water District
MWD Invoice Reconciliation
For the Month of November 2023**

Source-MWD

Metropolitan Delivery		5,582.9	\$ 6,749,726.10
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Sales

Purveyor Sales		5,441.0	\$ 6,578,169.00
Construction Sales		-	-
Zone Mutual Sales		-	-
		-	-
Total Sales Potable Water		5,441.0	\$ 6,578,169.00

Storage

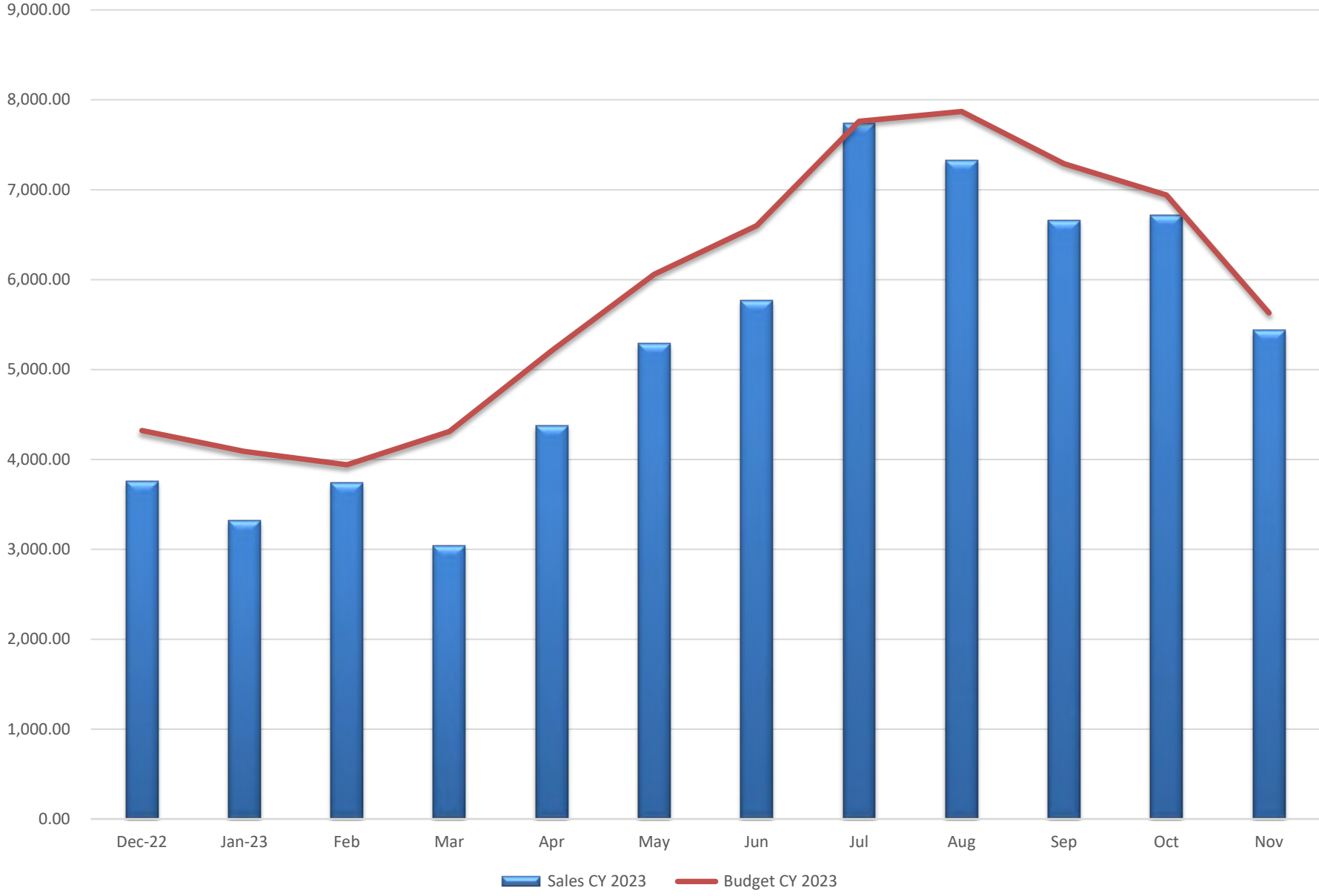
Lake Bard Input (Storage)		124.6	150,641.40
Lake Bard Water Filter Plant Output (Use)		-	-
ASR Wells Input (Storage)		-	-
ASR Wells Output (Use)		-	-
ASR Cyclic Storage @ \$ 945 A.F.			-
ASR Reverse Cyclic Storage - Prepaid			-
Total Storage Activity		124.6	150,641.40

Total Water Sales & Use	5,565.6	6,728,810.40
Reconciliation Adjustment	17.3	20,915.70
Water Sales per MWD	5,582.9	6,749,726.10

CRC	167,480.00
RTS	667,333.00
LRP	-
Conservation Program Costs	680.00
Turf Replacement	40,181.00
Tier 2 Surcharge	-
RTS Adjustment for FY 2022/23	

Total MWD Invoice for November 2023 7,625,400.10

Sales vs Budget Last 12 Months



**Calleguas Municipal Water District
Record Of Power Generation
Revenue Summary
Fiscal Year 2023-24**

October 1, 2023 to October 31, 2023

Hours Possible Generating:	3,720
Hours On Line - Generating:	1,740
Hours Off Line - Flow Conditions:	1,978
Hours Off Line - Maintenance:	2
Hours Off Line - Power Loss:	0

Monthly Revenue - FY 2023-24	
July - 2023	\$ 120,462.51
August	72,072.52
September	94,225.26
October	62,673.86
November	
December	
January - 2024	
February	
March	
April	
May	
June	
FY 2023-24 Total	\$ 349,434.15

Monthly Revenue - FY 2022-23	
July - 2022	\$ 37,070.98
August	2,062.47
September	164.63
October	753.05
November	
December	
January - 2023	
February	
March	
April	
May	
June	
FY 2022-23 Total	\$ 40,051.13

FY 2023-24 Budget 300,000.00

ANNUAL REVENUE	
FY 2022-23 Total	169,954.19
FY 2021-22 Total	456,746.87
FY 2020-21 Total	673,148.24

**Calleguas Municipal Water District
Record Of Power Generation
Conejo Pump Station
Fiscal Year 2023-24**

October 1, 2023 to October 31, 2023

Hours Possible Generating:	744
Hours On Line - Generating:	0
Hours Off Line - Flow Conditions:	744
Hours Off Line - Maintenance:	0
Hours Off Line - Power Loss:	0

<u>Monthly Revenue - FY 2023-24</u>	<u>Estimated Monthly Cost Savings - FY 2023-24</u>	<u>Monthly Revenue - FY 2022-23</u>	
July - 2023	\$ 3,652.18	July - 2022	\$ 0.00
August	4,894.15	August	0.00
September	2,253.54	September	0.00
October	69.98	October	0.00
November		November	0.00
December		December	0.00
January - 2024		January - 2023	0.00
February		February	1.68
March		March	0.00
April		April	0.00
May		May	0.00
June		June	890.68
FY 2023-24 Total	\$ 10,869.85	FY 2022-23 Total	\$ 892.36

<u>ESTIMATED COST SAVINGS</u>	<u>ANNUAL REVENUE</u>
FY 2022-23 Total \$ 1,148.00	FY 2022-23 Total \$ 892.36
FY 2021-22 Total \$ 19,736.00	FY 2021-22 Total \$ 7,828.83

**Calleguas Municipal Water District
Record Of Power Generation
East Portal
Fiscal Year 2023-24**

October 1, 2023 to October 31, 2023

Hours Possible Generating:	744
Hours On Line - Generating:	744
Hours Off Line - Flow Conditions:	0
Hours Off Line - Maintenance:	0
Hours Off Line - Power Loss:	0

Monthly Revenue - FY 2023-24	
July - 2023	\$ 91,842.59
August	81,508.92
September	75,779.41
October	46,029.28
November	_____
December	_____
January - 2024	_____
February	_____
March	_____
April	_____
May	_____
June	_____
FY 2023-24 Total	\$ 295,160.20

Monthly Revenue - FY 2022-23	
July - 2022	\$ 23,451.74
August	0.00
September	0.00
October	0.00
November	0.00
December	0.00
January - 2023	0.00
February	0.00
March	0.00
April	6,649.17
May	33,050.31
June	66,214.03
FY 2022-23 Total	\$ 129,365.25

ANNUAL REVENUE	
FY 2021-22 Total	\$ 303,122.01
FY 2020-21 Total	\$ 521,107.83
FY 2019-20 Total	\$ 616,724.23

**Calleguas Municipal Water District
Record Of Power Generation
Santa Rosa
Fiscal Year 2023-24**

October 1, 2023 to October 31, 2023

Hours Possible Generating:	744
Hours On Line - Generating:	198
Hours Off Line - Flow Conditions:	546
Hours Off Line - Maintenance:	0
Hours Off Line - Power Loss:	0

Monthly Revenue - FY 2023-24	
July - 2023	\$ 2,706.07
August	3,011.61
September	1,892.41
October	2,239.11
November	
December	
January - 2024	
February	
March	
April	
May	
June	
FY 2023-24 Total	\$ 9,849.20

Monthly Revenue - FY 2022-23	
July - 2022	\$ 776.98
August	352.99
September	0.00
October	825.30
November	99.94
December	0.00
January - 2023	62.46
February	0.00
March	0.00
April	106.80
May	0.00
June	124.23
FY 2022-23 Total	\$ 2,348.70

ANNUAL REVENUE	
FY 2021-22 Total	\$ 7,598.93
FY 2020-21 Total	\$ 14,115.14
FY 2019-20 Total	\$ 36,264.11

**Calleguas Municipal Water District
Record Of Power Generation
Springville
Fiscal Year 2023-24**

October 1, 2023 to October 31, 2023

Hours Possible Generating:	744
Hours On Line - Generating:	250
Hours Off Line - Flow Conditions:	494
Hours Off Line - Maintenance:	0
Hours Off Line - Power Loss:	0

Monthly Revenue - FY 2023-24		Revenues	Fees	Monthly Revenue - FY 2022-23	
July - 2023	\$ 8,311.67	\$ 8,478.93	\$ (167.26)	July - 2022	\$ 5,579.15
August	(25,904.96)	5,381.35	(31,286.31)	August	1,697.42
September	2,666.75	2,875.22	(208.47)	September	164.63
October	6,199.89	6,736.56	(536.67)	October	(72.25)
November				November	(371.03)
December				December	(214.25)
January - 2024				January - 2023	(167.72)
February				February	(562.22)
March				March	345.70
April				April	940.45
May				May	(234.54)
June				June	2,440.64
FY 2023-24 Total	\$ (8,726.65)	\$ 23,472.06	\$ (32,198.71)	FY 2022-23 Total	\$ 9,545.98

ANNUAL REVENUE

FY 2021-22 Total	\$ 70,145.01
FY 2020-21 Total	\$ 60,788.34
FY 2019-20 Total	\$ 90,265.88

**Calleguas Municipal Water District
Record Of Power Generation
Grandsen Pump Station
Fiscal Year 2023-24**

October 1, 2023 to October 31, 2023

Hours Possible Generating:	744
Hours On Line - Generating:	548
Hours Off Line - Flow Conditions:	194
Hours Off Line - Maintenance:	2
Hours Off Line - Power Loss:	0

Monthly Revenue - FY 2023-24	
July - 2023	\$ 13,950.00
August	8,562.80
September	11,633.15
October	8,135.60
November	_____
December	_____
January - 2024	_____
February	_____
March	_____
April	_____
May	_____
June	_____
FY 2023-24 Total	\$ 42,281.55

Monthly Revenue - FY 2022-23	
July - 2022	\$ 7,263.11
August	12.06
September	0.00
October	0.00
November	0.00
December	61.40
January - 2023	91.10
February	1,356.92
March	6,873.39
April	308.57
May	3,907.17
June	7,928.18
FY 2022-23 Total	\$ 27,801.90

ANNUAL REVENUE	
FY 2021-22 Total	\$ 68,052.09
FY 2020-21 Total	\$ 76,711.53
FY 2019-20 Total	\$ 48,923.13

**Calleguas Municipal Water District
Cash & Investment Summary
November 30, 2023**

Account	Balance	Interest Rate
<u>Pooled Investment Accounts</u>		
LAIF	\$ 897,162.64	3.84%
Ventura County Pool	8,791.06	3.57%
Total Pooled Investments	\$ 905,953.70	
<u>Other Investments</u>		
Chandler Asset Management (US Bank)	\$ 174,125,937.25	4.98%
<u>Restricted Investments</u>		
Bank of New York - 2008 Series A	17,204.47	
Wells Fargo Bank - 2010 Series A & B Payment Acct	12,355.86	
US Bank - 2021 Payment Fund	2,319.96	
US Bank - 2014 Series A Payment Acct	4.52	
US Bank - 2016 Series A Payment Acct	4.90	
Total Restricted Investments	\$ 31,889.71	
Total - All Investments	\$ 175,063,780.66	
Cash Balance	1,839,018.09	
Total Cash and Investments	\$ 176,902,798.75	

Pooled Investment Summary

<u>Ventura County Pool</u>	
Balance as of October 31, 2023	\$ 834,724.68
Current Month Activity:	
Interest Paid	4,066.38
Transfer to General Fund Checking	(830,000.00)
Balance on Hand as of November 30, 2023	<u>\$ 8,791.06</u>

<u>Local Agency Investment Fund (LAIF)</u>	
Balance as of October 31, 2023	\$ 1,397,162.64
Current Month Activity:	
Interest Paid	-
Transfer to General Fund Checking	(500,000.00)
Balance on Hand as of November 30, 2023	<u>\$ 897,162.64</u>

All investments are in conformity with the Investment Policy of Calleguas Municipal Water District.
The cash & investments provide sufficient cash flow liquidity to meet all the estimated expenditures for the next six months.

**Calleguas Municipal Water District
Investment Listing
11/30/2023**

Cusip	Issuer	Amount	Coupon	Maturity Date	Cost	Book Value	Mkt Value	Accrued	S&P Rating	Mkt Yield	Purchase	Mkt Duration	Security Type
91282CDN8	US Treasury	3,800,000.00	1	12/15/2024	3,546,320.31	3,680,695.20	3,640,430.40	17,546.45	AA+	5.196	4.193	1.007	US Treasury
91282CDS7	US Treasury	1,500,000.00	1.125	1/15/2025	1,493,378.91	1,497,491.92	1,434,961.50	6,373.98	AA+	5.140	1.277	1.088	US Treasury
91282CDZ1	US Treasury	3,000,000.00	1.5	2/15/2025	2,903,789.06	2,958,833.27	2,875,314.00	13,206.52	AA+	5.085	2.686	1.168	US Treasury
91282CED9	US Treasury	3,000,000.00	1.75	3/15/2025	2,922,421.88	2,965,634.57	2,878,476.00	11,105.77	AA+	5.027	2.681	1.247	US Treasury
912828XB1	US Treasury	4,000,000.00	2.125	5/15/2025	3,920,468.75	3,962,022.40	3,842,344.00	3,736.26	AA+	4.958	2.811	1.408	US Treasury
91282CEU1	US Treasury	3,100,000.00	2.875	6/15/2025	3,077,078.13	3,080,496.72	3,007,604.50	41,153.35	AA+	4.906	3.296	1.462	US Treasury
91282CAB7	US Treasury	4,000,000.00	0.25	7/31/2025	3,680,468.75	3,836,606.39	3,708,908.00	3,342.39	AA+	4.843	2.835	1.625	US Treasury
91282CFK2	US Treasury	3,800,000.00	3.5	9/15/2025	3,726,968.75	3,755,857.27	3,716,134.00	28,134.62	AA+	4.798	4.196	1.699	US Treasury
9128285J5	US Treasury	3,650,000.00	3	10/31/2025	3,618,490.23	3,632,009.10	3,535,368.10	9,325.55	AA+	4.731	3.273	1.829	US Treasury
91282CFW6	US Treasury	3,600,000.00	4.5	11/15/2025	3,618,843.75	3,612,463.72	3,585,092.40	7,120.88	AA+	4.723	4.309	1.850	US Treasury
91282CGA3	US Treasury	2,900,000.00	4	12/15/2025	2,851,402.34	2,856,744.02	2,861,372.00	53,562.84	AA+	4.691	4.779	1.899	US Treasury
912828YQ7	US Treasury	4,000,000.00	1.625	10/31/2026	3,738,945.31	3,812,031.10	3,691,252.00	5,535.72	AA+	4.476	3.362	2.792	US Treasury
91282CEF4	US Treasury	4,000,000.00	2.5	3/31/2027	3,698,593.75	3,707,727.27	3,765,156.00	16,939.89	AA+	4.412	4.910	3.132	US Treasury

Investment Type	Code	Total	%	Allowed
Treasury Obligations	US Treasury	62,095,715.39	35.47%	100%
Municipal Securities	Municipal Bonds	-	0.00%	20%
Medium Term Corporate Notes	Corporate	41,091,178.00	23.47%	30%
Federal Agency Bonds	Agency	41,424,269.95	23.66%	100%
Negotiable CD	Negotiable CD	-	0.00%	30%
Supranational	Supranational	5,907,174.30	3.37%	10%
Commercial Paper	Commercial Paper	4,357,500.69	2.49%	25%
Asset Backed Securities	ABS	13,605,859.02	7.77%	15%
Money Market Funds	Money Market Fund	5,644,239.90	3.22%	20%
Investment Cash	Cash	-	0.00%	20%
LAIF	LAIF	897,162.64	0.51%	15%
VC Pool	Investment Pool	8,791.06	0.01%	15%
	Restricted Inv	31,889.71	0.02%	
		175,063,780.66	100.00%	

**CALLEGUAS MUNICIPAL WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2023
(With Comparative Amounts as of June 30, 2022)**

NIGRO & NIGRO^{PC}

CALLEGUAS MUNICIPAL WATER DISTRICT

For the Fiscal Year Ended June 30, 2023

Board of Directors and Key Management Personnel

BOARD OF DIRECTORS

Name	District	Office	Term Expires
Scott H. Quady	2	President	December 2024
Andy Waters	3	Vice President	December 2024
Jacquelyn McMillan	5	Treasurer	December 2026
Raul Avila	1	Secretary	December 2024
Thibault Robert	4	Director	December 2026

MANAGEMENT PERSONNEL

Name	Position
Tony Goff	General Manager
Kristine McCaffrey, P.E.	Deputy General Manager
Fernando Baez	Manager of Engineering
Dan Drugan	Manager of Resources
Rob Peters	Manager of Operations and Maintenance
Dan Smith	Manager of Finance
Grant Burton	Manager of HR and Risk Management
Wes Richardson	Manager of Information Technology
Henry Graumlich	Associate General Manager
Ian Prichard	Associate General Manager

CALLEGUAS MUNICIPAL WATER DISTRICT

For the Fiscal Year Ended June 30, 2023

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Introductory Section

CALLEGUAS MUNICIPAL WATER DISTRICT

Introductory Section

For the Year Ended June 30, 2023

BACKGROUND: WHO IS CALLEGUAS?

