



**FINANCE & INFORMATION TECHNOLOGY  
BOARD OF DIRECTORS' MEETING  
MOULTON NIGUEL WATER DISTRICT  
27500 La Paz Road, Laguna Niguel  
February 19, 2014  
9:00 AM  
Approximate Meeting Time: 2 Hours**

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE JANUARY 15, 2013 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING
3. PUBLIC COMMENTS  
*Persons wishing to address the Board of Directors on matters not listed on the Agenda may do so at this time. "Request To Be Heard" forms are available at the entrance to the Board Room. Comments are limited to five minutes unless further time is granted by the Presiding Officer. Submit form to the Recording Secretary prior to the beginning of the meeting.*

*Those wishing to address the Board of Directors on any item listed on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.*

**PRESENTATION ITEMS**

4. Metropolitan Water District Rates and Charges Update

**DISCUSSION ITEMS**

5. Updated Meter Package Pricing
6. Agreement for Participation and Co-Funding in Municipal Water District of Orange County Rebate Program
7. City of Laguna Niguel Crown Valley Parkway Medians Project

**INFORMATION ITEMS**

8. 2014 Consolidated Bonds Refinancing Update

9. Budget Comparison Report
10. Unaudited Financial Statements
11. Summary of Disbursements January 31, 2014
12. Late Items (Appropriate Findings to be Made)
  - a. Need to take immediate action; and
  - b. Need for action came to District's attention after Agenda Posting. [Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

### **ADJOURNMENT**

The Board of Directors' Meeting Room is wheelchair accessible. If you require any special disability related accommodations (i.e., access to an amplified sound system, etc.), please contact the Moulton Niguel Water District Secretary's office at (949) 831-2500 at least forty-eight (48) hours prior to the scheduled meeting. This agenda can be obtained in alternate format upon written request to the Moulton Niguel Water District Secretary at least forty-eight (48) hours prior to the scheduled meeting.

Agenda exhibits and other writings that are disclosable public records distributed to all, or a majority of, the members of the Moulton Niguel Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the District Office, 27500 La Paz Road, Laguna Niguel, CA ("District Office"). If such writings are distributed to members of the Board less than seventy-two (72) hours prior to the meeting, they will be available in the reception area of the District Office at the same time as they are distributed except that, if such writings are distributed immediately prior to, or during the meeting, they will be available in the Board meeting room and on the District website at [www.mnwd.com](http://www.mnwd.com).



**MINUTES OF THE REGULAR MEETING  
OF THE FINANCE & INFORMATION TECHNOLOGY  
BOARD OF DIRECTORS  
OF THE  
MOULTON NIGUEL WATER DISTRICT**

**January 15, 2014**

A Regular Meeting of the Finance & Information Technology Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 9:00 AM on January 15, 2014. There were present and participating:

**DIRECTORS**

|                 |                      |
|-----------------|----------------------|
| Brian Probolsky | Vice President/Chair |
| Scott Colton    | Director             |
| Richard Fiore   | Director             |
| Donald Froelich | Vice President       |
| Gary Kurtz      | Director             |
| Larry Lizotte   | Director             |
| Larry McKenney  | President            |

Also present and participating were:

**STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC**

|                |                                      |
|----------------|--------------------------------------|
| Joone Lopez    | General Manager                      |
| Matt Collings  | Assistant General Manager            |
| Marc Serna     | Director of Engineering & Operations |
| Gina Hillary   | Director of Human Resources          |
| Kelly Winsor   | Assistant to the General Manager     |
| Karen Maddox   | MNWD                                 |
| Ruby Yuen      | MNWD                                 |
| Doug Zytkevicz | MNWD                                 |
| Brian Thomas   | PFM                                  |
| Eric Espino    | PFM                                  |
| Michael Bell   | PFM                                  |
| Jose Vera      | Stifel Nicolaus                      |
| Ted Piorkowski | Chandler Asset Management            |
| Pat Giannone   | Bowie, Arneson, Wiles & Giannone     |

Paige Gulck

Board Secretary

**1. CALL MEETING TO ORDER**

*The meeting was called to order by Brian Probolsky at 9:00 a.m.*

**2. APPROVE THE MINUTES OF THE DECEMBER 18, 2013 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING**

*MOTION DULY MADE BY RICHARD FIORE AND SECONDED BY SCOTT COLTON, THE MINUTES OF THE FINANCE BOARD OF DIRECTORS' MEETING DATED DECEMBER 18, 2013 WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, LARRY MCKENNEY, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.*

**3. PUBLIC COMMENTS**

*None*

**PRESENTATION ITEMS**

**4. Quarterly Investment Report - Chandler Asset Management**

*Ted Piorkowski presented the Quarterly Investment Report for the fourth quarter of 2013. An overview of the District's account profile, portfolio holdings, and an economic update were discussed with the Board.*

**DISCUSSION ITEMS**

**5. Request for New Position**

*Joone Lopez presented the new position request. Discussion ensued regarding financial impact, organizational concerns, position necessity, criticality, and timing.*

**6. Resolution Providing for the Issuance of 2014 Consolidated Refunding Bonds (re: Improvement Districts Nos. 6 and 7)(Resolution No. 14 - \_\_)**

*Brian Thomas provided an overview of the bond refinancing. The market has slightly improved in the past month. Discussion ensued regarding current interest rates, savings, and possible market volatility. Jose Vera answered questions regarding the underwriting process and the pros and cons of private vs. public sales.*

**7. Updated Meter Sales Pricing**

*Matt Collings explained that this is an information item. The item will be on the agenda for action in February. Meters being purchased are next generation and compatible with new meter reading technology.*

**INFORMATION ITEMS**

8. Summary of Disbursements December 31, 2013

*Joone Lopez stated that the summary is available in the agenda packet. Matt Collings fielded questions regarding format.*

9. Late Items (Appropriate Findings to be Made)

*Staff has none.*

**ADJOURNMENT**

*The meeting was adjourned at 11:38 a.m.*

Respectfully submitted,

Paige Gulck  
Board Secretary



# Moulton Niguel Water District



## STAFF REPORT

**TO:** Board of Directors                                      **MEETING DATE:** February 19, 2014

**FROM:** Matt Collings, Assistant General Manager  
Megan Geer, Contracts and Procurement Manager  
Doug Zytkevicz, Superintendent Customer Service

**SUBJECT:** Updated Meter Package Pricing, Resolution No. 14- \_\_\_\_\_

### SUMMARY:

Issue: The pricing for meter packages charged for new meter installations must be updated in order to recover the District's costs of purchasing the meters and components.

Recommendation: It is recommended that the Board of Directors approve and adopt Resolution No. 14-\_\_\_\_\_ entitled, "Resolution of The Board of Directors of Moulton Niguel Water District Approving Water Meter Charge Increase and Adopting Revisions to the *Schedule of Rates and Charges* Set Forth in Exhibit B to the Rules and Regulations of Moulton Niguel Water District for Water and Sewer Service".