Calleguas Municipal Water District (“District”) was created as a special district in 1953 by ballot measure for the purpose of providing southeast Ventura County with a reliable supply of high-quality supplemental water. Today Calleguas provides water service to an estimated population of 640,000 through 21 retail water purveyors. The District’s 366-square-mile service area includes the cities of Oxnard, Port Hueneme, Camarillo, Thousand Oaks, Simi Valley, Moorpark, and surrounding unincorporated areas including Naval Base Ventura County, Oak Park, Lake Sherwood, Somis and Bell Canyon.

The District is a member agency of the Metropolitan Water District of Southern California (MWD). Water is delivered into the Calleguas service area through a system connection with Metropolitan. The majority of Calleguas’ water supply is treated at Metropolitan’s Jensen Treatment Facility in Granada Hills. The District then conveys the high-quality drinking water through 150 miles of 18 inch to 78-inch diameter pipelines, nine reservoirs, five hydroelectric generators, and six pump stations to local cities and water agencies for delivery to consumers. In order provide customers with water during outages of imported supplies, the District also owns and operates a lake with a surface water treatment plant and an aquifer storage and recovery (ASR) facility with 18 wells, as well as an interconnection with the Crestview Mutual Water Company. To facilitate development of local brackish groundwater supplies and potable reuse of recycled water, Calleguas operates an 22mile-long Salinity Management Pipeline (SMP) with an outfall extending into the Pacific Ocean.

Calleguas’ Mission

To provide the service area with a reliable supplemental supply of regional and locally developed water in an environmentally and economically responsible manner.

WATER SUPPLY

The last few years have presented significant challenges for water supply as California has experienced “weather whiplash,” with multiple record dry years followed by an unusually wet year during Water Year 2022-23. The District entered fall 2022 with unprecedented water use restrictions, as back-to-back dry years resulted in 5 percent allocations from the State Water Project (SWP) and mandatory conservation actions were implemented by Metropolitan under its Emergency Water Conservation Program (EWCP) effectively limiting outdoor water use to just one day per week within Calleguas’ service area. These restrictions resulted in the District and its retail member agencies achieving unprecedented water conservation. The District has reduced imported water use by a total of 31% compared with FY 2021-22, with some individual retailers achieving greater than a 50% reduction in imported water demands. The District’s water sales in the first half of FY 2022-23 included extraordinary supplies (pumping of stored water from the Las Posas ASR Wellfield).

With record snowfall in the mountain areas where SWP water originates in early 2023, water supply conditions changed dramatically and the EWCP was lifted in February 2023. However, demands remained low both due to more water efficient behavior by customers and significant local precipitation, which reduced outdoor water demands for irrigation.

The updated 5-year water sales forecast is presented in the supplementary information section of this report. As of November 2023, the District is on pace to have lower water sales in FY 2023-24 than its previous sales forecast had anticipated. If the trend continues, the District will be on pace to miss the forecast by 4,500 acrefeet. These reduced sales are reflected in the updated 5-year water sales forecast in this report.

CALLEGUAS MUNICIPAL WATER DISTRICT

Introductory Section

For the Year Ended June 30, 2023

Water sales continue to fluctuate based on wet or dry weather patterns. In FY 2022-23, the District experienced a 28.6% decrease in water sales compared to the previous fiscal year. The District continues to manage its operating expenses to reflect the changing water sales from year to year as well as implement water rate increases to ensure funding for the District's operations, capital needs, and debt service.

In response to the on-going need to "drought-proof" its service area and minimize the potentially debilitating effects associated with seismic activity, Calleguas is implementing an ambitious capital improvement program. The District is proactively strengthening its infrastructure to withstand seismic events, extending the SMP to facilitate additional local water supply projects, and developing interconnections with neighboring water agencies. These projects reduce the region's reliance upon vulnerable imported water supplies, thereby enhancing supply reliability for over 75 percent of Ventura County's residents.

In order to provide reliable water during an outage, the District has completed a Water Supply Alternatives Study (WSAS). The WSAS identified and evaluated 123 potential alternative water supplies that enable Calleguas to continue to cost-effectively provide a reliable water supply to its service area during an outage of imported water. Several projects have already been approved and are in progress including Crestview Well No. 8, Lake Bard Pump Station, and Fairview Well Rehabilitation. Building upon the WSAS, the District has undertaken development of a Water Resources Implementation Strategy (WRIST). The WRIST involves extensive regional collaboration to evaluate portfolios of potential projects to address long-term supply reliability and resiliency, along with outages. The selected portfolio will assist the District in achieving the "New Model of Resilience" envisioned by the Strategic Plan Update adopted in August 2023.

STORAGE

Calleguas stores its imported water locally so that it is available when imported water supplies are limited due to scheduled maintenance shutdowns, earthquakes, or other unplanned emergencies. Lake Bard has a storage capacity of approximately 10,500 acre-feet (AF), of which 7,500 AF is readily available to deliver as potable water with existing facilities. A pump station project is underway that would provide access to an additional approximate 2,500 AF of water storage in Lake Bard.

Additionally, through the Las Posas ASR Project the District currently has 105,506 AF of stored water in the east Las Posas Subbasin management area (28,319 AF), west Las Posas Subbasin management area (25,192 AF), and the Oxnard Plain Subbasin (51,995 AF).

SALINITY MANAGEMENT PIPELINE

The SMP is a regional pipeline that collects the salty water byproduct generated by brackish groundwater desalting facilities and potential potable reuse projects, as well as excess recycled water, and conveys that water to the ocean for discharge. The SMP improves water supply reliability by facilitating the development of local water supply projects. Highly treated wastewater/excess recycled water, which is too saline for discharge to local streams, is also sent to the SMP during wet periods when it is not needed for irrigation.

Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Calleguas Municipal Water District
Thousand Oaks, California

Opinion

We have audited the accompanying financial statements of the Calleguas Municipal Water District (District), which comprise the balance sheet as of June 30, 2023, and related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2023, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Other Information sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

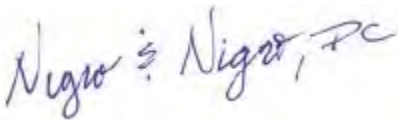
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2022, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated December 20, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Murrieta, California
December 20, 2023

CALLEGUAS MUNICIPAL WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)

Management's Discussion and Analysis (MD&A) offers readers of Calleguas Municipal Water District's financial statements a narrative overview of the District's financial activities for the year ended June 30, 2023. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2023, the District's net position decreased 0.27%, or \$1,464,575 from the prior year's net position of \$533,774,497 to \$532,309,922, as a result of the year's operations.
- In fiscal year 2023, operating revenues decreased by 24.81%, or \$37,253,929 from \$150,143,189 to \$112,889,260, from the prior year, primarily due to a \$38,115,063 decrease in water sales.
- In fiscal year 2023, operating expenses before depreciation expense decreased by 11.24% or \$13,605,438 from \$121,022,537 to \$107,417,099 from the prior year, primarily due to a decrease in costs for the District's source of supply of \$28,091,669. All other operating cost categories increased.

REQUIRED FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Balance Sheet includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

CALLEGUAS MUNICIPAL WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

Condensed Balance Sheets

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>June 30, 2021</u>	<u>Change</u>
Assets:					
Current assets	\$ 254,288,671	\$ 268,714,904	\$ (14,426,233)	\$ 266,296,313	\$ 2,418,591
Non-current assets	11,227,341	10,836,108	391,233	\$ 8,790,815	
Capital assets, net	462,970,821	456,684,060	6,286,761	460,854,772	(4,170,712)
Total assets	728,486,833	736,235,072	(7,748,239)	735,941,900	(1,752,121)
Deferred outflows of resources	13,275,050	8,768,214	4,506,836	9,417,013	(648,799)
Total assets and deferred outflows of resources	\$ 741,761,883	\$ 745,003,286	\$ (3,241,403)	\$ 745,358,913	\$ (2,400,920)
Liabilities:					
Current liabilities	\$ 30,836,332	\$ 31,434,941	\$ (598,609)	\$ 34,424,301	\$ (2,989,360)
Non-current liabilities	176,210,947	175,797,396	413,551	191,285,898	(15,488,502)
Total liabilities	207,047,279	207,232,337	(185,058)	225,710,199	(18,477,862)
Deferred inflows of resources	2,404,682	3,996,452	(1,591,770)	1,636,698	2,359,754
Net position:					
Net investment in capital assets	293,831,581	280,002,359	13,829,222	278,627,684	1,374,675
Restricted for debt service reserves	11,227,341	9,744,423	1,482,918	8,790,815	953,608
Unrestricted	227,251,000	244,027,715	(16,776,715)	230,593,517	13,434,198
Total net position	532,309,922	533,774,497	(1,464,575)	518,012,016	15,762,481
Total liabilities, deferred outflows of resources and net position	\$ 741,761,883	\$ 745,003,286	\$ (3,241,403)	\$ 745,358,913	\$ (355,627)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$532,309,922 as of June 30, 2023.

CALLEGUAS MUNICIPAL WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (55% as of June 30, 2023) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of year 2023, the District showed a positive balance in its unrestricted net position of \$227,251,000 which may be utilized in future years.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>	<u>June 30, 2021</u>	<u>Change</u>
Operating revenues	\$ 112,889,260	\$ 150,143,189	\$ (37,253,929)	\$ 156,956,588	\$ (6,813,399)
Operating expenses	<u>(107,417,099)</u>	<u>(121,022,537)</u>	<u>13,605,438</u>	<u>(130,587,645)</u>	<u>9,565,108</u>
Operating income before depreciation	5,472,161	29,120,652	(23,648,491)	26,368,943	2,751,709
Depreciation expense	<u>(15,176,902)</u>	<u>(15,940,809)</u>	<u>763,907</u>	<u>(14,761,004)</u>	<u>12,316,817</u>
Operating income	(9,704,741)	13,179,843	(22,884,584)	11,607,939	(9,565,108)
Non-operating revenues(expenses), net	<u>6,795,814</u>	<u>1,128,947</u>	<u>5,666,867</u>	<u>1,969,734</u>	<u>(840,787)</u>
Change in net position before capital	(2,908,927)	14,308,790	(17,217,717)	13,577,673	4,662,631
Capital contributions:					
Local capital contributions	<u>1,444,352</u>	<u>1,453,691</u>	<u>(9,339)</u>	<u>2,137,365</u>	<u>(683,674)</u>
Change in net position	(1,464,575)	15,762,481	(17,227,056)	15,715,038	47,443
Net position:					
Beginning of year	<u>533,774,497</u>	<u>518,012,016</u>	<u>15,762,481</u>	<u>502,296,978</u>	<u>15,715,038</u>
End of year	<u>\$ 532,309,922</u>	<u>\$ 533,774,497</u>	<u>\$ (1,464,575)</u>	<u>\$ 518,012,016</u>	<u>\$ 15,762,481</u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, net position decreased 0.27%, or \$1,464,575 from the prior year's net position of \$533,774,497 to \$532,309,922, as a result of the year's operations.

CALLEGUAS MUNICIPAL WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Revenues

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>
Operating revenues:					
Water sales	\$ 95,175,211	\$ 133,290,274	\$ (38,115,063)	\$ 140,946,567	\$ (7,656,293)
Capacity reservation charge	7,348,086	7,233,510	114,576	6,429,822	803,688
Readiness-to-serve-purveyors	7,582,728	6,519,444	1,063,284	6,295,572	223,872
Water standby charges	1,381,714	1,420,806	(39,092)	1,442,109	(21,303)
Pumping power revenue	1,010,405	1,389,461	(379,056)	1,580,228	(190,767)
Salinity Management Pipeline fees	335,969	197,706	138,263	164,211	33,495
Other operating revenues	55,147	91,988	(36,841)	98,079	(6,091)
Total operating revenues	<u>112,889,260</u>	<u>150,143,189</u>	<u>(37,253,929)</u>	<u>156,956,588</u>	<u>(6,813,399)</u>
Non-operating:					
Property taxes	11,100,420	10,222,205	878,215	9,865,259	356,946
Investment earnings	3,159,653	(1,921,039)	5,080,692	630,002	(2,551,041)
Sale of capital assets	16,213	11,497	4,716	(538,422)	549,919
Insurance recovery proceeds	-	-	-	967,383	(967,383)
Other non-operating revenues	129,730	76,048	53,682	190,103	(114,055)
Total non-operating	<u>14,406,016</u>	<u>8,388,711</u>	<u>6,017,305</u>	<u>11,114,325</u>	<u>(2,725,614)</u>
Total revenues	<u>\$ 127,295,276</u>	<u>\$ 158,531,900</u>	<u>\$ (31,236,624)</u>	<u>\$ 168,070,913</u>	<u>\$ (9,539,013)</u>

In fiscal year 2023, operating revenues decreased by 24.81%, or \$37,253,929 from \$150,143,189 to \$112,889,260, from the prior year, primarily due to a \$38,115,063 decrease in water sales.

In fiscal year 2022, operating revenues decreased by 4.34%, or \$6,813,399 from \$156,956,588 to \$150,143,189, from the prior year, primarily due to a \$7,656,293 decrease in water sales.

CALLEGUAS MUNICIPAL WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Expenses

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>
Operating expenses:					
Source of supply	\$ 79,198,810	\$ 107,290,479	\$ (28,091,669)	\$ 111,294,763	\$ (4,004,284)
Pumping	2,787,501	1,617,340	1,170,161	1,455,952	161,388
Administration	4,385,182	1,423,312	2,961,870	1,711,656	(288,344)
Administrative services	3,306,283	1,515,048	1,791,235	1,930,884	(415,836)
Engineering	2,247,808	805,742	1,442,066	2,664,198	(1,858,456)
Resources, conservation and governmental	1,976,964	904,990	1,071,974	652,444	252,546
Operations and maintenance	<u>13,514,551</u>	<u>7,465,626</u>	<u>6,048,925</u>	<u>10,877,748</u>	<u>(3,412,122)</u>
Total operating expenses	<u>107,417,099</u>	<u>121,022,537</u>	<u>(13,605,438)</u>	<u>130,587,645</u>	<u>(9,565,108)</u>
Depreciation expense	<u>15,176,902</u>	<u>15,940,809</u>	<u>(763,907)</u>	<u>14,761,004</u>	<u>1,179,805</u>
Non-operating expenses:					
Interest expense	7,125,745	6,555,954	569,791	7,408,919	(852,965)
Tax collection and financing charges	442,295	538,339	(96,044)	489,389	48,950
Cost of debt issuance	-	-	-	303,167	(303,167)
Project related expenses	<u>42,162</u>	<u>165,471</u>	<u>(123,309)</u>	<u>943,116</u>	<u>(777,645)</u>
Total non-operating	<u>7,610,202</u>	<u>7,259,764</u>	<u>350,438</u>	<u>9,144,591</u>	<u>(1,884,827)</u>
Total expenses	<u>\$ 130,204,203</u>	<u>\$ 144,223,110</u>	<u>\$ (14,018,907)</u>	<u>\$ 154,493,240</u>	<u>\$ (11,449,935)</u>

In fiscal year 2023, operating expenses before depreciation expense decreased by 11.24% or \$13,605,438 from \$121,022,537 to \$107,417,099 from the prior year, primarily due to a decrease in costs for the District's source of supply of \$28,091,669. All other operating cost categories increased.

In fiscal year 2022, operating expenses before depreciation expense decreased by 7.32% or \$9,565,108 from \$130,587,645 to \$121,022,537 from the prior year, primarily due to decreases in costs for the District's source of supply as well as decreases in engineering, and operations and maintenance costs.

Capital Assets

	<u>Balance June 30, 2023</u>	<u>Balance June 30, 2022</u>
Capital assets:		
Non-depreciable assets	\$ 53,357,929	\$ 38,919,175
Depreciable assets	653,043,691	646,331,957
Accumulated depreciation	<u>(243,430,799)</u>	<u>(228,567,072)</u>
Total capital assets, net	<u>\$ 462,970,821</u>	<u>\$ 456,684,060</u>

At the end of year 2023, the District's investment in capital assets amounted to \$462,970,821 (net of accumulated depreciation), respectively. Capital asset additions amounted to \$21,463,663 for various projects and equipment. See Note 5 for further information.

CALLEGUAS MUNICIPAL WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Debt Administration

The long-term debt of the District is summarized below:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Balance</u> <u>June 30, 2022</u>
Long-term debt:		
Bonds payable	<u>\$ 173,825,408</u>	<u>\$ 181,890,406</u>

Long-term debt decreased by a total of \$8,064,998 for the year ended June 30, 2023. Principal payments were \$7,720,000 and amortization of the debt premiums amounted to \$344,998. See Note 7 for further information.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

CONDITIONS AFFECTING CURRENT AND FUTURE FINANCIAL POSITION

Management is unaware of any item that would affect the District's current financial position.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Finance Department, 2100 Olsen Road, Thousand Oaks, CA 91360.

CALLEGUAS MUNICIPAL WATER DISTRICT
Balance Sheets
June 30, 2023 (With Comparative Amounts as of June 30, 2022)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2023	2022
Current assets:		
Cash and cash equivalents (Note 2)	\$ 2,673,495	\$ 3,925,282
Investments (Note 2)	172,036,005	187,606,513
Accrued interest receivable	1,070,498	532,563
Accounts receivable	16,387,680	16,738,987
Inventory – water-in-storage (Note 4)	53,665,627	55,411,507
Inventory – pipeline	4,449,000	4,449,000
Prepaid expenses	4,006,366	51,052
Total current assets	254,288,671	268,714,904
Non-current assets:		
Restricted – cash and cash equivalents (Note 2 and 3)	11,227,341	9,744,423
Net OPEB asset (Note 8)	-	1,091,685
Capital assets – not being depreciated (Note 5)	53,357,929	38,919,175
Capital assets – being depreciated, net (Note 5)	409,612,892	417,764,885
Total non-current assets	474,198,162	467,520,168
Total assets	728,486,833	736,235,072
Deferred outflows of resources:		
Deferred amounts related to refunding of long-term debt (Note 7)	4,686,168	5,208,705
Deferred amounts related to net OPEB liability (Note 8)	1,514,149	974,357
Deferred amounts related to net pension liability (Note 9)	7,074,733	2,585,152
Total deferred outflows of resources	13,275,050	8,768,214
Total assets and deferred outflows of resources	\$ 741,761,883	\$ 745,003,286
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current liabilities:		
Accounts payable and accrued expenses	\$ 18,207,424	\$ 19,556,305
Accrued salaries and benefits	272,866	462,235
Retentions payable	951,251	314,426
Deposits and unearned revenues	93,710	46,056
Accrued interest payable	3,134,231	3,204,128
Long-term liabilities – due within one year:		
Compensated absences (Note 6)	151,850	131,791
Bonds payable (Note 7)	8,025,000	7,720,000
Total current liabilities	30,836,332	31,434,941
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 6)	860,483	746,817
Bonds payable (Note 7)	165,800,408	174,170,406
Net OPEB liability (Note 8)	415,445	-
Net pension liability (Note 9)	9,134,611	880,173
Total non-current liabilities	176,210,947	175,797,396
Total liabilities	207,047,279	207,232,337
Deferred inflows of resources:		
Deferred amounts related to net OPEB liability (Note 8)	994,558	2,193,975
Deferred amounts related to net pension liability (Note 9)	1,410,124	1,802,477
Total deferred inflows of resources	2,404,682	3,996,452
Net position:		
Net investment in capital assets (Note 10)	293,831,581	280,002,359
Restricted for debt service reserves (Note 3)	11,227,341	9,744,423
Unrestricted	227,251,000	244,027,715
Total net position	532,309,922	533,774,497
Total liabilities, deferred inflows of resources and net position	\$ 741,761,883	\$ 745,003,286

The notes to financial statements are an integral part of this statement.

CALLEGUAS MUNICIPAL WATER DISTRICT*Statements of Revenues, Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)*

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Water sales	\$ 95,175,211	\$ 133,290,274
Capacity reservation charge	7,348,086	7,233,510
Readiness-to-serve-purveyors	7,582,728	6,519,444
Water standby charges	1,381,714	1,420,806
Pumping power revenue	1,010,405	1,389,461
Salinity Management Pipeline fees	335,969	197,706
Other operating revenues	55,147	91,988
Total operating revenues	<u>112,889,260</u>	<u>150,143,189</u>
Operating expenses:		
Source of supply	79,198,810	107,290,479
Pumping	2,787,501	1,617,340
Administration	4,385,182	1,423,312
Administrative services	3,306,283	1,515,048
Engineering	2,247,808	805,742
Resources, conservation and governmental	1,976,964	904,990
Operations and maintenance	13,514,551	7,465,626
Total operating expenses	<u>107,417,099</u>	<u>121,022,537</u>
Operating income before depreciation	5,472,161	29,120,652
Depreciation expense	<u>(15,176,902)</u>	<u>(15,940,809)</u>
Operating income(loss)	<u>(9,704,741)</u>	<u>13,179,843</u>
Non-operating revenues(expenses):		
Property taxes	11,100,420	10,222,205
Investment earnings	3,159,653	(1,921,039)
Sale of capital assets	16,213	11,497
Other non-operating revenues	129,730	76,048
Interest expense	(7,125,745)	(6,555,954)
Tax collection and financing charges	(442,295)	(538,339)
Project related expenses	<u>(42,162)</u>	<u>(165,471)</u>
Total non-operating revenue, net	<u>6,795,814</u>	<u>1,128,947</u>
Change in net position before capital contributions	<u>(2,908,927)</u>	<u>14,308,790</u>
Capital contributions:		
Local capital contributions	<u>1,444,352</u>	<u>1,453,691</u>
Total capital contributions	<u>1,444,352</u>	<u>1,453,691</u>
Change in net position	<u>(1,464,575)</u>	<u>15,762,481</u>
Net position:		
Beginning of year	<u>533,774,497</u>	<u>518,012,016</u>
End of year	<u>\$ 532,309,922</u>	<u>\$ 533,774,497</u>

CALLEGUAS MUNICIPAL WATER DISTRICT*Statements of Cash Flows**For the Fiscal Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)*

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash receipts from customers and others	\$ 113,417,951	\$ 153,605,353
Cash paid to employees for salaries and wages	(10,203,114)	(8,785,406)
Cash paid to vendors and suppliers for materials and services	<u>(93,137,542)</u>	<u>(123,091,987)</u>
Net cash provided by operating activities	<u>10,077,295</u>	<u>21,727,960</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes, net of collection fees paid	<u>10,658,125</u>	<u>9,683,866</u>
Net cash provided by non-capital financing activities	<u>10,658,125</u>	<u>9,683,866</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(21,463,663)	(11,770,097)
Proceeds from the sale of capital assets	16,213	11,497
Proceeds from local capital contributions	1,444,352	1,453,691
Principal paid on long-term debt	(7,720,000)	(5,655,000)
Interest and redemption expenses paid on long-term debt	<u>(7,018,103)</u>	<u>(6,363,891)</u>
Net cash used in capital and related financing activities	<u>(34,741,201)</u>	<u>(22,323,800)</u>
Cash flows from investing activities:		
Sale of investments	85,975,535	119,909,830
Purchase of investments	(74,249,382)	(128,739,583)
Investment earnings	<u>2,510,759</u>	<u>1,518,718</u>
Net cash provided by (used in) investing activities	<u>14,236,912</u>	<u>(7,311,035)</u>
Net increase in cash and cash equivalents	231,131	1,776,991
Cash and cash equivalents:		
Beginning of year	<u>13,669,705</u>	<u>11,892,714</u>
End of year	<u>\$ 13,900,836</u>	<u>\$ 13,669,705</u>
Reconciliation of cash and cash equivalents to the balance sheet:		
Cash and cash equivalents	\$ 2,673,495	\$ 3,925,282
Restricted – cash and cash equivalents	<u>11,227,341</u>	<u>9,744,423</u>
Total cash and cash equivalents	<u>\$ 13,900,836</u>	<u>\$ 13,669,705</u>

CALLEGUAS MUNICIPAL WATER DISTRICT*Statements of Cash Flows (continued)**For the Fiscal Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)*

	<u>2023</u>	<u>2022</u>
Reconciliation of operating income(loss) to net cash provided by operating activities:		
Operating income(loss)	\$ (9,704,741)	\$ 13,179,843
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:		
Depreciation	15,176,902	15,940,809
Other non-operating revenues	129,730	76,048
Project related expenses	(42,162)	(165,471)
Change in assets – (increase)decrease:		
Accounts receivable	351,307	3,648,880
Inventory – water-in-storage	1,745,880	(945,777)
Change in deferred outflows of resources – (increase)decrease		
Deferred amounts related to net OPEB obligation	(539,792)	(225,425)
Deferred amounts related to net pension liability	(4,489,581)	351,687
Change in liabilities – increase(decrease):		
Accounts payable and accrued expenses	(1,348,881)	(4,907,130)
Accrued salaries and benefits	(189,369)	(232,055)
Retentions payable	636,825	258,195
Deposits and unearned revenues	47,654	(262,764)
Compensated absences	133,725	46,294
Net OPEB obligation	1,507,130	(1,439,572)
Net pension liability	8,254,438	(5,955,356)
Change in deferred inflows of resources – increase(decrease)		
Deferred amounts related to net OPEB obligation	(1,199,417)	1,874,530
Deferred amounts related to net pension liability	(392,353)	485,224
Total adjustments	<u>19,782,036</u>	<u>8,548,117</u>
Net cash provided by operating activities	<u>\$ 10,077,295</u>	<u>\$ 21,727,960</u>
Noncash investing, capital and financing transactions		
Change in fair-value of investments	<u>\$ 110,959</u>	<u>\$ (3,344,445)</u>
Amortization of bond premium	<u>\$ 344,998</u>	<u>\$ 412,924</u>
Amortization of deferred amounts related to refunding of long-term debt	<u>\$ (522,537)</u>	<u>\$ (522,537)</u>

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Calleguas Municipal Water District (the District) was organized in December 1953 as a special district under the State of California Water Code Sections 71001 et seq. to provide a supplemental supply of water for the portion of Ventura County lying within District boundaries. The Board of Directors consists of five members, which has governance responsibilities over all activities related to the District. Board members are elected by the public to four-year terms. They have decision-making authority, power to designate management, responsibility to significantly influence operations and accountability for fiscal matters.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity (GASB Statement No. 61). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Presentation, Basis of Accounting

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of 90 days or less, when purchased, to be cash equivalents. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

3. Restricted Assets

Amounts shown as restricted assets have been restricted by either bond indentures, external constraints, or laws and regulations of other governments.

4. Receivables and Allowance for Doubtful Accounts

The District grants credit to its customers, substantially all of whom are member purveyors in Ventura County, California. The District charges doubtful accounts arising from receivables to bad debt expense when it is probable that the accounts will be uncollectible.

5. Prepaids

Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

6. Inventories and Water in Storage

Supply inventories maintained by the District consist primarily of pipes, valves, and various fittings. Inventories are valued at lower of cost or market using the first-in, first-out method. Water in storage is valued at average cost.

7. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Water distribution system	10-50 years
Buildings and improvements	10-50 years
Equipment	5-10 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

9. Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation benefits up to 480 hours. Any excess accumulation is forfeited by the employees if they reach the maximum limit. Upon termination, retirement or death of an employee, the District pays any accrued vacation in a lump-sum payment to the employee or beneficiary. All accumulated vacation is recorded as an expense and a liability at the time the benefit is earned.

10. Pensions

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

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

10. Pensions (continued)

The following timeframes are used for pension reporting:

Valuation Date June 30, 2021

Measurement Date June 30, 2022

Measurement Period July 1, 2021 to June 30, 2022

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

11. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments which are reported at cost.

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2021

Measurement Date June 30, 2022

Measurement Period July 1, 2021 to June 30, 2022

12. Net Position

Net position is classified into two components: net investment in capital assets and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted net position** - This component of net position is restricted by external creditors, grantors, contributors or laws or regulations of other governments.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

E. Property Taxes

The Ventura County Assessor's Office assesses all real and personal property within the County each year. The Ventura County Tax Collector's Office bills and collects the District's share of property taxes. The Ventura County Auditor-Controller's Office remits current property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article XIII A of the State Constitution at one percent (1%) of countywide assessed valuations. Property taxes receivable at year-end are related to property taxes collected by the Ventura County Tax Collector's Office, which have not been credited to the District's cash balance as of June 30.

The property tax calendar is as follows:

Lien date March 1
Levy date July 1
Due dates November 1 and March 1
Collection dates December 10 and April 10

NOTE 2 – CASH AND INVESTMENTS

Cash and investments were classified in the accompanying financial statements as follows:

<u>Description</u>	<u>June 30, 2023</u>
Cash and cash equivalents	\$ 2,673,495
Investments	172,036,005
Restricted – cash and cash equivalents	<u>11,227,341</u>
Total cash and investments	<u>\$ 185,936,841</u>

Cash and investments consisted of the following:

<u>Description</u>	<u>June 30, 2023</u>
Petty cash	\$ 1,400
Demand deposits held with financial institutions	2,672,095
Investments	<u>183,263,346</u>
Total cash and investments	<u>\$ 185,936,841</u>

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (continued)

Demand Deposits with Financial Institutions

At June 30, 2023, the carrying amount of the District’s demand deposits were \$2,672,095 and the financial institution’s balances were \$3,102,285. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution’s balance and the District’s balance for each year.

Custodial Credit Risk – Deposits

Custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The Fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2023, the District’s deposits were covered by the Federal Deposit Insurance Corporation insurance limits or collateralized as required by California law.

Investments

The District’s investments as of June 30, 2023 are presented in the following Investment Table:

Type of Investments	Measurement Input	Credit Rating	Total Fair Value	Maturity		
				12 Months or Less	13 to 24 Months	25 to 120 Months
U.S. treasury obligations	Level 2	N/A	\$ 60,979,266	\$ 15,698,549	\$ 27,100,317	\$ 18,180,400
U.S. government sponsored agency securities	Level 2	A to AAA	38,545,769	5,957,032	1,822,906	30,765,831
Asset-backed securities	Level 2	A to AAA	10,117,209	197,320	492,324	9,427,565
Medium-term corporate notes	Level 2	A to AAA	37,604,423	11,894,631	9,051,378	16,658,414
MortgageBacked Securities	Level 2	A to AAA	933,101	-	-	933,101
Municipal securities	Level 2	A to AAA	7,741,376	7,741,376	-	-
Commercial paper	Level 2	A to AAA	3,436,559	3,436,559	-	-
Supernational bonds	Level 2	A to AAA	2,485,773	-	2,485,773	-
Negotiable certificates-of-deposit	Level 2	AAA	4,133,136	4,133,136	-	-
Local Agency Investment Fund (LAIF)	N/A	N/A	1,869,710	1,869,710	-	-
Ventura County Investment Pool (VCIP)	N/A	N/A	827,576	827,576	-	-
Money-market mutual funds	N/A	N/A	3,362,107	3,362,107	-	-
Held by bond trustee:						
Money-market mutual funds	N/A	N/A	11,227,341	11,227,341	-	-
Total investments			\$ 183,263,346	\$ 66,345,337	\$ 40,952,698	\$ 75,965,311

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (continued)

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

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District or the investment of funds within the OPEB Trust that are governed by the agreement between the District and the Trustee, rather than the general provisions of the California Government Code or the District's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>	<u>Minimum Credit Rating</u>
U.S. Treasury Obligations	5-years	None	None	N/A
U.S. Government Sponsored Agency Securities	5-years	None	50%	None
Asset-Backed Securities	5-years	15%	5%	AAA
Banker's Acceptances	180 days	40%	5%	A-1
Collateralized Certificates-of-Deposit	5-years	30%	5%	\$250k deposit
Commercial Paper	270 days	25%	5%	AA above
Medium- Term Notes	5-years	30%	5%	A, A2
Money-Market Funds	None	20%	5%	AAAm, Aaa
MortgageBacked Securities	5-years	15%	5%	AAA, Aaa
Municipal Securities	5-years	20%	None	A, A2
California Local Agency Investment Fund (LAIF)	None	15%	15%	None
County of Ventura Investment Pool	None	15%	15%	None

Investments Authorized by Debt Agreements

Investment of debt proceeds held by the bond trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (continued)

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by in the Investment Table that shows the distribution of the District's investments by maturity as of June 30, 2023.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the Investment Table are Standard & Poor's credit ratings for the District's investments as of June 30, 2023. U.S. treasury obligations are not required to be rated and therefore no rating has been assigned.