Fiscal Impact: The current meter package pricing is resulting in a cost deficit to the District. Charging a pass-through cost of the District's actual purchase price to outside contractors for the meter packages will enable the District to recover the cost of the meter. This pass-through cost will include only the price paid by the District to the meter manufacturers with no additional fees or charges added.

### DISCUSSION:

The District provides approximately 150 meter packages per year consisting of meters and components to outside contractors for both residential and commercial applications. Most of the meter packages are provided for new construction of single family homes within the District. The District provides these meter packages as an alternative for customers who are required to furnish and install a water service line and meter at the customer's expense. Customers are required to meet the specifications provided by the District. Obtaining the meter from the District will help to ensure customers are meeting those specifications while providing for bulk meter pricing. The District will provide meters up to 2-inches. Meters larger than 2-inches must be purchased from a wholesale provider at the customer's expense. The cost of the meter packages vary based on the meter size.

## #5.

In December 2013, District Staff conducted a review of these meter packages in order to determine whether or not the current meter package prices enable the District to recover its meter costs effectively. Through this review it was determined that the meter package prices do not reflect the purchase price the District pays for the meters and components. The prices currently charged by the District were last approved by the Board in 2008, reflecting the 2008 meter manufacturer prices. Table 1 contains the meter pricing based on the 2008 Board approval.

There have been significant increases to the cost of meters and components since 2008. Additionally, the cost of the meter packages have further increased due to the inclusion of ball valves for the 1 ½" and 2" meters. The ball valves are a necessary component, but were not previously included in the 1 ½" and 2" meter packages. Table 2 lists the proposed prices for meter packages. These prices are based on recently received quotes from meter vendors for the meters that the District recently ordered and are firm through July 1, 2014. As the District receives new meter quotes the pricing of meter packages will be revalued and presented to the Board as necessary.

### Attachments:

1. Table 1: 2008 Current Meter and Component Charges
2. Table 2: 2014 Proposed Meter and Component Charges
3. Exhibit A: Resolution 14-\_\_\_\_



| Table 1: 2008 - Current<br>Meter and Component Charges |                                      |                      |  |                         |  |                        |
|--|--------------------------------------|----------------------|--|-------------------------|--|------------------------|
|  | $\frac{3}{4}$ "<br>Domestic<br>Meter | 1" Domestic<br>Meter | 1 $\frac{1}{2}$ "<br>Domestic<br>Meter | 2"<br>Domestic<br>Meter | 1 $\frac{1}{2}$ "<br>Irrigation<br>Meter | 2" Irrigation<br>Meter |
| <b>Complete<br/>Package</b>                            | \$195.00                             | \$250.00             | \$425.00                               | \$525.00                | \$650.00                                 | \$775.00               |
| <b>Individual Components</b>                           |                                      |                      |  |                         |  |                        |
| Gaskets (2)  | \$0.50                               | \$0.80               | \$2.40                                 | \$3.16                  | \$2.40                                   | \$3.16                 |
| Nuts & Bolts (4)                                       | N/A                                  | N/A                  | \$10.89                                | \$16.07                 | \$10.89                                  | \$16.07                |
| Concrete Box   | \$15.50                              | \$15.50              | \$33.00                                | \$33.00                 | \$33.00                                  | \$33.00                |
| Polymer Lid  | \$30.00                              | \$30.00              | \$60.00                                | \$60.00                 | \$60.00                                  | \$60.00                |
| Box & Lid  | \$45.50                              | \$45.50              | \$93.00                                | \$93.00                 | \$93.00                                  | \$93.00                |
| Diamond Plate<br>Cast Iron Lid                         | \$70.00                              | \$70.00              | \$120.00                               | \$120.00                | \$120.00                                 | \$120.00               |
| Touchread/Pit Lid<br>(TR/PL)                           | \$15.00                              | \$15.00              | \$15.00                                | \$15.00                 | \$15.00                                  | \$15.00                |
| Ball Valve   | \$23.00                              | \$57.00              | N/A                                    | N/A                     | N/A                                      | N/A                    |
| Meter Only   | \$133.20                             | \$180.60             | \$340.71                               | \$434.77                | \$565.71                                 | \$684.77               |

| Table 2: 2014 Proposed Meter and Component Charges |                     |                   |  |   |  |  |
|--|---------------------|-------------------|--|---|--|--|
|  | 3/4" Domestic Meter | 1" Domestic Meter | 1 1/2" Domestic Meter  | 2" Domestic Meter   | 1 1/2" Irrigation Meter  | 2" Irrigation Meter  |
| <b>Complete Package</b>                            | \$193.18            | \$304.53          | \$1,448.13   | \$1,712.72  | \$1,095.51   | \$1,330.57   |
| <b>Individual Components</b>                       |                     |                   |  |   |  |  |
| Gaskets (2)  | \$0.23              | \$0.28            | \$0.98   | \$1.67  | \$0.98   | \$1.67   |
| Nuts & Bolts (4)                                   | N/A                 | N/A               | NUTS \$1.62 ea<br>BOLTS \$2.87 ea<br>\$4.49<br>\$4.49 X 4 =<br>\$17.96 | NUTS \$2.59 ea<br>BOLT \$2.91 ea<br>\$5.50<br>\$5.50 X 4 =<br>\$22.00 | NUTS \$1.62 ea<br>BOLTS \$2.87 ea<br>\$4.49<br>\$4.49 X 4 =<br>\$17.96 | NUTS \$2.59 ea<br>BOLTS \$2.91 ea<br>\$5.50<br>\$5.50 X 4 =<br>\$22.00 |
| Concrete Box                                       | \$14.31             | \$14.31           | \$79.39  | \$79.39   | \$79.39  | \$79.39  |
| Polymer Lid  | \$27.28             | \$27.28           | \$51.72  | \$51.72   | \$51.72  | \$51.72  |
| Box & Lid  | \$41.59             | \$41.59           | \$131.11   | \$131.11  | \$131.11   | \$131.11   |
| Diamond Plate Cast Iron Lid                        | \$89.02             | \$89.02           | \$83.00  | \$83.00   | \$83.00  | \$83.00  |
| Touchread/Pit Lid (TR/PL)                          | \$15.00             | \$15.00           | \$15.00  | \$15.00   | \$15.00  | \$15.00  |
| Ball Valve   | \$20.50             | \$98.91           | \$166.00   | \$254.00  | \$166.00   | \$254.00   |
| Meter Only   | \$115.86            | \$148.75          | \$1,117.08   | \$1,288.94  | \$764.46   | \$906.79   |

**RESOLUTION NO. 14- \_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT APPROVING WATER METER CHARGE INCREASE AND ADOPTING REVISIONS TO THE *SCHEDULE OF RATES AND CHARGES* SET FORTH IN EXHIBIT B TO THE RULES AND REGULATIONS OF MOULTON NIGUEL WATER DISTRICT FOR WATER AND SEWER SERVICE**