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. All of the District's investments were assigned a Level 2 input on the Investment Table.

Investment in State Investment Pool

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

Investment in Ventura County Investment Pool

The District is a voluntary participant in the Ventura County Investment Pool (VCIP) that is regulated by the California Government Code under the oversight of the Treasurer of the County of Ventura, California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's prorated share of the fair value provided by the VCIP for the entire VCIP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the VCIP, which are recorded on an amortized cost basis.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 3 – RESTRICTED ASSETS AND NET ASSETS

The balance at June 30, 2023 consists of the following:

<u>Description</u>	<u>June 30, 2023</u>
Restricted – cash and cash equivalents	\$ 11,227,341
Total restricted for debt service reserves	\$ 11,227,341

Restricted assets are investments of debt proceeds held by the bond trustees as debt service reserves.

NOTE 4 – INVENTORY – WATER-IN-STORAGE

The balance at June 30, 2023 consists of the following:

<u>Description</u>	<u>June 30, 2023</u>
Groundwater basins	\$ 42,520,672
Lake Bard	10,768,472
Transmission system	376,483
Total water-in-storage	\$ 53,665,627

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended June 30, 2023, were as follows:

<u>Description</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2023</u>
Non-depreciable assets:				
Land and rights of way	\$ 12,286,881	\$ 452,886	\$ -	\$ 12,739,767
Construction-in-process	26,632,294	20,890,202	(6,904,334)	40,618,162
Total non-depreciable assets	38,919,175	21,343,088	(6,904,334)	53,357,929
Depreciable assets:				
Water distribution system	580,510,113	6,384,103	-	586,894,216
Buildings and improvements	37,282,214	-	-	37,282,214
Equipment	28,539,630	640,806	(313,175)	28,867,261
Total depreciable assets	646,331,957	7,024,909	(313,175)	653,043,691
Accumulated depreciation:				
Water distribution system	(203,256,239)	(11,768,633)	-	(215,024,872)
Buildings and improvements	(3,763,401)	(1,011,428)	-	(4,774,829)
Equipment	(21,547,432)	(2,396,841)	313,175	(23,631,098)
Total accumulated depreciation	(228,567,072)	(15,176,902)	313,175	(243,430,799)
Total depreciable assets, net	417,764,885	(8,151,993)	-	409,612,892
Total capital assets, net	\$ 456,684,060	\$ 13,191,095	\$ (6,904,334)	\$ 462,970,821

CALLEGUAS MUNICIPAL WATER DISTRICT
Notes to Financial Statements
 June 30, 2023

NOTE 6 – COMPENSATED ABSENCES

Summary changes to compensated absences balances for the year ended June 30, 2023, were as follows:

<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>	<u>Due in More</u> <u>Than One Year</u>
\$ 878,608	\$ 947,825	\$ (814,100)	\$ 1,012,333	\$ 151,850	\$ 860,483

NOTE 7 – BONDS PAYABLE

Changes in bonds payable for the year ended June 30, 2023, were as follows:

<u>Description</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
2008 Series A	\$ 40,300,000	\$ -	\$ (1,200,000)	\$ 39,100,000	\$ 1,250,000	\$ 37,850,000
2010 Series B	74,750,000	-	(2,745,000)	72,005,000	2,845,000	69,160,000
2014 Series A	5,270,000	-	(1,670,000)	3,600,000	1,755,000	1,845,000
2016 Series A	20,750,000	-	(1,465,000)	19,285,000	1,530,000	17,755,000
2021 Series A	39,145,000	-	(640,000)	38,505,000	645,000	37,860,000
Sub-total bonds payable	180,215,000	-	(7,720,000)	172,495,000	8,025,000	164,470,000
Less: Unamortized bond – premiums	1,675,406	-	(344,998)	1,330,408	-	1,330,408
Total bonds payable	<u>\$ 181,890,406</u>	<u>\$ -</u>	<u>\$ (8,064,998)</u>	<u>\$ 173,825,408</u>	<u>\$ 8,025,000</u>	<u>\$ 165,800,408</u>

The annual debt service requirements, including computing interest at 1.78% for the 2008 Series A Refunding Revenue Bonds, for all the Bonds outstanding at June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 8,025,000	\$ 6,687,902	\$ 14,712,902
2025	8,340,000	6,337,396	14,677,396
2026	8,635,000	6,206,626	14,841,626
2027	8,915,000	5,859,734	14,774,734
2028	9,215,000	5,489,429	14,704,429
2029-2033	51,160,000	21,264,347	72,424,347
2034-2038	62,495,000	9,763,529	72,258,529
2039-2042	15,710,000	957,876	16,667,876
Total	172,495,000	\$ 62,566,839	\$ 235,061,839
Current	(8,025,000)		
Long-term	<u>\$ 164,470,000</u>		

Changes in the deferred outflows of resources regarding the loss on refunding of the revenue bonds for the year ended June 30, 2023, was as follows:

<u>Description</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
Deferred amounts related to refunding	\$ 5,208,705	\$ -	\$ (522,537)	\$ 4,686,168

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 7 – BONDS PAYABLE (continued)

2008 Series A Variable Rate Refunding Revenue Bonds

Pursuant to an indenture dated March 1, 2008, the Calleguas-Las Virgenes Public Financing Authority issued the 2008 Series A Variable Rate Refunding Revenue Bonds in the amount of \$40,300,000 to provide funds to the District to refund the 2007 Series B Auction Rate Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year beginning July 1, 2023 and ending July 1, 2037. Interest is paid at a variable rate, which is determined weekly. Interest is payable monthly on the first business day of the month so long as the bonds bear interest at the weekly rate. The District, at its option, may convert the bonds to a fixed interest rate upon 60 days' notice to the bond counsel. Payments of principal redemption (but not any premium) and interest are supported by a letter of credit issued by Wells Fargo Bank, National Association. The credit facility will also be drawn on if other funds are not available to purchase bonds tendered by the owner. At June 30, 2023, the outstanding balance on the 2008 Series A Variable Rate Refunding Revenue Bonds amounted to \$39,100,000.

2010 Series B Water Revenue Bonds

Pursuant to an indenture dated February 1, 2010, the Calleguas-Las Virgenes Public Financing Authority issued the 2010 Series B Water Revenue Bonds in the amount of \$77,400,000 to provide funds to the District to finance the acquisition and construction of water system improvements and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2040, and interest is payable semiannually on July 1 and January 1 or each year bearing interest rates ranging from 5.449% to 5.944%. The bonds are federally taxable Build America Bonds issued under the American Recovery and Reinvestment Act of 2009. Under the Build America Bonds program, the District will receive a cash subsidy from the U.S. Treasury equal to 35% of the interest paid, payable biannually. The bonds are subject to mandatory sinking fund requirements starting July 1, 2022. At June 30, 2023, the outstanding balance on the 2010 Series B Water Revenue Bonds amounted to \$72,005,000.

2014 Series A Refunding Revenue Bonds

Pursuant to an indenture dated June 1, 2014, the Calleguas-Las Virgenes Public Financing Authority issued the 2014 Series A Refunding Revenue Bonds in the amount of \$46,660,000 to provide funds to the District to partially refund and defease the 2007 Series A Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2037, and interest is payable semiannually on July 1 and January 1 of each year bearing interest rates ranging from 3.75% to 5.0%. The net proceeds of the 2014 Series A Refunding Revenue Bonds and amounts from the 2007 Series A Revenue Bonds reserve fund were deposited in an irrevocable trust with an escrow agent to purchase U.S. government securities to provide for debt service and refunding of the 2007 Series A Revenue Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$3.9 million. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2037 using the straight-line method. The advance refunding decreased the total debt service payments by approximately \$4,543,860 over the 23 years and resulted in an economic gain of \$3,169,541. For financial reporting purposes, the 2007 Series A Revenue Bonds has been considered partially defeased and therefore partially removed as a liability from the financial statements. The 2007 Series A Revenue Bonds were redeemed on July 1, 2016.

In 2021, the District advanced refunded \$34,145,000 of the 2014 Series A bonds. At June 30, 2023, the outstanding balance of the 2014 Series A Refunding Revenue Bonds amounted to \$3,600,000.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 7 – BONDS PAYABLE (continued)

2016 Series A Refunding Revenue Bonds

Pursuant to an indenture dated April 1, 2016, the Calleguas-Las Virgenes Public Financing Authority issued the 2016 Series A Refunding Revenue Bonds in the amount of \$27,585,000 to provide funds to the District to partially refund and defease the 2006 Series A Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2032, and interest is payable semiannually on July 1 and January 1 of each year bearing interest rates ranging from 3% to 5%. The net proceeds of the 2016 Series A Refunding Revenue Bonds and amounts from the 2006 Series A Revenue Bonds reserve fund were deposited in an irrevocable trust with an escrow agent to purchase U.S. government securities to provide for debt service and refunding of the 2006 Series A Revenue Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$1.5 million. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2032 using the straight-line method. The advance refunding decreased the total debt service payments by \$4,917,385 over the 17 years and resulted in an economic gain of \$4,105,122. For financial reporting purposes, the 2006 Series A Revenue Bonds has been considered defeased and therefore partially removed as a liability from the financial statements. The 2006 Series A Revenue Bonds were redeemed on July 1, 2016. At June 30, 2023, the outstanding balance of the 2016 Series A Refunding Revenue Bonds amounted to \$19,285,000.

2021 Series A Refunding Revenue Bonds

Pursuant to an indenture dated April 6, 2021, the Calleguas-Las Virgenes Public Financing Authority issued the 2021 Series A Refunding Revenue Bonds in the amount of \$39,145,000 to provide funds to the District to partially refund and defease the 2014 Series A Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2037, and interest is payable semiannually on July 1 and January 1 of each year bearing interest rates ranging from 0.135% to 2.565%. The net proceeds of the 2021 Series A Refunding Revenue Bonds and amounts from the 2014 Series A Revenue Bonds reserve fund were deposited in an irrevocable trust with an escrow agent to purchase U.S. government securities to provide for debt service and refunding of the 2014 Series A Revenue Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$1.8 million. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2037 using the straight-line method. The advance refunding decreased the total debt service payments by approximately \$3,602,871 over the 16 years and resulted in an economic gain of \$2,721,398. For financial reporting purposes, the 2014 Series A Revenue Bonds has been considered partially defeased and therefore partially removed as a liability from the financial statements. The 2014 Series A Revenue Bonds were redeemed on April 6, 2021. At June 30, 2023, the outstanding balance of the 2021 Series A Refunding Revenue Bonds amounted to \$38,505,000.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 7 – BONDS PAYABLE (continued)

General Provisions

The Board of Directors of the District passed resolution number 823 as amended by resolution number 889 to govern certain provisions applicable to all debt securities issued by the District, the parity obligations. Under these resolutions, and the terms of the debt agreements, all net operating revenues of the District, as defined, are irrevocably pledged for debt service. The bonds are subject to a rate covenant, which states that the District must collect net operating revenues, as defined, equal to or greater than 125% of the installment payments due on all parity obligations plus certain reserves. The District is prohibited from issuing additional parity obligations if the rate covenant is less than 125% for the 12 consecutive month period prior to issuance of the new obligations. The bond obligation's principal and interest payments are payable from net operating revenues received by the District from all sources including amounts held in accounts established by the bond indenture.

The District is required by bond indenture covenants to allocate all revenues in the following order each month:

1. An amount sufficient to provide for the current and next succeeding calendar month's estimated maintenance and operations.
2. An amount equal to the monthly pro rata share of the interest payable on the next interest payment date for all outstanding fixed rate parity obligations and 110% of the estimated interest payable on outstanding variable rate parity obligations.
3. One-twelfth the aggregate annual principal amount due on outstanding parity obligations.
4. One-sixth of any deficiency in reserve funds required by the parity obligations.
5. The remainder can be used to pay other obligations of the District that are subordinate to the parity obligations, finance construction or for any other legal use.

Line of Credit

In conjunction with the issuance of the 2008 Series A Variable Rate Refunding Revenue Bonds, the District had a line of credit in the amount of \$40,903,891 that was used to fund construction. The line of credit expires on April 24, 2025. As of June 30, 2023, no amounts are drawn on the line of credit.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2023</u>
OPEB related deferred outflows	\$ 1,514,149
Net OPEB liability(asset)	415,445
OPEB related deferred inflows	994,558

A. General Information about the OPEB Plan

Plan description

The District through an agent multiple-employer defined benefit plan, offers post-retirement health insurance benefits to retired employees. Retired employees hired by the District before July 1, 1995 are eligible to receive benefits, equal to their full insurance premium, if the employee has reached age 50, has five years of covered service and retires directly from the District. Retired employees hired by the District on or after July 1, 1995 and before January 1, 2013 are eligible to receive benefits, equal to the premium for the second highest premium for insurance products offered through the CalPERS Public Employees' Medical & Hospital Care Act (PEMHCA) plan, if the employee has reached age 50, has 12 years of District service and retires directly from the District. Retirees hired on or after July 1, 1995 that have not met the service requirement are entitled to the minimum PEMHCA premium. The plan also has provisions for surviving spouses and disability. Benefits are paid either to CalPERS or directly to the retiree if the retiree has elected out of CalPERS. Retired employees hired on or after January 1, 2013 receive no direct reimbursement for the cost of health insurance. During their employment, the District makes contributions to a Health Savings Account Plan designed to provide reimbursement of qualified medical expenses upon retirement under the provisions of Section 213(d) of the Internal Revenue Service Tax Code. The District entered into an agreement with California Employers' Retiree Benefit Trust (CERBT) to prefund the District's OPEB liability.

Employees Covered

As of the June 30, 2022, the measurement date, the following current and former employees were covered by the benefit terms under the plan:

	<u>2022</u>
Inactive plan members or beneficiaries currently receiving benefit payments	36
Inactive plan members entitled to but not yet receiving benefit payments	6
Active plan members	<u>67</u>
Total	<u><u>109</u></u>

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and/or the District's Board of Directors. Currently, contributions are not required from plan members. The District has been typically funding this OPEB plan on a pay-as-you-go basis; however, recently contributions have been made to an OPEB Trust.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan (continued)

Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2022, the measurement period, the District's contributions totaling \$792,095 included \$389,000 placed in its CERBT OPEB Trust, \$343,095 in current year premium payments, and an implied subsidy of \$60,000.

Accounting for the Plan

The other post-employment benefit trust is prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measure date. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

B. Net OPEB Liability

The District's total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	5.50%
Long-Term Expected	
Rate of Return on Investments	5.50%
Inflation	2.50%
Payroll increases	2.75% per year
Medical trend rates	Non-medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Mortality	CalPERS 2000-2019 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Society of Actuaries Scale MP-2021

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

B. Net OPEB Liability (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	40.00%	4.82%
Fixed income	43.00%	1.47%
TIPS	5.00%	1.29%
Commodities	4.00%	3.76%
REITs	8.00%	0.84%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in the Net OPEB Liability

The changes in the total OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at July 1, 2022 (Measurement date July 1, 2021)	\$ 10,734,244	\$ 11,825,929	\$ (1,091,685)
Changes for the year:			
Service cost	213,756	-	213,756
Interest	591,203	-	591,203
Differences in experience	-	-	-
Changes in assumption	-	-	-
Employer contributions	-	793,679	(793,679)
Net investment income	-	(1,491,274)	1,491,274
Benefit payments	(403,095)	(403,095)	-
Administrative expenses	-	(4,576)	4,576
Net changes	401,864	(1,105,266)	1,507,130
Balance at June 30, 2023 (Measurement date June 30, 2022)	\$ 11,136,108	\$ 10,720,663	\$ 415,445

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

C. Changes in the Net OPEB Liability (continued)

Changes of Assumptions

As of June 30, 2022, the measurement period, there were no changes in assumptions.

Change of Benefit Terms

As of June 30, 2022, the measurement period, there were no changes in benefits.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.50%) or 1 percentage point higher (6.50%) than the current discount rate:

	<u>1% Decrease</u> <u>4.50%</u>	<u>Discount Rate</u> <u>5.50%</u>	<u>1% Increase</u> <u>6.50%</u>
Net OPEB Liability	<u>\$ 1,946,051</u>	<u>\$ 415,445</u>	<u>\$ (848,636)</u>

Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using medical trend rates that are 1-percentage point lower:

	<u>5.50% Decreasing</u> <u>to 2.75%</u>	<u>Healthcare Cost</u> <u>6.50% Decreasing</u> <u>to 3.75%</u>	<u>7.50% Decreasing</u> <u>to 4.75%</u>
Net OPEB Liability	<u>\$ (1,098,828)</u>	<u>\$ 415,445</u>	<u>\$ 2,296,363</u>

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized an OPEB expense of \$170,407. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Account Description</u>	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
OPEB contributions made after the measurement date	\$ 404,278	\$ -
Changes in assumptions	153,711	(151,765)
Differences between expected and actual experience	-	(842,793)
Differences between projected and actual earnings on OPEB plan investments	957,952	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 1,515,941</u>	<u>\$ (994,558)</u>

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported \$404,278 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2024	\$ 10,612
2025	23,944
2026	9,518
2027	277,296
2028	(127,442)
Thereafter	<u>(76,823)</u>
Total	<u>\$ 117,105</u>

At June 30, 2023, the District had no outstanding amounts of contributions to the OPEB plan required for the year ended June 30, 2023.