**WHEREAS**, the Moulton Niguel Water District (“District”) is a California Water District organized and existing under the California Water District Law (California Water Code Section 34000 *et seq.*);

**WHEREAS**, Section 34000 *et seq.* of the California Water Code (the “Act”), specifically Sections 35423 and 35501, empower the District to prescribe and collect rates and other charges for water (which includes recycled water) service, and to establish, print and distribute equitable rules and regulations for the distribution of water and the provision of water service;

**WHEREAS**, the Board of Directors of the District (“Board”), previously approved and adopted *Rules and Regulations of Moulton Niguel Water District for Water and Sewer Service*, as amended from time to time (“*Rules and Regulations*”). Exhibit B of the *Rules and Regulations* sets forth water meter charges for providing meter packages, consisting of meters and related components, which Exhibit B may be changed from time to time by adoption of a revised Exhibit B or portion thereof;

**WHEREAS**, in accordance with the Act and Section 66013 of the California Government Code, the District has determined to revise the current water meter charges in order to reflect the actual prices paid by the District for purchase thereof;

**WHEREAS**, the proposed revised water meter charges were made available to the public in accordance with Government Code Section 66016 through posting on the District’s website, mnwd.com, and at the public notice location at the MNWD Administrative Offices;

**WHEREAS**, the Board has reviewed and considered the revised meter charges set forth in Attachment 1 to this Resolution and incorporated herein by reference, and determined the increases are necessary to cover the District costs for meter purchases;

**WHEREAS**, the Board by adoption of this Resolution will also authorize revisions to the *Schedule of Rates and Charges - Exhibit B to the Rules and Regulations* to incorporate revisions to Section 101. C consistent with the revised meter charges listed in Attachment 1; and

**WHEREAS**, Section 21080 (b) (8) of the California Public Resources Code provides that the establishment, modification, structuring or approval of rates, tolls, fares, or other charges or rates by public agencies are exempt from the requirements of the California Environmental Quality Act (CEQA).

## #5.

**NOW, THEREFORE**, the Board of Directors of Moulton Niguel Water District does hereby **RESOLVE, DETERMINE** and **ORDER** as follows:

**Section 1.** The above Recitals are true and correct and incorporated as findings in this Resolution.

**Section 2.** The revisions to the water meter charges as set forth in **Attachment 1** to this Resolution are approved and adopted by the Board, to be effective immediately upon adoption of this Resolution.

**Section 3.** Revisions to Section 101.C. of the *Schedule of Rates and Charges (Exhibit B)* of the *Rules and Regulations* are hereby authorized and approved. The General Manager, or her designees, is directed to incorporate the terms of **Attachment 1** into the *Schedule of Rates and Charges* with additional and conforming language in the *Rules and Regulations* as may be necessary for the implementation of the revised water meter charges.

**Section 4.** The Board hereby finds and determines that the increases to the water meter charges are within the purposes set forth in Section 21080 (b)(8) of the California Public Resources Code (California Environmental Quality Act (CEQA)), including but not by way of limitation, the purposes of (1) meeting operating expenses, (2) purchasing or leasing supplies, equipment or materials, (3) meeting financial reserve needs and requirements, and (4) obtaining funds for capital projects necessary to maintain service within existing areas; therefore, that such increases to the water meter charges are exempt from CEQA under section 21080 (b)(8) of the California Public Resources Code and CEQA Guidelines section 15273(a). The Secretary and Legal Counsel are authorized to file a Notice of Exemption relative to the revised water meter charges with the Clerk of the County of Orange.

**Section 5.** The Secretary and Legal Counsel are hereby ordered and directed to publish a summary of the revisions to the *Schedule of Rates and Charges (Exhibit B)* and any additional and conforming language to the *Rules and Regulations*, such summary to include the District's Internet address and a physical location where the complete text of the revised *Schedule of Rates and Charges (Exhibit B)* and the *Rules and Regulations* can be reviewed, in a newspaper of general circulation within the District pursuant to Section 35424 of the Act, and to post a certified copy of this Resolution at the public notice location at the MNWD Administrative Offices.

**Section 6.** The provisions of this Resolution shall be effective immediately upon adoption.

**APPROVED, ADOPTED and SIGNED** this 20<sup>th</sup> day of February, 2014.

**MOULTON NIGUEL WATER DISTRICT**

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President  
MOULTON NIGUEL WATER DISTRICT and the  
Board of Directors thereof

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Secretary  
MOULTON NIGUEL WATER DISTRICT and the  
Board of Directors thereof

APPROVED AS TO FORM:

BOWIE, ARNESON, WILES & GIANNONE  
Legal Counsel - MOULTON NIGUEL WATER DISTRICT

By: \_\_\_\_\_  
Patricia B. Giannone

**#5.**

**ATTACHMENT 1**  
**TO RESOLUTION NO. 14-**

**MOULTON NIGUEL WATER DISTRICT**  
**REVISED WATER METER CHARGES**

**MOULTON NIGUEL WATER DISTRICT  
METER AND COMPONENT CHARGES**

As of February 20, 2014

|                                | ¾" Domestic Meter | 1" Domestic Meter | 1 ½" Domestic Meter                                       | 2" Domestic Meter   | 1 ½" Irrigation Meter                                     | 2" Irrigation Meter                                       |
|--------------------------------|-------------------|-------------------|---|---|---|---|
| <b>Complete Package</b>        | 193.18            | 304.53            | 1448.13   | 1712.72   | 1095.51   | 1330.57   |
| <b>Individual Components</b>   |                   |                   |   |   |   |   |
| Gaskets (2)                    | .23               | .28               | .98   | 1.67  | .98   | 1.67  |
| Nuts & Bolts (4)               | N/A               | N/A               | NUTS 1.62 ea<br>BOLTS 2.87 ea<br>4.49<br>4.49 X 4 = 17.96 | NUTS 2.59 ea<br>BOLTS 2.91 ea<br>5.50<br>5.50 X 4 = 22.00 | NUTS 1.62 ea<br>BOLTS 2.87 ea<br>4.49<br>4.49 X 4 = 17.96 | NUTS 2.59 ea<br>BOLTS 2.91 ea<br>5.50<br>5.50 X 4 = 22.00 |
| Concrete Box                   | 14.31             | 14.31             | 79.39   | 79.39   | 79.39   | 79.39   |
| Polymer Lid                    | 27.28             | 27.28             | 51.72   | 51.72   | 51.72   | 51.72   |
| Box & Lid                      | 41.59             | 41.59             | 131.11  | 131.11  | 131.11  | 131.11  |
| Diamond Plate<br>Cast Iron Lid | 89.02             | 89.02             | 83.00   | 83.00   | 83.00   | 83.00   |
| Touchread/Pit Lid<br>(TR/PL)   | 15.00             | 15.00             | 15.00   | 15.00   | 15.00   | 15.00   |
| Ball Valve                     | 20.50             | 98.91             | 166.00  | 254.00  | 166.00  | 254.00  |
| Meter Only                     | 115.86            | 148.75            | 1,117.08  | 1,288.94  | 764.46  | 906.79  |







## ARTICLE IV

### REVISED SECTIONS OF RULES AND REGULATIONS RELATED TO PACKAGE PRICING ONLY

~~AUGUST 13, February 20, 2014~~

**SECTION 9. - WATER METER AND LATERAL SEWER CHARGES**

A. Water Meter Charge

1. New Meter Only

Applicants, owners and customers are responsible for all costs associated with the acquisition and installation of new water service lines and new water meters to provide water service to the customer. ~~the District as defined in the District's Standard Specifications for Construction of Potable Water, Recycled Water, and Sewer.~~ If meters and related component packages will be furnished by District to an applicant, owner or customer, at such person/entity's option. Said a meter charge to cover such costs, in addition to all other usual and regular charges of District, including the water connection charge, must be paid by applicant, owner, or customer before the water meter will be furnished. Current meter charges are set forth in Exhibit B hereto. Upon District acceptance of the installation and such facilities, operation, maintenance, and replacement of the water service line and meter become the responsibility of the District and are the property of the District. ~~are dedicated to the District.~~ The applicant provides (at no cost to District) the water service line and appurtenances thereto. The District shall make a change for the furnishing of and perpetual maintenance of a water meter only, the same to remain the property of District. Said charge, in addition to all other usual and regular charges of District, including the water connection charge, must be paid by applicant, owner, or customer before the water meter will be furnished.

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E. 'EXHIBIT "B" TO THE RULES AND REGULATIONS OF THE MOULTON NIGUEL WATER DISTRICT FOR WATER AND SEWER SERVICE

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**SCHEDULE OF RATES AND CHARGES**

**SECTION 101 - WATER SERVICE**

C. WATER METER CHARGE AND MISCELLANEOUS CHARGES

1. New Water Meter Charge - Provision of Meter by District

~~Applicants, owners and cCustomers are responsible for all costs associated with the acquisition and installation of new water service lines and new water meters to provide water service to the customer to the District as defined in the District's Standard Specifications for Construction of Potable Water, Recycled Water, and Sewer. Upon acceptance of the installation, operation, maintenance, and replacement of the water service line and meter become the responsibility of the District and are the property of the District. are dedicated to the District. As an optional service to the District's customers, the District provides meter packages, along with individual meter components, that meet the District's specifications for customers to purchase from the District for new meter installations. The charges for the meter package, and individual meter components, shall be as defined set forth in the following table:~~

~~The meter charge for providing a meter box for installation and perpetual maintenance thereof, where the applicant shall provide at no cost to the District the meter installation to water service line and appurtenances thereto, shall be based on the size of the water service line in accordance with the following table.~~

Determination of Water Meter and Component Charges

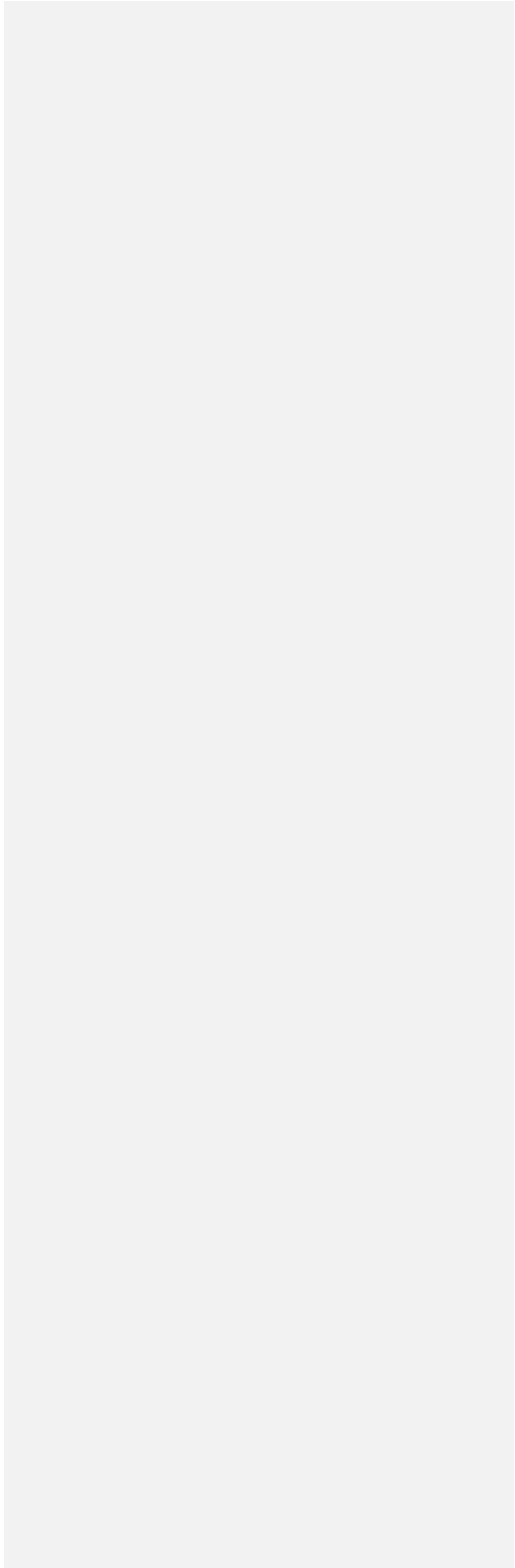
# #5.

|                              | 3/4" Domestic Meter | 1" Domestic Meter | 1 1/2" Domestic Meter          | 2" Domestic Meter              | 1 1/2" Irrigation Meter        | 2" Irrigation Meter            |
|------------------------------|---------------------|-------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Complete Package</b>      | \$193.18            | \$304.53          | \$1,448.13                     | \$1,712.72                     | \$1,095.51                     | \$1,330.57                     |
| <b>Individual Components</b> |                     |                   |                                |                                |                                |                                |
| Gaskets (2)                  | \$0.23              | \$0.28            | \$0.98                         | \$1.67                         | \$0.98                         | \$1.67                         |
| Nuts & Bolts (4)             | N/A                 | N/A               | NUTS<br>\$1.62 ea              | NUTS<br>\$2.59 ea              | NUTS<br>\$1.62 ea              | NUTS<br>\$2.59 ea              |
|                              |                     |                   | BOLTS<br>\$2.87 ea             | BOLTS<br>\$2.91 ea             | BOLTS<br>\$2.87 ea             | BOLTS<br>\$2.91 ea             |
|                              |                     |                   | \$4.49                         | \$5.50                         | \$4.49                         | \$5.50                         |
|                              |                     |                   | \$4.49 X 4 =<br><b>\$17.96</b> | \$5.50 X 4 =<br><b>\$22.00</b> | \$4.49 X 4 =<br><b>\$17.96</b> | \$5.50 X 4 =<br><b>\$22.00</b> |
| Concrete Box                 | \$14.31             | \$14.31           | \$79.39                        | \$79.39                        | \$79.39                        | \$79.39                        |
| Polymer Lid                  | \$27.28             | \$27.28           | \$51.72                        | \$51.72                        | \$51.72                        | \$51.72                        |
| Box & Lid                    | \$41.59             | \$41.59           | \$131.11                       | \$131.11                       | \$131.11                       | \$131.11                       |
| Diamond Plate Cast Iron Lid  | \$89.02             | \$89.02           | \$83.00                        | \$83.00                        | \$83.00                        | \$83.00                        |
| Touchread/Pit Lid (TR/PL)    | \$15.00             | \$15.00           | \$15.00                        | \$15.00                        | \$15.00                        | \$15.00                        |
| Ball Valve                   | \$20.50             | \$98.91           | \$166.00                       | \$254.00                       | \$166.00                       | \$254.00                       |
| Meter Only                   | \$115.86            | \$148.75          | \$1,117.08                     | \$1,288.94                     | \$764.46                       | \$906.79                       |