NOTE 9 – PENSION PLAN

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2023</u>
Pension related deferred outflows	\$ 7,074,733
Net pension liability	9,134,611
Pension related deferred inflows	1,410,124

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 9 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

The Plan

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	Miscellaneous Plans	
	Classic Tier 1	PEPRA Tier 2
	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	1.426%-2.418%	1.0% to 2.5%
Required member contribution rates	7.000%	6.750%
Required employer contribution rates – FY 2022	10.340%	7.590%

Plan Description

The District contributes to the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2022 Annual Actuarial Valuation Reports. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

At June 30, 2022 measurement date, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	44	26	70
Transferred and terminated members	19	5	24
Retired members and beneficiaries	61	1	62
Total plan members	124	32	156

All qualified permanent and probationary employees are eligible to participate in the District’s cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 9 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees' Retirement Law.

Contributions

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

Contributions for the year ended June 30, 2023, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 1,387,837	\$ 223,779	\$ 1,611,616

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

Proportionate Share of Net Pension Liability and Pension Expense

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

The following table shows the District’s proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2022:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2021 (Measurement Date)	\$ 50,530,388	\$ 49,650,215	\$ 880,173
Balance as of June 30, 2022 (Measurement Date)	\$ 56,265,228	\$ 47,130,617	\$ 9,134,611
Change in Plan Net Pension Liability	\$ 5,734,840	\$ (2,519,598)	\$ 8,254,438

The District’s proportionate share percentage of the net pension liability for the June 30, 2022, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2023</u>	<u>Fiscal Year Ending June 30, 2022</u>	
Measurement Date	<u>June 30, 2022</u>	<u>June 30, 2021</u>	
Percentage of Risk Pool Net Pension Liability	0.195216%	0.046354%	0.148862%
Percentage of Plan Net Pension Liability	0.079082%	0.016275%	0.062807%

For the fiscal year ended June 30, 2023, the District recognized a pension expense of \$4,984,119. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 1,611,616	\$ -
Difference between actual and proportionate share of employer contributions	-	(1,287,263)
Adjustment due to differences in proportions	2,670,427	-
Differences between expected and actual experience	183,441	(122,861)
Differences between projected and actual earnings on pension plan investments	1,673,218	-
Changes in assumptions	936,031	-
Total Deferred Outflows/(Inflows) of Resources	\$ 7,074,733	\$ (1,410,124)

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

An amount of \$1,611,616 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2024	\$ 1,204,693
2025	1,145,783
2026	679,121
2027	<u>1,023,396</u>
Total	<u>\$ 4,052,993</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021, total pension liability. The June 30, 2022, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return</u> ^{1,2}
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Estate	15.0%	3.21%
Leverage	-5.0%	-0.59%
	<u>100.0%</u>	

¹ An expected inflation of 2.3% is used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate -	Current Discount	Discount Rate +
	1%	Rate 6.90%	1%
	5.90%		7.90%
CalPERS - Miscellaneous Plan	\$ 16,804,576	\$ 9,134,611	\$ 2,824,133

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

C. Payable to the Pension Plans

At June 30, 2023, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2023.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 10 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consisted of the following as of June 30:

Description	June 30, 2023	June 30, 2022
Net investment in capital assets:		
Capital assets – not being depreciated	\$ 53,357,929	\$ 38,919,175
Capital assets, net – being depreciated	409,612,892	417,764,885
Deferred amounts – refunding of long-term debt	4,686,168	5,208,705
Bonds payable – current portion	(8,025,000)	(7,720,000)
Bonds payable – non-current portion	(165,800,408)	(174,170,406)
Total net investment in capital assets	\$ 293,831,581	\$ 280,002,359

NOTE 11 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in two 457 Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the accompanying financial statements.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 12 – RISK MANAGEMENT

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

A. Entity	ACWA-JPIA
B. Purpose	To pool member contributions and realize the advantages of self-insurance
C. Participants	As of September 30, 2022 – 396 member districts
D. Governing board	Nine representatives employed by members
E. Condensed financial information	September 30, 2022
Audit signed	February 7, 2022
Statement of financial position:	Sept 30, 2022
Total assets	<u>\$ 246,615,214</u>
Deferred outflows	<u>6,108,562</u>
Total liabilities	<u>137,126,606</u>
Deferred inflows	<u>2,813,249</u>
Net position	<u><u>\$ 112,783,921</u></u>
Statement of revenues, expenses and changes in net position:	
Total revenues	\$ 175,619,417
Total expenses	<u>(212,646,028)</u>
Change in net position	(37,026,611)
Beginning – net position	<u>149,810,532</u>
Ending – net position	<u><u>\$ 112,783,921</u></u>
F. Member agencies share of year-end financial position	Not Calculated

The District participated in the self-insurance programs of the Insurance Authority as follows:

Property Loss – The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence and has purchased excess insurance coverage up to \$500,000,000 (total insurable value of \$48,405,017). The District has a \$2,500 deductible for buildings, personal property and fixed equipment, a \$25,000/\$50,000 deductible for accidental mechanical breakdown, a \$1,000 deductible for mobile equipment, and a \$500 deductible for licensed vehicles.

General Liability – The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to of \$60,000,000. This program does not have a deductible.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 12 – RISK MANAGEMENT (continued)

Auto Liability – The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000. This program does not have a deductible. **Public Officials' Liability** - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000.

Cyber Liability – The Insurance Authority has purchased insurance coverage of \$3,000,000 per occurrence/\$5,000,000 aggregate. This program does not have a deductible.

Crime – The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence. The District has a \$1,000 deductible.

Public Official Bond – The District has purchased a \$200,000 bond to cover the general manager's faithful performance of duty.

Workers' Compensation – The Insurance Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased up to the statutory limit for workers' compensation coverage. The Insurance Authority is self-insurance up to \$2,000,000 and has purchased excess insurance coverage of \$2,000,000 for employer's liability coverage.

Underground Storage Tank Pollution Liability – The Insurance Authority is self-insured up to \$500,000 per occurrence and has purchased excess coverage of \$3,000,000. The District has a \$10,000 deductible.

The District pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims expended. The nature and amount of these adjustments cannot be estimated and are charged to expenses as invoiced. There were no instances in the past three years where a settlement exceeded the District's coverage. Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2023, 2022, and 2021. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2023, 2022, and 2021.

Unemployment Insurance – The District has elected to participate in a self-insured unemployment insurance plan with the State of California, whereby unemployment insurance claims are reimbursed directly to the Employment Development Department as incurred. These payments are made in lieu of funding an account through regular quarterly payroll tax contributions. There were no material expenditures for unemployment insurance claims for the year ended June 30, 2023.

NOTE 13 – RELATED-PARTY TRANSACTIONS

A member of the District's Board of Directors retired from a construction company in 2003. The Board member's direct family member currently serves as the President and CEO of the construction company. In fiscal year 2022-2023, the District paid \$849,318 to the construction company for services provided. In addition, as of June 30, 2023, the District has outstanding contracts with the construction company totaling \$1,118,482. The board member in question's term ended in December of 2023.

CALLEGUAS MUNICIPAL WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 – months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

Construction Contracts

At June 30, 2023, the District had capital projects under construction with an estimated cost to complete of approximately \$14,447,845.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 15 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 20, 2023, the date which the financial statements were available to be issued.

Required Supplementary Information

CALLEGUAS MUNICIPAL WATER DISTRICT

*Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2023*

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.09462%	\$ 5,888,064	\$ 5,905,698	99.70%	80.86%
June 30, 2015	0.09441%	6,625,697	5,806,610	114.11%	79.96%
June 30, 2016	0.09221%	7,978,753	6,064,679	131.56%	76.71%
June 30, 2017	0.09439%	9,360,414	6,189,392	151.23%	75.83%
June 30, 2018	0.06493%	6,257,110	6,300,974	99.30%	84.68%
June 30, 2019	0.05755%	5,897,072	6,596,428	89.40%	86.59%
June 30, 2020	0.06282%	6,835,529	6,883,125	99.31%	85.46%
June 30, 2021	0.01628%	880,173	7,662,170	11.49%	98.26%
June 30, 2022	0.07908%	9,134,611	7,955,997	114.81%	83.77%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 and June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90% and the inflation rate from 2.50% to 2.30%.

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only nine years are shown.

CALLEGUAS MUNICIPAL WATER DISTRICT

*Schedule of the District's Contributions to the Defined Benefit Pension Plan
For the Year Ended June 30, 2023*

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the			Covered Payroll	Contributions as a Percentage of Covered Payroll
		Actuarially Determined Contribution	Contribution Deficiency (Excess)			
June 30, 2015	\$ 722,191	\$ (722,191)	\$ -	\$ 5,806,610	12.44%	
June 30, 2016	787,218	(787,218)	-	6,064,679	12.98%	
June 30, 2017	849,461	(849,461)	-	6,189,392	13.72%	
June 30, 2018	916,920	(3,599,920)	(2,683,000)	6,300,974	14.55%	
June 30, 2019	982,032	(2,182,032)	(1,200,000)	6,596,428	14.89%	
June 30, 2020	1,020,661	(1,020,661)	-	6,883,125	14.83%	
June 30, 2021	1,216,247	(1,216,247)	-	7,662,170	15.87%	
June 30, 2022	1,368,001	(1,368,001)	-	7,955,997	17.19%	
June 30, 2023	1,611,371	(1,611,616)	(245)	9,201,284	17.51%	

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2015	June 30, 2012	Entry Age	Fair Value	2.75%	7.65%
June 30, 2016	June 30, 2013	Entry Age	Fair Value	2.75%	7.65%
June 30, 2017	June 30, 2014	Entry Age	Fair Value	2.75%	7.65%
June 30, 2018	June 30, 2015	Entry Age	Fair Value	2.75%	7.15%
June 30, 2019	June 30, 2016	Entry Age	Fair Value	2.50%	7.15%
June 30, 2020	June 30, 2017	Entry Age	Fair Value	2.50%	7.15%
June 30, 2021	June 30, 2018	Entry Age	Fair Value	2.50%	7.15%
June 30, 2022	June 30, 2019	Entry Age	Fair Value	2.50%	7.15%
June 30, 2023	June 30, 2020	Entry Age	Fair Value	2.30%	6.90%

Amortization Method Level percentage of payroll, closed
Salary Increases Depending on age, service, and type of employment
Investment Rate of Return Net of pension plan investment expense, including inflation
Retirement Age 50 years (2%@55 and 2%@60), 52 years (2%@62)
Mortality Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

*Fiscal year 2015 was the first measurement date year of implementation; therefore, only nine years are shown.

CALLEGUAS MUNICIPAL WATER DISTRICT

Schedule of Changes in the District's Net OPEB Liability and Related Ratios For the Year Ended June 30, 2023

Fiscal Year Ended Measurement Date	Last Ten Fiscal Years*					
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability:						
Service cost	\$ 213,756	\$ 243,080	\$ 238,765	\$ 247,270	\$ 240,068	\$ 233,076
Interest	591,203	691,632	668,177	644,668	609,404	576,607
Changes of assumptions	-	207,645	(194,648)	(69,566)	-	-
Differences between expected and actual experience	-	(1,052,697)	-	(134,108)	-	-
Benefit payments	(403,095)	(356,878)	(325,810)	(281,424)	(303,478)	(280,334)
Net change in total OPEB liability	401,864	(267,218)	386,484	406,840	545,994	529,349
Total OPEB liability - beginning	10,734,244	11,001,462	10,614,978	10,208,138	9,662,144	9,132,795
Total OPEB liability - ending	11,136,108	10,734,244	11,001,462	10,614,978	10,208,138	9,662,144
Plan fiduciary net position:						
Contributions - employer	793,679	740,878	786,810	739,424	743,478	715,334
Net investment income	(1,491,274)	1,883,526	467,591	545,285	418,927	428,746
Administrative expense	(4,576)	(3,487)	(4,263)	(1,648)	(12,553)	(3,126)
Benefit payments	(403,095)	(356,878)	(325,810)	(281,424)	(303,478)	(280,334)
Net change in plan fiduciary net position	(1,105,266)	2,264,039	924,328	1,001,637	846,374	860,620
Plan fiduciary net position - beginning	11,825,929	9,561,890	8,637,562	7,635,925	6,789,551	5,928,931
Plan fiduciary net position - ending	10,720,663	11,825,929	9,561,890	8,637,562	7,635,925	6,789,551
District's net OPEB liability	\$ 415,445	\$ (1,091,685)	\$ 1,439,572	\$ 1,977,416	\$ 2,572,213	\$ 2,872,593
Plan fiduciary net position as a percentage of the total OPEB liability	96.27%	110.17%	86.91%	81.37%	74.80%	70.27%
Covered payroll	8,123,104	8,279,580	7,739,962	7,265,664	6,840,936	6,703,386
District's net OPEB liability as a percentage of covered payroll	5.11%	-13.19%	18.60%	27.22%	37.60%	42.85%

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2017 – There were no changes in benefits
 Measurement Date June 30, 2019 – There were no changes in benefits
 Measurement Date June 30, 2019 – There were no changes in benefits
 Measurement Date June 30, 2020 – There were no changes in benefits
 Measurement Date June 30, 2021 – There were no changes in benefits
 Measurement Date June 30, 2022 – There were no changes in benefits

Changes in Assumptions:

Measurement Date June 30, 2017 – There were no changes in assumptions
 Measurement Date June 30, 2018 – There were no changes in benefits
 Measurement Date June 30, 2019 – Mortality improvement scale was updated to Scale MP-2019
 Measurement Date June 30, 2020 – There were no changes in assumptions
 Measurement Date June 30, 2021 – The interest rate assumption changed to 5.50% and inflation changed to 2.50%.
 Measurement Date June 30, 2022 – There were no changes in assumptions
 Mortality improvement scale was updated to Scale MP-2021

* Fiscal year 2018 was the first year of implementation; therefore, only six years are shown.

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan
For the Year Ended June 30, 2023

Fiscal Year Ended	Last Ten Fiscal Years*					
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 150,000	\$ 389,000	\$ 384,000	\$ 461,000	\$ 458,000	\$ 440,000
Contributions in relation to the actuarially determined contributions	(404,278)	(793,679)	(740,878)	(786,810)	(739,424)	(743,478)
Contribution deficiency (excess)	\$ (254,278)	\$ (404,679)	\$ (356,878)	\$ (325,810)	\$ (281,424)	\$ (303,478)
Covered payroll	\$ 9,804,769	\$ 8,123,104	\$ 8,279,580	\$ 7,739,962	\$ 7,265,664	\$ 6,840,936
Contributions as a percentage of covered payroll	4.12%	9.77%	8.95%	10.17%	10.18%	10.87%

Notes to Schedule:

Valuation Date	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
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Methods and Assumptions Used to Determine

Contribution Rates:

	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Actuarial cost method	Entry age normal	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Closed period, level percent of pay	(1)	(1)	(1)	(1)	(1)
Amortization period	12.4-years	12.4-years	13.4-years	15.1-years	20-years	20-years
Asset valuation method	5-year rolling	5-year rolling	5-year rolling	5-year rolling	5-year rolling	5-year rolling
Discount rate	5.50%	5.50%	6.25%	6.25%	6.25%	6.25%
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Medical trend rates	(2)	(2)	(2)	(2)	(2)	(2)
Mortality	(3)	(3)	(3)	(3)	(3)	(3)
Mortality improvement	(4)	(4)	(4)	(4)	(4)	(4)

(1) Closed period, level percent of pay

(2) Non-medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0 in 2076

Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0 in 2076

(3) CalPERS 2000-2019 Experience Study

(4) Post-retirement mortality projected fully generational with Society of Actuaries Scale MP-2021

* Fiscal year 2018 was the first year of implementation; therefore, only six years shown.