(for furnishing of meter only by District complete meter package)

|                            |                        |
|----------------------------|------------------------|
| Size of Water Service Line | Water Meter Charge     |
| 3/4" domestic              | \$195.00 <u>193.18</u> |
| 1" domestic                | 250.00 <u>304.53</u>   |
| 1 1/2" domestic            | 425.00 <u>1,448.13</u> |
| 2" domestic                | 525.00 <u>1,712.72</u> |

|                              |                           |
|------------------------------|---------------------------|
| <del>1 1/2" irrigation</del> | <del>650.001,095.51</del> |
| <del>2" irrigation</del>     | <del>775.001,330.57</del> |





# Moulton Niguel Water District



## STAFF REPORT

**TO:** Board of Directors **MEETING DATE:** February 19, 2014

**FROM:** Matt Collings, Assistant General Manager  
Doug Zytkevicz, Superintendent of Customer Service

**SUBJECT:** Agreement for Participation and Co-Funding in Municipal Water District of Orange County Rebate Program

### **SUMMARY:**

**Issue:** Staff is proposing to transition administration of the District’s rebate programs through the Metropolitan Water District SoCal WaterSmart (WaterSmart) rebate program via an agreement with the Municipal Water District of Orange County (MWDOC).

**Recommendation:** It is recommended that the Board of Directors authorize the General Manager to execute the “Agreement for Participation and Co-Funding by Moulton Niguel Water District in Specified Municipal Water District of Orange County Rebate Programs” subject to non-substantive changes approved by Legal Counsel and the District staff.

**Fiscal Impact:** Sufficient funds for the rebate program are available in the Efficiency Fund. Funding levels for current District rebates will not be adjusted.

### **BACKGROUND:**

The District’s rebate program was officially adopted by the Board on July 21, 2011 with additional revisions approved on October 20, 2011. The rebate devices included in the program were selected based on industry standards and the expressed interests of the District’s customers. The intent of the rebate program was to incentivize water-savings devices for the District’s customers to gain potential water savings for both internal and external water uses. Certain programs, i.e. the turf removal rebate, will also reduce potential run-off in addition to the water savings. Reduction in water run-off is a requirement for recycled water sites and an important initiative for the various cities responsible for storm drain run-off.

## #6.

The first year the District's rebate program was available (FY 2011-2012), more than \$500,000 in rebates were processed for high-efficiency toilets, high-efficiency washing machines, synthetic turf installation, and other water-savings devices. During FY 2012-2013, the District's customers received rebates totaling more than \$930,000, nearly double the total from the previous year. A summary of the rebates that were processed since the District's rebate program has been in place is provided in Table 1.

District staff has administered the rebate program since its implementation. More than 6,000 rebate applications and rebate checks have been processed by staff. Currently, processing a rebate requires staff time from customer service, conservation, and accounting. Customer service directs customers with information on how to fill-out the rebate application, where to return the completed application, and receive and categorize the completed application. The conservation department verifies that the product meets the program qualifications for a rebate through utilizing various different websites. Final approval of the application is provided by the Superintendent of Customer Service. If an inspection is deemed necessary, the application is sent back to the conservation department to schedule an inspection. Once application is signed, the accounting department will issue the rebate check.

### **DISCUSSION:**

The Metropolitan Water District (MWD) administers the WaterSmart rebate program. This program offers rebates for water-savings devices and programs that are available to all of the residents within the MWD service area, including the District's customers. The available programs within the WaterSmart rebate program are similar to the rebate programs offered by the District. Currently, many MWDOC member agencies utilize the WaterSmart rebate program for processing all rebate applications while providing supplemental funding to increase rebate incentives, including Irvine Ranch Water District, Santa Margarita Water District, and El Toro Water District.

Under a singular program administered through MWD, District customers will be directed to the WaterSmart rebate program to submit and process a single rebate application. Customers will have access to all available regional rebate funding, primarily through MWD, but also any identified supplemental funding from the District's Efficiency Fund. District staff will be available to answer questions or direct customers to the WaterSmart program, but the administration functions, including processing applications, reviewing for meeting specifications, and issuing rebate checks, will be performed by MWDOC, MWD, and their contractor. Some programs, such as the turf removal program, will still require site inspections by District staff for compliance with the MWDOC program. The WaterSmart program will also provide reports on the rebate applications processed, and information/marketing material to advertise the available rebate programs. A link to the WaterSmart program website will be provided on the District's website. Each month, MWDOC will provide an invoice to the District for rebates issued in the previous month period.

The District will realize significant benefits by transitioning the administration of the rebate program to the WaterSmart program. Primarily, the conservation department will



see a reduction in the needed time to administer the rebate program, and allow for more time to focus on water-use efficiency analysis, program development, and customer outreach and education, i.e. efficient landscape irrigation campaigns, commercial water audits, and program monitoring. The water rebate programs outlined in this report will be assessed on a regular basis to determine their effectiveness at increasing water-use efficiency. Programs determined not to be effective will be discontinued. Table 2 shows a summary of rebate programs offered by the District. The table identifies the current District funding for the various programs, MWD funding, and any recommended changes to support implementation with the WaterSmart program.

The Agreement for Participation and Co-Funding by Moulton Niguel Water District in Specified Municipal Water District of Orange County Rebate Programs (Agreement) is attached to this staff report. The Agreement will allow for the additional funding to be made available through the WaterSmart program. Upon approval and execution of the Agreement, the District will include the appropriate links and access on the District's website. Staff will coordinate with MWDOC staff to ensure that all rebates currently being processed or that have been accepted by District staff will not be eligible for supplemental funding through the WaterSmart program. Any new rebate applications would need to be processed through the new program, and District staff would work with customers to assist in the transition.