Other Information

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Historic and Projected Water Sales (Unaudited)
For the Fiscal Years Ended June 30, 2019 to 2023 With Further Projections

	2019	2020	2021	2022	2023	Projected		
						2024	2025	2030
PURVEYORS:								
City of Simi Valley:								
Ventura County Water Works District #8	18,021	18,693	20,968	18,630	13,043	15,793	16,355	16,767
Golden State Water	5,217	5,228	5,492	4,896	3,477	4,297	4,450	4,561
Total Simi Valley	23,238	23,921	26,460	23,526	16,520	20,090	20,805	21,328
City of Thousand Oaks:								
City of Thousand Oaks	9,503	9,854	10,957	9,854	6,661	8,276	8,571	8,787
California American Water Company	13,969	14,341	15,869	14,657	10,685	12,287	12,725	13,044
California Water Service Company	6,753	6,888	7,424	6,673	4,597	5,715	5,918	6,067
Total City of Thousand Oaks	30,225	31,083	34,250	31,184	21,943	26,278	27,214	27,898
City of Moor park:								
Ventura County Water Works District #1	6,905	7,112	8,044	6,849	5,193	6,027	6,242	6,399
City of Camarillo:								
City of Camarillo	4,370	4,358	5,321	5,693	2,976	4,015	4,158	4,263
Camrosa County Water District	4,549	5,589	6,416	5,152	3,225	4,406	4,563	4,678
Total City of Camarillo	8,919	9,947	11,737	10,845	6,201	8,421	8,721	8,941
City of Oxnard:								
City of Oxnard	10,501	10,154	8,807	10,040	6,909	8,203	8,495	8,708
Unincorporated:								
Berylwood Heights Mutual Water Company	-	-	-	6	-	1	1	1
Brandeis Mutual Water Company	54	54	54	49	25	42	43	44
Butler Ranch Mutual Water Company	-	-	-	-	-	-	-	-
Crestview Mutual Water Company	178	40	328	218	-	135	140	143
Oak Park Water Service	1,957	2,056	2,255	1,973	1,396	1,703	1,764	1,808
Pleasant Valley Mutual Water Company	351	397	430	243	40	258	267	274
Solano Verde Mutual Water Company	262	265	351	337	218	253	262	269
Ventura County Water Works District #19	562	368	10	10	169	198	205	210
Ventura County Water Works District #38	1,494	1,620	1,902	1,710	1,145	1,391	1,441	1,477
Total Unincorporated	4,858	4,800	5,330	4,546	2,993	3,981	4,123	4,226
TOTAL WATER SALES	84,646	87,017	94,628	86,990	59,759	73,000	75,600	77,500

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Annual Water Rates (Unaudited)
For the Years 2015 to 2024

Year	MWD Charge	O & M	Capital Charge	Total
2015	\$ 923	\$ 60	\$ 227	\$ 1,173
2016	942	75	240	1,210
2017	979	77	244	1,257
2018	1,015	77	283	1,300
2019	1,050	79	294	1,375
2020	1,078	82	312	1,423
2021	1,104	84	319	1,507
2022	1,143	89	329	1,561
2023	1,209	123	300	1,632
2024	1,256	202	272	1,730

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Assessed Valuation and Secured Tax Levy (Unaudited)
For the Fiscal Years Ended June 30, 2015 to 2024

<u>Fiscal Year</u>	<u>Assessed Valuation Within District (1)</u>	<u>Percent Change</u>	<u>Property Tax Levy</u>	<u>Percent Change</u>
2015	\$ 81,710,493	3.0%	\$ 6,054,333	3.4%
2016	86,590,685	6.0%	6,433,015	6.3%
2017	90,722,781	4.8%	6,754,044	5.0%
2018	91,778,094	1.2%	7,051,746	4.4%
2019	100,662,215	9.7%	7,732,107	9.6%
2020	104,311,428	3.6%	8,057,156	4.2%
2021	108,290,803	3.8%	8,379,333	4.0%
2022	112,701,592	4.1%	8,645,821	3.2%
2023	120,594,600	7.0%	9,265,577	7.2%
2024	127,100,841	5.4%	9,765,467	5.4%

(1) 000's omitted

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Historic Operating Results (Unaudited)
For the Fiscal Year Ended June 30, 2019 to 2023

	2019	2020	2021	2022	2023
Revenues:					
Water sales	\$118,158,991	\$125,807,108	\$140,946,567	\$133,290,274	\$ 95,175,211
Capacity reservation charge	6,732,324	6,216,468	6,429,822	7,233,510	7,348,086
Readiness to serve - purveyors	6,273,480	6,168,036	6,295,572	6,519,444	7,582,728
Pumping power revenue	1,345,353	1,414,735	1,580,228	1,389,461	1,010,405
SMP revenues	182,167	167,790	164,211	197,706	335,969
Interest income	3,536,323	3,751,825	2,601,655	1,423,406	3,048,694
Taxes	8,775,866	9,088,083	9,865,259	10,222,205	11,100,420
Property standby charges	1,399,910	1,350,698	1,442,109	1,420,806	1,381,714
Build America Bond Subsidy	1,486,855	1,484,951	1,495,182	1,435,134	1,363,563
Other revenues	129,070	85,153	190,103	168,036	184,877
Total Revenues	148,020,339	155,534,847	171,010,708	163,299,982	128,531,667
Expenditures:					
Cost of water	86,825,950	92,372,026	103,248,802	98,598,641	69,658,983
Capacity reservation charge-MV	1,849,430	1,622,550	1,818,375	2,124,445	2,131,550
Readiness to serve - MWD	6,218,205	6,235,811	6,227,586	6,567,393	7,408,276
Pumping power	1,520,636	1,123,090	1,455,952	1,617,340	2,787,501
O & M expenses	15,805,195	22,771,485	19,269,435	12,818,528	25,915,245
Total Expenditures	112,219,416	124,124,962	132,020,150	121,726,347	107,901,555
Net Revenues	\$ 35,800,923	\$ 31,409,885	\$ 38,990,558	\$ 41,573,635	\$ 20,630,112
Debt Service Coverage	2.06	1.84	2.29	3.44	1.41
Cash Balance - End of Year	<u>\$168,664,325</u>	<u>\$169,086,493</u>	<u>\$186,315,054</u>	<u>\$191,531,795</u>	<u>\$174,709,500</u>

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Projected Operating Results (Unaudited)
For the Fiscal Years Ended June 30, 2024 to 2028

	2024	2025	2026	2027	2028
Revenues:					
Water sales	\$122,520,160	\$131,770,725	\$141,708,355	\$152,059,115	\$162,883,535
Pumping power revenue	300,000	300,000	300,000	300,000	300,000
Readiness to serve - purveyors	7,465,390	7,966,260	8,511,560	8,952,580	9,284,380
Capacity reservation charge	8,358,310	9,243,360	9,778,100	9,945,210	10,747,320
Pumping power revenue	1,000,000	1,030,000	1,060,900	1,092,730	1,125,510
SMP fees	958,910	1,189,240	1,272,210	1,355,470	3,749,940
Interest income	3,125,000	4,294,110	4,216,170	3,709,910	3,116,030
Taxes	10,950,000	11,169,000	11,392,380	11,620,230	11,852,630
Property standby charges	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Build America Bond Subsidy	1,391,340	1,336,630	1,279,880	1,215,640	1,148,870
Other revenues	72,720	73,930	75,170	76,430	77,720
Total Revenues	157,541,830	169,773,255	180,994,725	191,727,315	205,685,935
Expenditures:					
Cost of water	89,888,780	95,648,070	102,925,490	110,751,200	119,173,590
Capacity reservation charge-MV	2,066,640	2,351,040	2,682,840	2,910,360	3,242,160
Readiness to serve - MWD	8,358,310	9,243,360	9,778,100	9,945,210	10,747,320
Pumping power	1,800,000	1,822,500	1,845,280	1,868,350	1,891,700
O & M expenses	28,906,186	27,788,197	28,571,798	29,735,383	30,372,052
Total Expenditures	131,019,916	136,853,167	145,803,508	155,210,503	165,426,822
Net Revenues	\$ 26,521,914	\$ 32,920,088	\$ 35,191,217	\$ 36,516,812	\$ 40,259,113
Debt Service:					
Interest expense	\$ 7,066,400	\$ 6,942,900	\$ 6,857,200	\$ 6,492,190	\$ 6,103,250
Bond principal payments	8,025,000	8,340,000	8,866,430	9,383,410	9,694,650
Total Debt Service	\$ 15,091,400	\$ 15,282,900	\$ 15,723,630	\$ 15,875,600	\$ 15,797,900
Debt Service Coverage	1.76	2.15	2.24	2.30	2.55
Projected Water Sales (Acre Feet)	67,200	70,560	72,680	73,040	73,400

Other Independent Auditors' Reports



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Calleguas Municipal Water District
Thousand Oaks, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, financial statements of the Calleguas Municipal Water District (District), which comprise the balance sheet as of June 30, 2023, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 20, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

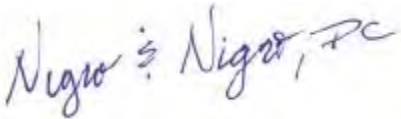
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Nigro & Nigro, PC". The signature is written in a cursive style.

Murrieta, California
December 20, 2023

CALLEGUAS MUNICIPAL WATER DISTRICT
Report to the Board of Directors
For the Fiscal Year Ended
June 30, 2023

NIGRO & NIGRO^{PC}

CALLEGUAS MUNICIPAL WATER DISTRICT

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Board of Directors
Calleguas Municipal Water District
Thousand Oaks, California

We are pleased to present this report related to our audit of the financial statements of the Calleguas Municipal Water District (District) as of and for the year ended June 30, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

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

Very truly yours,

Murrieta, California
December 20, 2023

Required Communications

CALLEGUAS MUNICIPAL WATER DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2023

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated June 1, 2023. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.
Accounting Policies and Practices	Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted. Adoption of, or Change in, Significant Accounting Policies or Their Application Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. Management's Judgments and Accounting Estimates Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. No such significant accounting estimates were noted or estimate applications were changed from the previous year.
Audit Adjustments	Audit adjustments are summarized in the attached Summary of Adjusting Journal Entries .
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

CALLEGUAS MUNICIPAL WATER DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2023

Area	Comments
Discussions With Management	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	No significant difficulties were encountered in performing our audit.
Required Supplementary Information	We applied certain limited procedures to the: <ol style="list-style-type: none">1. Management's Discussion and Analysis2. Required Pension Plan Disclosures3. Required OPEB Plan Disclosures Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

CALLEGUAS MUNICIPAL WATER DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2022

Area	Comments
Introductory & Other Information	We were not engaged to report on the Introductory and Other Information Section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Summary of Adjusting Journal Entries

CALLEGUAS MUNICIPAL WATER DISTRICT

*Summary of Adjusting Journal Entries
For the Fiscal Year Ended June 30, 2023*

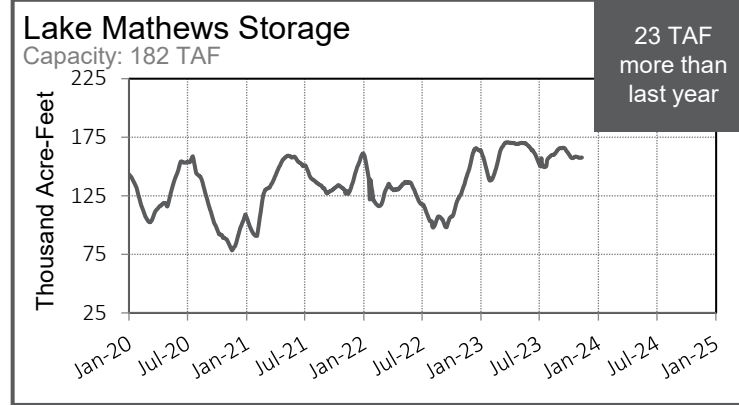
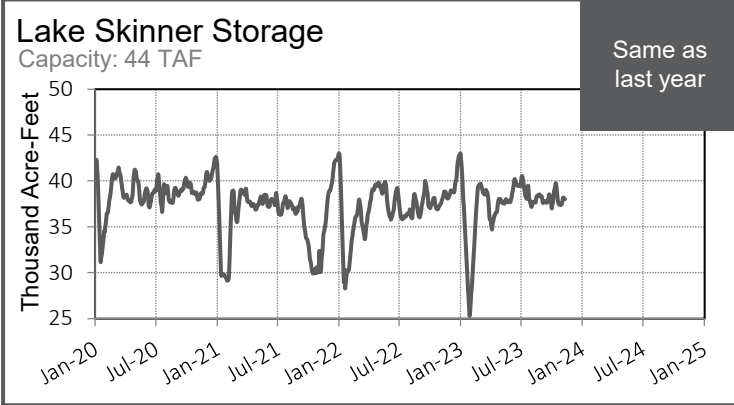
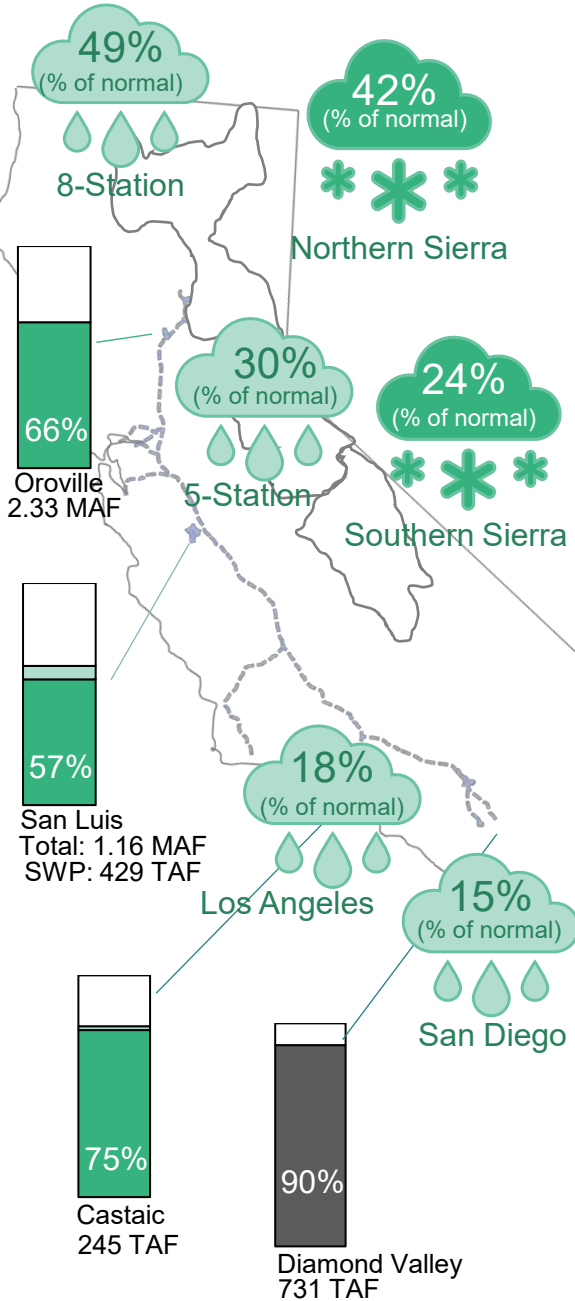
Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To correct OPEB journal entry			
10-0-00-2900	OPEB Liability	27,514.00	
10-5-10-7150	Benefits		27,514.00
Total		27,514.00	27,514.00
	Total All Journal Entries	27,514.00	27,514.00



2023 SWP Table A – 100% - 1,911,500 AF

Projected 2023 CRA Diversions – 652,000 AF

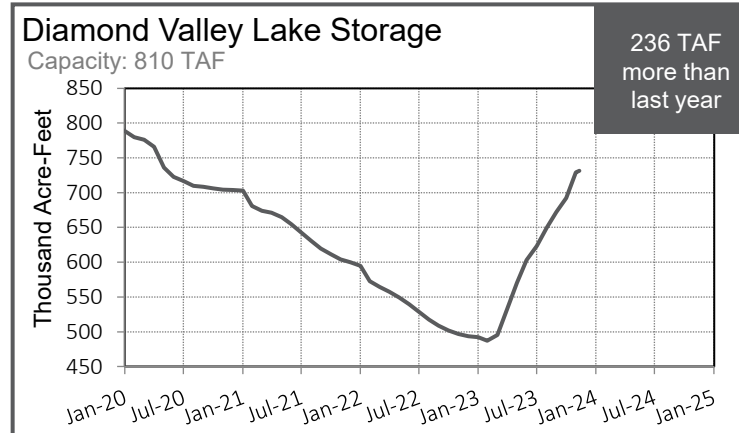
Metropolitan Resources



MWD WSDM Storage

Calendar Year 2023

	Projected Storage Balance (end of 2023)
Lake Mead ICS	1,544 MAF
State Water Project System	988 TAF
In-Region Supplies and WSDM Actions	1,031 MAF



Highlights

The initial State Water Project allocation for 2024 is 10% of Table A

Learn more about imported supplies:

- State Water Project - <https://www.mwdh2o.com/state-water-project-map/>
- Colorado River Aqueduct - <https://www.mwdh2o.com/colorado-river-aqueduct-map/>

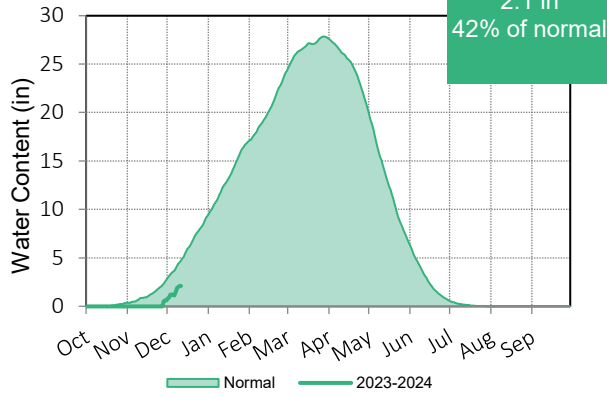


This report is produced by the Water Resource Management Group and contains information from various federal, state, and local agencies. The Metropolitan Water District of Southern California cannot guarantee the accuracy or completeness of this information. Readers should refer to the relevant state, federal, and local agencies for additional or for the most up to date water supply information. Reservoirs, lakes, aqueducts, maps, watersheds, and all other visual representations on this report are not drawn to scale. Questions? Email mferreira at mwdh2o dot com