Attachments:

1. Table 1: Rebate Program Summary
2. Table 2: Available Rebates and Recommended Funding
3. Agreement for Participation and Funding by Moulton Niguel Water District in Specified Municipal Water District of Orange County Rebate Programs



**TABLE 1**  
**REBATE PROGRAM SUMMARY**

| Rebate Program or Device                            | Rebates (\$)                 |                  |                  |
|---|------------------------------|------------------|------------------|
|   | FY 13-14<br>(as of 12/31/13) | FY 12-13         | FY 11-12         |
| <b>Residential Customers</b>                        |                              |                  |                  |
| High Efficiency Clothes Washers                     | \$81,125                     | \$194,398        | \$137,650        |
| High Efficiency Toilets                             | \$155,451                    | \$378,849        | \$228,257        |
| Weather Based Irrigation Controllers                | \$2,761                      | \$5,482          | \$4,896          |
| Rotating Spray Nozzles for Pop-Up Spray Heads       | \$571                        | \$1,504          | \$1,877          |
| Drip Irrigation                                     | \$690                        | \$2,406          | \$637            |
| Turf Removal  | \$71,717                     | \$121,100        | \$26,678         |
| Synthetic Turf                                      | \$62,420                     | \$85,906         | \$19,896         |
| Water Brooms  | \$0                          | \$0              | \$70             |
| <b>Residential Total</b>                            | <b>\$374,734</b>             | <b>\$789,645</b> | <b>\$419,961</b> |
| <b>Commercial Customers</b>                         |                              |                  |                  |
| High Efficiency Toilets                             | \$150                        | \$1,928          | \$1,145          |
| Zero & Ultra Low Water Urinals                      | \$0                          | \$150            | \$280            |
| Commercial Clothes Washers                          | \$0                          | \$0              | \$4,000          |
| Rotating Spray Nozzles for Pop-Up Spray Heads       | \$0                          | \$0              | \$1,468          |
| Water Cooling Tower Conductivity Controller         | \$0                          | \$0              | \$600            |
| Turf Removal  | \$0                          | \$8,434          | \$0              |
| <b>Commercial Total</b>                             | <b>\$150</b>                 | <b>\$10,512</b>  | <b>\$7,493</b>   |
| <b>Irrigation Customers</b>                         |                              |                  |                  |
| Weather Based Irrigation Controller                 | \$16,200                     | \$44,210         | \$15,947         |
| Rotating Spray Nozzles for Pop-Up Spray Heads       | \$1,560                      | \$715            | \$624            |
| High Efficiency Nozzles for Large Rotary Sprinklers | \$0                          | \$331            | \$0              |
| Turf Removal  | \$19,643                     | \$65,337         | \$46,133         |
| Drip Irrigation                                     | \$0                          | \$12,644         | \$0              |
| Recycled Water Retrofits                            | \$0                          | \$6,795          | \$10,813         |
| <b>Irrigation Total</b>                             | <b>\$37,403</b>              | <b>\$130,033</b> | <b>\$73,516</b>  |
| <b>TOTAL REBATE PROGRAM</b>                         | <b>\$412,287</b>             | <b>\$930,189</b> | <b>\$500,971</b> |



**Table 2: Available Rebates & Recommended Funding**

|      | Regional Commercial Program   | Current MNWD Rebate  | Proposed Supplemental MNWD Rebate                     | Metropolitan Incentive               | Total Possible Rebate (excluding restrictions) | Notes   |
|------|---|--|---|--------------------------------------|--|---|
| 1    | <b>Weather-Based Irrigation Controller (WBIC)</b><br><i>Upgrades to existing equipment that enable functionality as a WBIC may qualify for incentives provided they meet program terms and conditions.</i>    | \$40 per <b>ACTIVE</b> station<br>Max of \$1,440 (36 stations) | \$25 per station based on controller station capacity | \$25 per station                     | Up to \$50 per Active Station                  | <ul style="list-style-type: none"> <li>Remove maximum</li> <li>Rebate will be based on 'Up to the Cost of the Device'</li> </ul>                |
| 2    | <b>Central Computer Irrigation Controller (CCIC)</b><br><i>Upgrades to existing equipment that enable functionality as a CCIC may qualify for incentives provided they meet program terms and conditions.</i> | \$40 per <b>ACTIVE</b> station<br>Max of \$1,440 (36 stations) | \$25 per station based on controller station capacity | \$25 per station                     | Up to \$50 per Active Station                  | <ul style="list-style-type: none"> <li>Same as commercial WBIC above</li> <li>Rebate will be based on 'Up to the Cost of the Device'</li> </ul> |
| 3    | <b>Soil Moisture Sensors</b><br><i>Treated like a WBIC. MET's Board to consider adding this device at their Sept Board meeting.</i>   | None   | Add to list with no additional funding                | \$30 -\$40 per station based on site | \$30 -\$40 per station based on site           | <ul style="list-style-type: none"> <li>Rely solely on the MWD funding</li> </ul>  |
| -27- |   |  |   |                                      |  |   |
| 4    | <b>Large Rotary Nozzles</b><br><i>Minimum 8 sets (2 each) per site required.</i>  | \$15 per set<br>Max of \$1,500 (100 sets)                      | \$15 per set, no maximum                              | \$13 per set                         | \$28 per set                                   | <ul style="list-style-type: none"> <li>Remove maximum</li> <li>Rebate will be based on 'Up to the Cost of the Device'</li> </ul>                |
| 5    | <b>Rotating Nozzles for Pop-up Spray Heads Retrofits</b><br><i>Minimum 15 units per site.</i>   | \$4 per nozzles Max of \$800 (200 nozzles)                     | \$4 per nozzle, no maximum                            | \$4 - \$6 per nozzle based on site   | \$8 - \$10 per nozzle based on site            | <ul style="list-style-type: none"> <li>Remove maximum</li> <li>Rebate will be based on 'Up to the Cost of the Device'</li> </ul>                |
| 6    | <b>Commercial High Efficiency Toilet (HET) – Tank Type</b><br><i>Rebates are for matching bowls &amp; tanks.</i>  | \$150 per HET<br>Max of \$750/5 Toilets                        | \$150 per HET, no maximum                             | \$100                                | \$250 per HET                                  | <ul style="list-style-type: none"> <li>Remove maximum</li> <li>Should cover the cost of most HET's</li> </ul>                                   |
| 7    | <b>Commercial High Efficiency Toilet (HET) – Flushometer</b><br><i>Rebates are for matching bowls <b>and</b> flushometer valves.</i>  | None   | No supplemental funding                               | \$100                                | \$100 per HET                                  | <ul style="list-style-type: none"> <li>Rely solely on the MWD funding</li> </ul>  |
| 8    | <b>Multi-Family High Efficiency Toilets</b>   | None   | No supplemental funding                               | \$50                                 | \$50 MF HET                                    | <ul style="list-style-type: none"> <li>Rely solely on the MWD funding</li> </ul>  |

Note: Rebate amounts, stated comments, and rebate offerings are as of August 2, 2013. All stated items are subject to change and will be communicated when known.