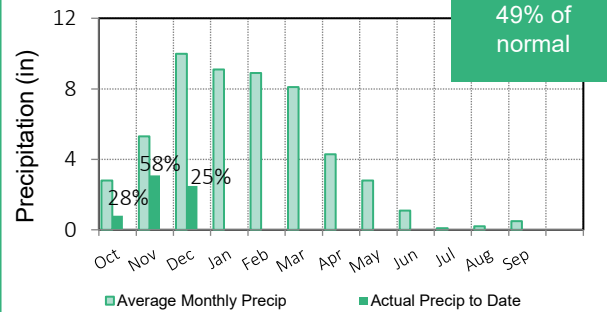
State Water Project Resources

As of: 12/10/2023

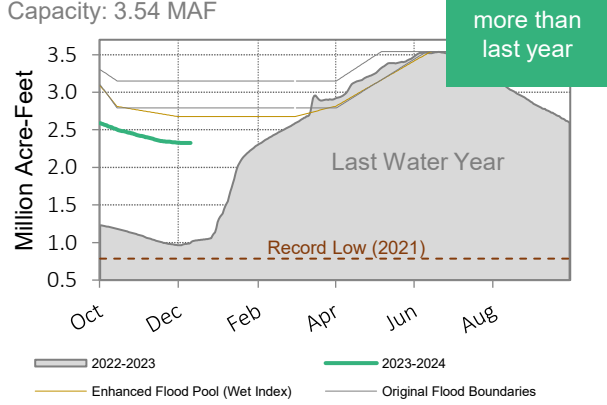
Northern Sierra Snowpack



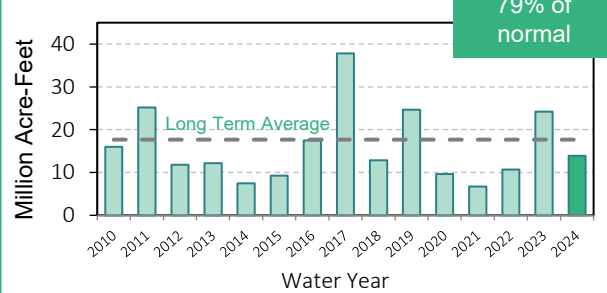
8 Station Index Precipitation



Oroville Reservoir Storage



Sacramento River Runoff

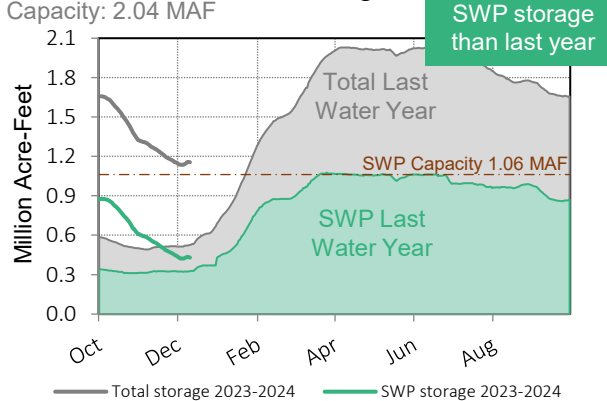


Other SWP Supplies

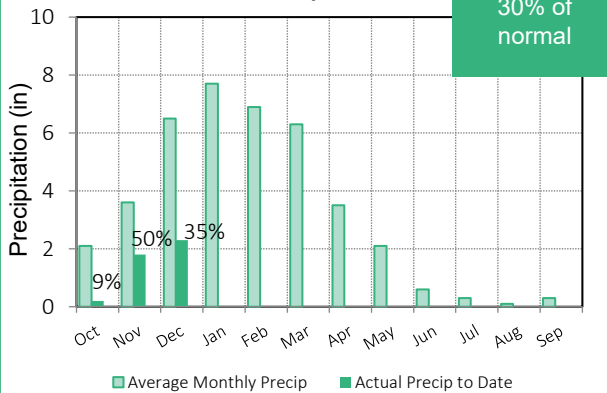
Calendar Year 2023

Carryover	39,000 acre-feet
Article 21	134,000 acre-feet

San Luis Reservoir Storage



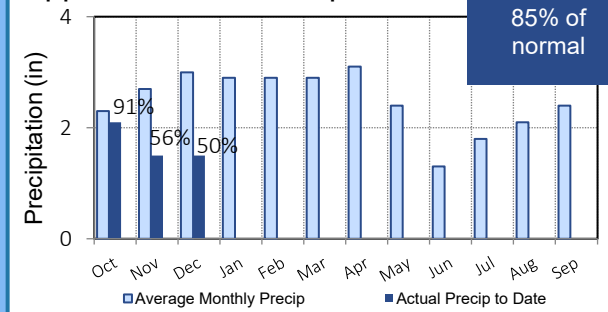
5 Station Index Precipitation



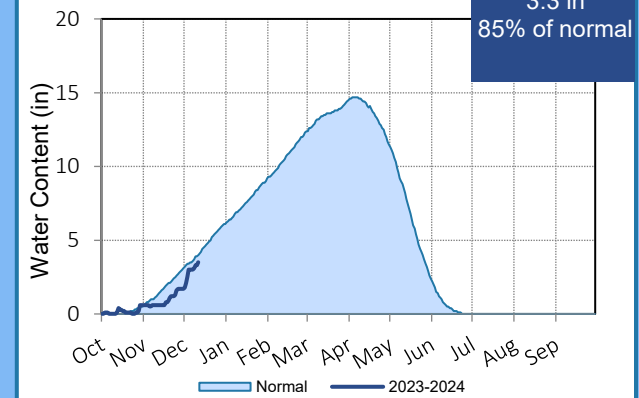
Colorado River Resources

As of: 12/10/2023

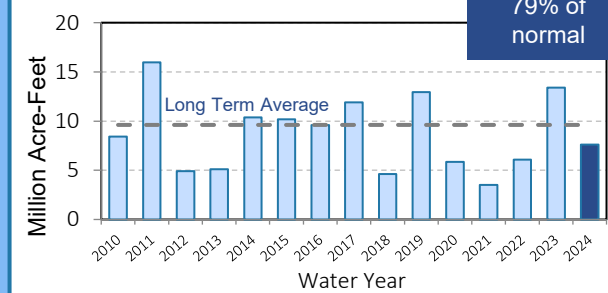
Upper Colorado Precipitation



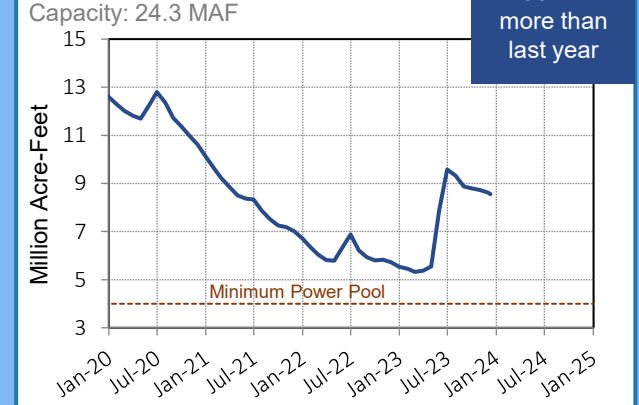
Upper Colorado Snowpack



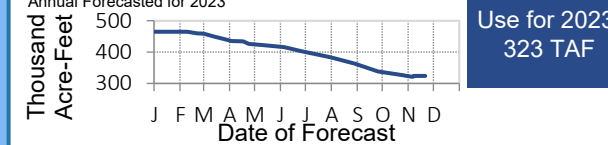
Powell Unregulated Inflow



Lake Powell Storage



PVID/Yuma Agricultural Use



Projected Lake Mead ICS

Calendar Year 2023

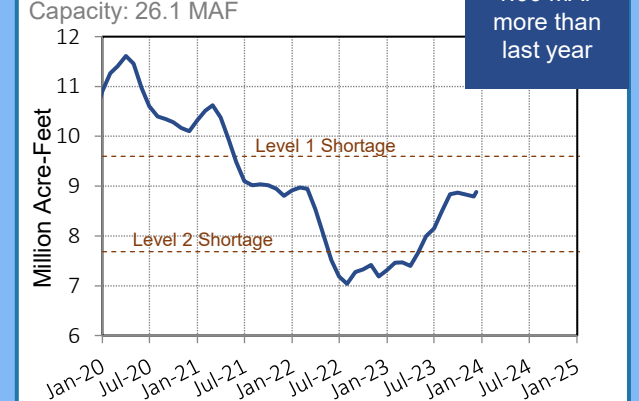
Put (+) / Take (-)
+ 450,000 acre-feet

Lake Mead Surplus/Shortage Outlook

	2024	2025	2026
Surplus	0%	0%	0%
Shortage	100%	93%	77%
Metropolitan DCP*			20% 195 TAF

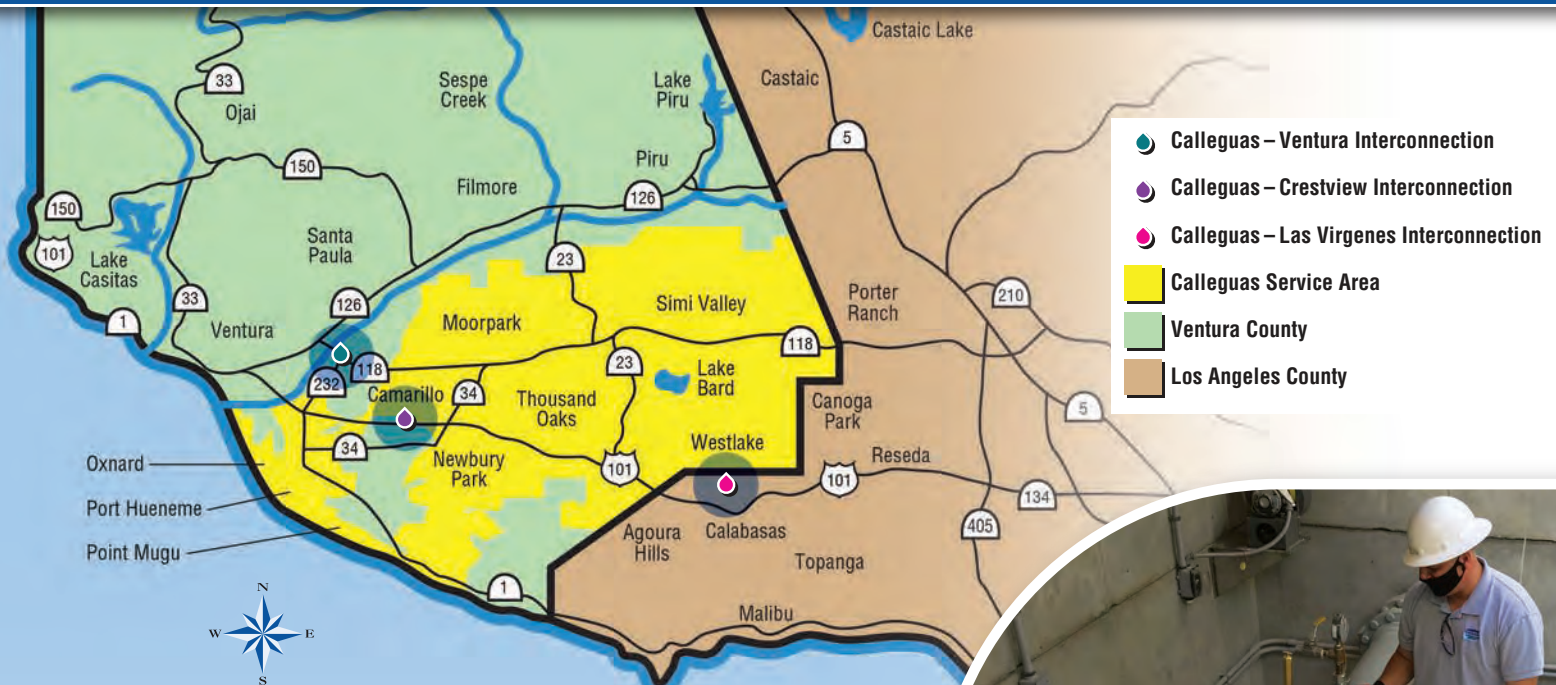
Likelihood based on results from the August 2023 CRMMS in Ensemble Model/CRSS model run. Includes DCP Contributions.
* Chance of required DCP contribution by Metropolitan. Volume is average contribution when needed.

Lake Mead Storage



BUILDING RESILIENCE THROUGH...

INTERCONNECTIONS



Calleguas Municipal Water District operates a potable water distribution system consisting of about 130 miles of large diameter pipelines, six pump stations, nine storage tanks, and five in-pipeline hydroelectric generators to deliver imported water from the Metropolitan Water District of Southern California throughout Calleguas's service area. The Calleguas distribution system, which begins in the Simi Valley area and ends in Camarillo, supports the imported water needs of the cities (Simi Valley, Thousand Oaks, Moorpark, Camarillo, Oxnard, and Port Hueneme) and unincorporated communities in southeast Ventura County.

Calleguas's approach for building water resilience includes the construction of system interconnections with neighboring agencies. Interconnections can typically flow water in either direction to the connected water systems. They improve the ability of the connected agencies to maintain water service in the event of an outage, whether that's due to wildfire, earthquake, infrastructure failure, scheduled maintenance, or other cause.



◆ CALLEGUAS – CRESTVIEW INTERCONNECTION

In 2020, Calleguas completed its first interconnection with Crestview Mutual Water Company. Crestview has a number of groundwater wells that can be used to deliver water to Calleguas during an outage. After the outage, Calleguas will "pay back" Crestview with imported water. In a one-month outage of imported water supply, the interconnection could provide enough water to serve about 2,650 households in the Calleguas service area.

Location: Camarillo

Capacity: 5 cfs* (Crestview to Calleguas)

Cost: \$1.5 million

Status: Available for operation as needed

*1 cubic foot per second (cfs) is equal to approximately 7.48 gallons per second, which is roughly equivalent to a basketball-sized amount of water rushing past you in just one second.

💧 CALLEGUAS – LAS VIRGENES INTERCONNECTION

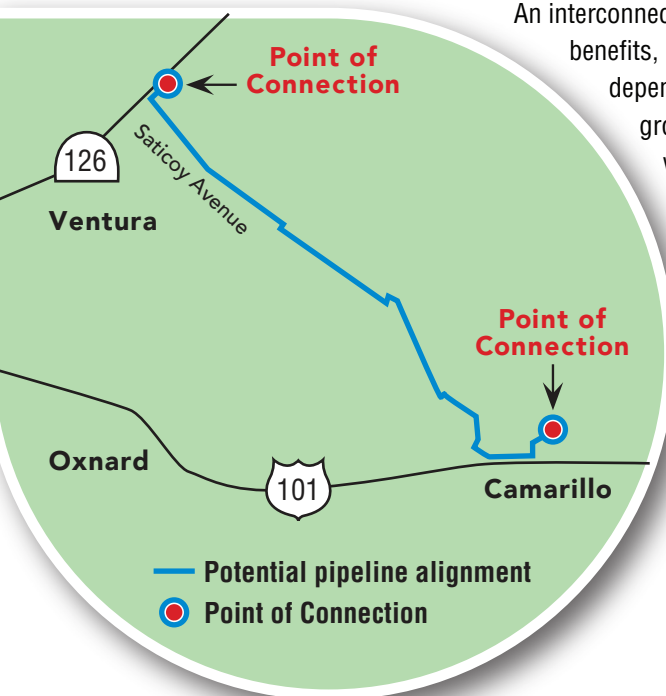


Construction began in 2021 for the Calleguas – Las Virgenes Interconnection, a joint project between Calleguas and the adjacent Las Virgenes Municipal Water District (LVMWD), to improve regional system resilience. The project includes the installation of over 11,000 linear feet of 30-inch diameter pipeline and construction of a dual-purpose pump and pressure reducing station. This interconnection is expected to be operational in 2024. When needed, Calleguas and LVMWD can deliver each other imported water from Metropolitan or other supplies available to either agency, including the LVMWD/Triunfo Water and Sanitation District Joint Powers Authority’s planned PureWater Project. In a one-month outage of imported water supply, this interconnection could provide enough water to serve about 13,250 households in the Calleguas service area.

Location: Thousand Oaks, Oak Park, and Westlake Village
Capacity: 8 - 21 cfs (LVMWD to Calleguas), 6 - 30 cfs (Calleguas to LVMWD)
Cost: \$34 million (estimated)*
Grant Funding: \$3.5 million from California Department of Water Resources
Status: Under construction with completion anticipated 2024

*Estimated cost for Calleguas’ portion of the interconnection.

💧 CALLEGUAS – VENTURA INTERCONNECTION



An interconnection under design between Calleguas and the City of Ventura will provide multiple benefits, including an additional source of outage supply for Calleguas that is not dependent on the Metropolitan system. The City of Ventura has access to a variety of groundwater and surface water supplies, as well as its planned WaterPure Project, which can be delivered to Calleguas during an outage. After the outage, Calleguas will “pay back” the City with imported water. This interconnection will also enable delivery to the City of its State Water Project entitlement. The interconnection will consist of a seven-mile pipeline connecting the western extent of the Calleguas distribution system to the City of Ventura and is expected to be operational in 2027.