|      | Regional Commercial Program  | Current MNWD Rebate                                    | Proposed Supplemental MNWD Rebate  | Metropolitan Incentive | Total Possible Rebate (excluding restrictions) | Notes  |
|------|--|--|------------------------------------|------------------------|--|--|
| 9    | <b>Zero Water Urinals (ZWU)</b><br><i>ZWU units must replace existing urinals flushing at 1.5 gpf or greater.</i>  | \$150 per ZWU<br>Max of \$750/5 urinals                | \$150 per ZWU, no maximum          | \$200                  | \$350 per ZWU                                  | <ul style="list-style-type: none"> <li>Remove maximum</li> <li>Rebate will be based on 'Up to the Cost of the Device'</li> </ul> |
| 10   | <b>Ultra Low Water Urinal (ULWU)</b><br><i>Rebates are for matching bowls <b>and</b> flushometer valves. Must flush at &lt; 0.125 gpf, and must replace existing urinals flushing at 1.5 gpf or greater.</i> | \$150 per ULWU<br>Max of \$750/5 urinals               | \$150 per ULWU, no maximum         | \$200                  | \$350 per ULWU                                 | <ul style="list-style-type: none"> <li>Remove maximum</li> <li>Rebate will be based on 'Up to the Cost of the Device'</li> </ul> |
| 11   | <b>pH-Cooling Tower Controller (pH-CTC)</b>  | \$600 per controller<br>Max of \$1,200/2 controllers   | \$1,000 per controller, no Maximum | \$1,750                | \$2,350 per controller                         | <ul style="list-style-type: none"> <li>Remove maximum</li> <li>Rebate will be based on 'Up to the Cost of the Device'</li> </ul> |
| -28- | <b>Cooling Tower Conductivity Controller (CTCC)</b>  | \$1,000 per controller<br>Max of \$2,000/2 controllers | \$600 per controller, no Maximum   | \$625                  | \$1,625 per controller                         | <ul style="list-style-type: none"> <li>Remove maximum</li> <li>Rebate will be based on 'Up to the Cost of the Device'</li> </ul> |
| 13   | <b>Dry Vacuum Pump</b><br><i>Maximum 2 Horsepower (HP) motor.</i>  | None   | \$125 per 0.5 HP                   | \$125 per 0.5 HP       | \$125 per 0.5 HP                               | <ul style="list-style-type: none"> <li>Rebate will be based on 'Up to the Cost of the Device'</li> </ul>                         |
| 14   | <b>Connectionless Food Steamers</b>  | \$500 per compartment<br>Max of \$1,000/2 cmp          | \$500 per compartment, no maximum  | \$485 per compartment  | \$985 per compartment                          | <ul style="list-style-type: none"> <li>Remove maximum</li> <li>Rebate will be based on 'Up to the Cost of the Device'</li> </ul> |
| 15   | <b>Ice-Making Machines</b>   | \$750 per machine<br>Max of 1                          | \$750 per machine, no maximum      | \$1,000                | \$1,750 per machine                            | <ul style="list-style-type: none"> <li>Remove maximum</li> <li>Rebate will be based on 'Up to the Cost of the Device'</li> </ul> |
| 16   | <b>Laminar Flow Restrictors</b>  | None   | \$10 per restrictor, no maximum    | \$10 per restrictor    | \$10 per restrictor                            | <ul style="list-style-type: none"> <li>Rebate will be based on 'Up to the Cost of the Device'</li> </ul>                         |

Note: Rebate amounts, stated comments, and rebate offerings are as of August 2, 2013. All stated items are subject to change and will be communicated when known.

|    | <b>Regional Commercial Program</b>  | <b>Current MNWD Rebate</b>  | <b>Proposed Supplemental MNWD Rebate</b>   | <b>Metropolitan Incentive</b> | <b>Total Possible Rebate (excluding restrictions)</b> | <b>Notes</b>  |
|----|---|---|--|-------------------------------|---|---|
| 17 | <b>In-Stem Flow Regulator</b><br><i>Minimum 25 units per site required.</i> | None  | \$1 per regulator, no maximum  | \$1 per regulator             | \$1 per regulator                                     | <ul style="list-style-type: none"> <li>Rebate will be based on 'Up to the Cost of the Device'</li> </ul>  |
| 18 | <b>Commercial Clothes Washers</b>   | \$400 per washer<br>Max \$4,000/10 washers  | Recommend eliminating program  | Not available                 | \$400 per washer                                      | <ul style="list-style-type: none"> <li>Remove program</li> </ul>  |
| 19 | <b>Synthetic Turf</b>   | \$1.50 per sf<br>Max \$3,000/2,000 sf   | \$1.50 per sf<br>Max \$3,000/2,000 sf  | \$0.30 per sf                 | \$1.80 per sf   | <ul style="list-style-type: none"> <li>MWDOC will administer this program</li> </ul>                      |
| 20 | <b>Turf Removal Program</b>   | \$1.50 per sf<br>Max \$4,500/3,000 sf   | \$1.50 per sf, limit of 10,000 sf/meter  | \$1.00 per sf                 | \$2.50 per sf   | <ul style="list-style-type: none"> <li>MWDOC will administer this program</li> </ul>                      |
| 21 | <b>Drip Irrigation</b>  | \$0.20 per sf<br>Max of \$1,000   | \$0.10 per sf  | \$0.40 per sf                 | \$0.50 per sf   | <ul style="list-style-type: none"> <li>Must purchase a "drip kit"</li> <li>Max rebate is \$200</li> </ul> |
| 22 | <b>Waterbrooms</b>  | \$75 per unit<br>Max of \$225/3   | Recommend eliminating program  | Not available                 | \$75 per wb   | <ul style="list-style-type: none"> <li>Remove program</li> </ul>  |
| 23 | <b>Pre-Rinse Spray Nozzles</b>  | \$50 per unit<br>Max of \$100/2   | Recommend eliminating program  | Not available                 | \$50 per PRSN   | <ul style="list-style-type: none"> <li>Remove program</li> </ul>  |
| 24 | <b>Recycled Water Retrofits</b>   | \$1,250 per irrigated acre or 50% of the project cost, whichever is less for work performed past the current potable meter.<br>Max of \$1,250 per acre or \$5,000 total | Not eligible through regional program, MNWD staff to continue to administer this program | Not available                 | \$1,250 per irrigated acre/50% of project cost        |   |

Note: Rebate amounts, stated comments, and rebate offerings are as of August 2, 2013. All stated items are subject to change and will be communicated when known.