Location: Camarillo and Ventura
Capacity: 5-13 cfs (Ventura to Calleguas), 1-20 cfs (Calleguas to Ventura)
Cost: \$29 million (estimated)
Grant Funding: \$6.5 million from California Department of Water Resources
Status: In design with construction completion anticipated 2027



For More Information...
 Call: **805.526.9323**
 Email: **Info@calleguas.com**
 Visit: **Calleguas.com**

BUILDING RESILIENCE THROUGH...

LANDSCAPE TRANSFORMATION

Through landscape transformation, the need for outdoor watering is significantly reduced, which can result in water savings of up to 70 to 80 percent!

Calleguas Municipal Water District's approach to building water resilience includes supporting the transformation of water-thirsty grass into beautiful, climate-appropriate, and water-efficient landscapes, ensuring water resources are available during times of drought.

Nearly half of outdoor water usage is lost due to overwatering, runoff, and evaporation. Considering that approximately 70 percent of household water consumption is used for outdoor irrigation and a significant amount of water is utilized for grass that is purely decorative in commercial, industrial, and institutional areas, the transformation of landscapes can significantly enhance water savings to reduce demands and increase resilience.



HOW DOES CALLEGUAS PROMOTE LANDSCAPE TRANSFORMATION?

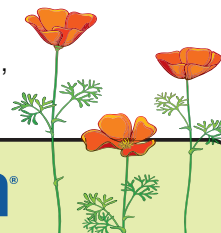
TURF REPLACEMENT PROGRAM

Calleguas, as a member agency of the Metropolitan Water District of Southern California, participates in a regional Turf Replacement Program. This program incentivizes residents and businesses to transition from turf (grass) to water-efficient landscapes by providing rebates based on the square footage of turf removed.


The program has been a great success in the Calleguas service area, with a total of more than 14 million square feet of turf (equivalent to about 250 football fields) transformed into water-efficient landscaping since 2014, resulting in an estimated annual water savings of 1,842 acre-feet. One acre-foot equals roughly 326,000 gallons and can generously support the water needs of two households for an entire year.

For those interested in the Turf Replacement Program, visit bewaterwise.com

bewaterwise.com



THE LANDSCAPE IS CHANGE




“The Landscape is Change” water awareness campaign aims to inspire and empower southeastern Ventura County communities to reimagine their outdoor spaces holistically. The campaign offers a **Landscape Style Guide**, showcasing garden landscapes that fortify drought resistance, reduce maintenance needs, and foster balanced backyard ecosystems.

These landscapes align with the region's unique climate, enabling them to withstand the challenges posed by unpredictable and extreme weather patterns and fire-prone environments.

For those seeking guidance and inspiration, the **Landscape Style Guide** can be accessed at landscapeischange.com, alongside additional resources to facilitate and support landscape transformation.



FREE CLASSES, WORKSHOPS, AND MORE!



Calleguas collaborates with local landscape experts to offer a diverse range of engaging and informative classes and workshops, and all are offered free of charge. These sessions cover various topics, including lawn-less landscaping, creating sustainable balanced ecosystems, and understanding the principles of planting the right plant in the right place. Additionally, a monthly hands-on drip irrigation workshop taught by the UC Master Gardeners of Ventura County equips individuals with practical skills to implement efficient drip-irrigation systems in their home landscapes.



Visit landscapeischange.com for upcoming classes and workshops.



For More Information...
Call: **805.526.9323**
Email: Info@calleguas.com
Visit: Calleguas.com

BUILDING RESILIENCE THROUGH...

WATER USE EFFICIENCY

In line with its mission, Calleguas Municipal Water District has consistently advocated for and implemented strategies aimed at enhancing water use efficiency, recognizing the critical significance of responsible water resource management.

Calleguas meets the water needs of southeastern Ventura County communities by supplying imported water obtained from the Metropolitan Water District of Southern California. Most of this imported water comes from the State Water Project (SWP); however, amid shifting weather patterns and severe droughts, SWP reliability has greatly diminished, heightening the need for efficient water usage.

Calleguas's approach to building water resilience includes ongoing support for water use efficiency initiatives undertaken by its retail member agencies, as well as the customers they serve. Additionally, Calleguas provides essential resources to further enhance efficiency measures and reduce wasteful water practices across its service area.



Water Use Efficiency and Conservation – What Do They Mean?

Since 2000, per-person water use in the service area has dropped nearly **30 percent!**

Water Use Efficiency (WUE) is the minimization of water used to accomplish a task. Devices and strategies that increase WUE help to achieve long-term, permanent water conservation.

Water conservation is defined as minimizing or eliminating water loss and waste and increasing water availability. It includes short-term behavioral changes to minimize water use during times of drought or other water shortage, as well as long-term or permanent changes achieved via new installations, fixtures, and water use strategies.

The Calleguas service area is making great strides in efficient water use.

How Does Calleguas Promote Water Use Efficiency?

Calleguas, as a member agency of Metropolitan, offers rebates, educational materials, and water-saving tips through **BeWaterWise.com**. Customers can also request a FREE in-person or virtual indoor/outdoor water use survey which will provide recommendations to improve landscape and indoor water use efficiency at a home or business. Visit www.waterefficiencysurvey.com to apply.

Rebates are available for a variety of water-efficient devices through **bewaterwise.com**

Residential

- High Efficiency Clothes Washers
- Premium High Efficiency Toilets
- Weather-Based (“Smart”) Irrigation Controllers
- Rotating Sprinkler Nozzles
- Rain Barrels & Cisterns
- Soil Moisture Sensor Systems
- Hose Bibb Irrigation Controllers
- Flow Monitoring Devices (where allowed)

Commercial, Industrial, and Institutional

- Plumbing Fixtures
- Landscaping Equipment
- Food Services Equipment
- Heating Ventilation and Air Conditioning Equipment
- Medical & Dental Equipment

See website for details and terms & conditions

Since 2008, in the Calleguas service area:



Approximately 86,000 rebates have been paid, totaling over \$3.8 million.



More than 292 million gallons of water are saved each year by the rebated projects.

Practical Tips for Efficient Water Use

- ✓ Check for leaks— running toilets and leaks in irrigation systems are common and can waste substantial amounts of water.
- ✓ Upgrade to water-efficient appliances in homes and businesses, such as low-flow toilets, sensor-activated faucets, water-efficient cooling systems, and air-cooled ice making machines.
- ✓ When considering new appliances like dishwashers, toilets, showerheads, or faucets, prioritize those bearing the WaterSense label, ensuring they meet EPA standards for water efficiency and performance.
- ✓ Use a broom instead of a hose to clean patios, walkways, driveways, and sidewalks.
- ✓ Explore **BeWaterWise.com**, where turf replacement projects may qualify for rebates starting at \$2 per square foot! Also find rebates for various water-saving devices and appliances for both residents and businesses.
 - Check the website before shopping to ensure the selection of a qualifying model. Not all WaterSense labeled devices qualify for rebates.
- ✓ Replace water-thirsty turf grass with attractive climate-appropriate plants that require minimal to no extra water once established. Integrate rainwater collection features like swales, dry miniature creek beds, and rain barrels.
- ✓ Water landscapes in the early morning or evening to reduce evaporation and ineffective watering.
- ✓ Use a soil-moisture sensor system and weather-based irrigation controller to ensure irrigation systems apply the right amount of water year-round.
- ✓ Regularly inspect irrigation systems, identifying and addressing broken or misaligned sprinkler heads.



For More Information...

Call: **805.526.9323**

Email: Info@calleguas.com

Visit: Calleguas.com

Upcoming Meetings

This table includes meetings that can be attended by all Board members.

In order to ensure Brown Act compliance, a majority of members should not discuss Calleguas specific issues at meetings other than designated Calleguas Board Meetings.

Calleguas Board Meeting	Wed. 12/20, 5:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
Calleguas Board Meeting	Wed. 01/03, 5:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
AWA Water Issues	Tues. 01/16, 8:00 a.m.	1701 Lombard Street, Oxnard Hybrid Event
Calleguas Board Meeting	Wed. 01/17, 5:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
AWA-WaterWise*	Thu. 01/18, 8:00 a.m.	1701 Lombard Street, Oxnard Hybrid Event
Calleguas Purveyor Meeting	Thu. 01/25, 10:00 a.m.	2100 Olsen Road, Thousand Oaks
Calleguas Board Meeting	Wed. 02/07, 5:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
AWA-WaterWise*	Thu. 02/15, 8:00 a.m.	1701 Lombard Street, Oxnard Hybrid Event
AWA Water Issues	Tues. 02/20, 8:00 a.m.	1701 Lombard Street, Oxnard Hybrid Event
Calleguas Board Meeting	Wed. 02/21, 5:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event

** Reservations required. Contact Kara if you would like to attend.*

Submitted via email to:
AdelH@mwdh2o.com



December 6, 2023

Adel Hagekhalil
General Manager
The Metropolitan Water District of Southern California
700 North Alameda Street
Los Angeles, CA 90012-2944

Dear Mr. Hagekhalil:

The undersigned agencies are appreciative of the collaborative efforts of Metropolitan through the Member Agency Groundwater/Reservoir Water Management Workshops in developing Metropolitan's proposed *Surplus Water Management (SWM) Program*.

Adapting to Weather Extremes with Enhanced Water Surplus Management

As highlighted by recent extreme and rapid weather swings, it is essential to better manage wet years to get through increasingly dry years for continued water reliability and resiliency into the future. To do this effectively, urgent action is needed to capture these opportunities when available. For example, in 2023 alone, an estimated more than 500,000 acre-feet of available supplies to Metropolitan was lost to the ocean/unmanaged. With regional storage like Diamond Valley Lake ending this year nearly full, should another wet winter develop in 2024, there may be a larger potential opportunity to quickly manage surplus supplies to benefit the region.

Thus, the undersigned member agencies are requesting expeditiously establishing innovative programs, like the SWM Program, to increase capture of surplus supplies for enhanced in-region storage and overall water reliability for Southern California.

Providing Regional Benefit

Increasing storage in local groundwater basins and surface water reservoirs, particularly with surplus supplies available to Metropolitan that would otherwise be lost to the ocean/unmanaged, helps strengthen the region's overall water portfolio and protect the region as a whole from the impacts of drought, emergencies, and other threats to reliability. This enhanced local storage also decreases the burden on Metropolitan's imported supplies, reduces swings in demands, frees up regional system conveyance capacity, and allows for regional storage to stay full longer. Storing excess imported water in Southern California is a top water reliability strategy available to Metropolitan.

Optimizing Regional and Local Resources for Cost-Effective Solutions

Beyond the regional water benefit, the utilization of local groundwater basins and surface water reservoirs to capture and store surplus supplies above Metropolitan's storage capability could also provide regional financial benefits. The concept of the SWM Program could be implemented using existing infrastructure, optimizing both regional and local resources without significant additional capital expenses. Moreover, unlike other local supply programs, Metropolitan's willingness to pay could be offset by additional sales/revenues that it would otherwise not receive, particularly benefiting Metropolitan's finances in low demand years and helping to reduce Metropolitan's need to pull from its financial reserves.

Proposed SWM Program Considerations

The initial proposal for the SWM Program was presented at the November 7, 2023, Member Agency Groundwater/Reservoir Water Management Workshop with a timeline for Board action in March 2024. We are hopeful that the program will continue to be refined to meet or expedite that schedule and that this program will recognize the value of using local storage (groundwater basins and surface water reservoirs) as an extension of Metropolitan's regional programs and local supply development efforts, taking an important step towards achieving the ONE Water concept.

We generally support the proposed program, which includes a Willingness to Pay concept for the initial put of surplus water and then for the three possible action levels for takes. We feel this framework allows for reflection of regional benefits to the Metropolitan service area, which is critically important. We offer the following to be considered for incorporation into the final program concept.

- Incorporate a win-win solution for the region by providing willingness to pay levels deep enough to be economically viable to participating agencies, while also providing financial benefit to Metropolitan and allowing for increased overall affordability.
- Maintain varying levels of willing to pay options to cover a wider spectrum of varying scenarios and agency needs.
- Link the levels of the willingness to pay concept with planning for new water resources. For example, if the supplies can be produced as a reliable source during a drought or an emergency, it could result in avoided costs associated with the development of other more expensive supplies.
- Similar to other storage programs, include provisions for surface water reservoir evaporative losses and groundwater basin losses.
- Utilize this new program to expand the region's portfolio of options and not eliminate existing options.
- Include flexibility to adjust willingness to pay levels based on the scale of water surplus conditions, regional financial benefits, and participation factors. For example, in extreme wet years, when Metropolitan has large magnitudes of surplus supplies, member agencies also typically have significantly increased amounts of local water supply they must manage, and the purchase of additional water still poses a significant financial burden to participating member agencies. To ensure the program is successful, Metropolitan should monitor the program closely and make necessary adjustments to encourage greater member agency participation.
- Allow for quick and nimble implementation to effectively adapt to extreme conditions, including Article 21 situations on the State Water Project. This includes eliminating special provisions on program activation and instead activating this program in the same fashion as most other Water Surplus and Drought Management (WSDM) programs like Cyclic, CUP, and Groundwater Banking.

The value of effectively securing and managing our water resources when available is elevated today in the face of potential hotter and drier future conditions. There is a common interest in having available surplus supply end up in Metropolitan's service area rather than in the ocean, along with a financial benefit. We are supportive of the direction the current SWM Program proposal is heading and we are positive that this action is another step towards addressing the many challenges identified in Metropolitan's Climate Adaptation Master Plan for Water (CAMP4W) process. We collectively urge that the program include our recommendations and be presented to the Metropolitan Board of Directors by March 2024.



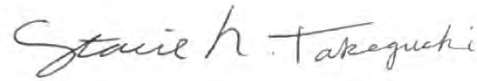
Kristine McCaffrey, P.E.
Deputy General Manager
Calleguas Municipal Water District



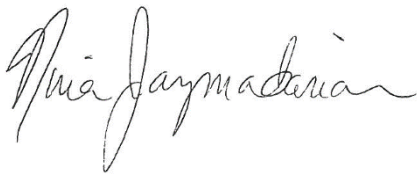
Harvey De La Torre
General Manager
Municipal Water District of Orange County



Joe Mouawad, P.E.
General Manager
Eastern Municipal Water District



Stacie N. Takeguchi, P.E.
Assistant General Manager – Water
City of Pasadena – Water & Power



Nina Jazmadarian
General Manager
Foothill Municipal Water District



Matthew H. Litchfield, P.E.
General Manager
Three Valleys Municipal Water District



Shivaji Deshmukh, P.E.
General Manager
Inland Empire Utilities Agency



Tom Love, P.E.
General Manager
Upper San Gabriel Valley Municipal Water District



Christopher J. Garner
General Manager
Long Beach Utilities



Craig Miller, P.E.
General Manager
Western Water

December 8, 2023

Calleguas Municipal Water District Response to Proposed Evaluative Criteria

Thank you for your invitation to Member Agency Managers to submit comments on the CAMP4Water proposed Evaluative Criteria for consideration at the CAMP4W Task Force meeting of December 19, 2023.

1. Decision-Making Process for Task Force Recommendations. *How will the Task Force make decisions relevant to its charter mission?*

Discussion: The Task Force Charter outlines a series of significant contributions that the Task Force will make to “develop and establish a master plan.” Given the nested position of the Task Force as chartered under the Long-Term Regional Planning Subcommittee making recommendations to the Finance, Audit, Insurance and Real Property Committee, how will the decisions of the task force be made? Will the Task Force vote, will the Task Force proceed by consensus, will staff memorialize conclusions based on the Task Force discussions, or is some other decision-making process envisioned? Will the nested sub-committee and parent committee also deliberate and exercise decision-making authority?

2. Limitations of Ranking by Evaluative Criteria for Decision Making. *Who will be performing the numerical weighting and metric development of the proposed evaluative criteria? How will the inherent limitations of the approach be addressed?*

Discussion: The combination of incommensurate scales of weighting into a comprehensive decision-making framework to score and rank projects and programs has known limitations. These limitations remain unaddressed in the materials provided to the Task Force. The qualitative judgements that by necessity inform weighting may imply a false objectivity when expressed as numeric scores

3. Follow-Up on Governance. *Where does the governance discussion fit into the overall decision-making framework?*

Discussion: Calleguas’s comments on the Equity theme in August 2023 included the following: “Any equity discussion should include Metropolitan’s governance structure. How Metropolitan’s weighted voting system, based on assessed valuation, reflects equity decision-making with structural bias for equity concerns is underdiscussed. The original basis for Metropolitan’s decision-making on an assessed valuation basis, and the changed social, fiscal, and environmental conditions since Metropolitan’s founding, is an important part of the equity discussion and Metropolitan’s future.” The staff response was to note that, “We will have future discussions on this topic in the fall.”

Thank you for your consideration of these comments on behalf of Calleguas Municipal Water District.

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Calleguas Municipal Water District