|   | Regional Residential Program  | Current MNWD Rebate Per Website                     | MWDOC Recommended MNWD Incentive                             | Metropolitan Incentive  | Total Possible Rebate (excluding restrictions) | Notes   |
|---|---|---|--|-------------------------|--|---|
| 1   | <b>High Efficiency Clothes Washer (HECW) 4.0 Water Factor</b>   | \$200 per HECW<br>Max 1                             | \$200 per HECW<br>Max 1                                      | \$85                    | \$285 per HECW                                 | <ul style="list-style-type: none"> <li>• MET incentive to increase to \$100 later this year</li> </ul>        |
| 2   | <b>High Efficiency Toilet (HET) (single-family)</b>   | \$150 per HET<br>Max \$750/5                        | \$150 per HET,<br>maximum of 5                               | \$50                    | \$200 per HET                                  | <ul style="list-style-type: none"> <li>• Up to the cost of the device</li> </ul>                              |
| 3   | <b>Rotating Nozzles</b> <i>Minimum 15 per home</i>  | \$4 per Nozzle<br>Max of \$200/50 nozzles           | \$4 per Nozzle,<br>no maximum                                | \$4                     | \$8 per Nozzle                                 | <ul style="list-style-type: none"> <li>• Remove maximum</li> <li>• Up to the cost of the device</li> </ul>    |
| <b>Weather Based Irrigation Controller (WBIC)</b> |   |   |  |                         |  |   |
| 4   | - WBIC <i>Less than one irrigated acre</i>  | \$25 per active station<br>Max of \$600/24 stations | \$75 per device  | \$305 per in MWDOC area | \$380 per clock                                | <ul style="list-style-type: none"> <li>• Up to the cost of the device</li> </ul>                              |
| 5   | - WBIC <i>One irrigated acre or larger</i>  | \$25 per active station<br>Max of \$600/24 stations | \$25 - \$40 per station based on controller station capacity | \$30 per station        | \$55 - \$70 per station                        | <ul style="list-style-type: none"> <li>• Up to the cost of the device</li> </ul>                              |
| 6   | <b>Synthetic Turf</b>   | \$1.50 per sf<br>Max \$1,500/1,000 sf               | \$1.50 per sf<br>Max \$1,500/1,000 sf                        | \$0.30 per sf           | \$1.80 per sf                                  | <ul style="list-style-type: none"> <li>• MWDOC will administer this program</li> </ul>                        |
| 7   | <b>Turf Removal</b>   | \$1.50 per sf<br>Max \$1,500/1,000 sf               | \$1.50 per sf,<br>limit of 10,000 per meter                  | \$1.00 per sf           | \$2.50 per sf                                  | <ul style="list-style-type: none"> <li>• MWDOC will administer this program</li> </ul>                        |
| 8   | <b>Drip Irrigation</b><br><i>MET's Board to consider adding this device at their Sept Board meeting</i> | \$0.20 per sf<br>Max of \$300                       | \$0.10 per sf  | \$0.40 per sf           | \$0.50 per sf                                  | <ul style="list-style-type: none"> <li>• Must purchase a "drip kit"</li> <li>• Max rebate is \$200</li> </ul> |

Note: Rebate amounts, stated comments, and rebate offerings are as of August 2, 2013. All stated items are subject to change and will be communicated when known.



**Agreement for Participation and Co-Funding  
By Moulton Niguel Water District in  
Specified Municipal Water District of Orange County  
Rebate Programs**

This agreement for participation (“Agreement”) is made as of the latest date executed below by and between the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (“MWDOC”) and MOULTON NIGUEL WATER DISTRICT (“MNWD”). The Agreement provides for participation and co-funding by MNWD of water use efficiency devices through Metropolitan Water District of Southern California’s (“Metropolitan”) SoCal WaterSmart (“WaterSmart”) rebate program in MNWD’s service area, as administered by MWDOC.

MWDOC and MNWD agree as follows:

- 1. Rebate Programs.** MWDOC has developed and arranged funding through Metropolitan and other sources for programs to provide rebates to water users within MNWD’s service area upon the purchase and installation of common plumbing devices designed to increase water use efficiency. Through Metropolitan’s “WaterSmart” rebate program (“Program”), property owners within MNWD’s service area are eligible for rebates in varying amounts for a range of devices. The Program’s objectives are to achieve savings in water consumption, reduce water runoff to storm drains and natural water bodies, and promote the goals of the applicable Best Management Practices.
- 2. Rebate Contractor.** In connection with the Program, MWDOC and Metropolitan have contracted for the services of a qualified rebate contractor (“Rebate Contractor”) to provide information about the Program and participation criteria to eligible participants, administer the rebates, and report the results of the Program. Participants qualify for rebates, and rebate checks are issued, when proper installation and operation of particular devices have occurred.
- 3. MNWD Participation and Co-Funding.** In addition to the existing funding for rebates provided directly through Metropolitan’s WaterSmart program, MNWD will provide additional funding or “co-funding” to the Program in the “Maximum Funding” amounts identified on Exhibit A to this Agreement, entitled “Proposed Rebate Funding Levels FY 2013-2014.” MNWD shall have the ability to transfer funding between devices as it deems necessary by sending written notice to MWDOC. Such a notice shall specify changes to the “Maximum Funding” for each device affected by the transfer and shall not result in a net increase in total funding. For example, if the WaterSmart high efficiency clothes washer rebate is nearing the “Maximum Funding” amount, while the WaterSmart high efficiency toilet rebate has funding remaining, MNWD may notify MWDOC in writing to transfer funding between the devices, thereby increasing the Maximum Funding for one device and decreasing it for the other. MNWD may also, upon notice by MWDOC of depleted funds prior to Program Expiration, as defined in paragraph 8 herein, make additional funding available, without formal amendment of this Agreement, up to an additional \$\_\_\_\_\_. This can be accomplished by letter from an authorized MNWD representative to MWDOC’s General Manager. If the Maximum Funding for a particular device is exhausted prior to the Program Expiration, as defined in Paragraph 8

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below, and MNWD does not elect to add additional funding or transfer available funding from another device, MWDOC will direct the Rebate Contractor to discontinue offering the additional rebate funding for that device in MNWD's service area.

**4. MWDOC's Obligations.** Under this Agreement:

- MWDOC will be responsible to MNWD for ensuring that timely reports on the Program's results are prepared by the Rebate Contractor and MWDOC's own staff.
- MWDOC will develop a database of information regarding participation in the Program and provide monthly electronic and written reports of activity to MNWD.
- The electronic reports will include, at a minimum, MNWD customer account number, customer name, service address, quantity and type of device rebated, and rebate amount paid.
- MWDOC will invoice MNWD for its funding obligation pursuant to Exhibit A on a monthly basis for rebates issued during the previous month.
- MWDOC, through the Rebate Contractor or its own staff, will provide MNWD with monthly electronic and written reports and shall monitor the number of rebate applications provided in MNWD's service territory to ensure that it is within the "Maximum Funding" as provided in Exhibit A to this Agreement.
- MWDOC does not guarantee any minimum number of rebates will be available for MNWD's service area.

**5. MNWD's Obligations.** MWDOC will invoice MNWD on a monthly basis for rebates issued in the previous month period, and payment by MNWD will be made pursuant to Exhibit A and within thirty (30) days of the date of the MWDOC invoice.

**6. Confidentiality.** MWDOC agrees to maintain the confidentiality of MNWD's customer names, addresses and other information about participants in the Program gathered in connection with the Program, and MWDOC will not cause or permit the disclosure of such information except as required by law and as necessary to carry out the Program. To the extent MWDOC contracts with the Rebate Contractor or other third party contractors to carry out all or any portion of the Program, MWDOC will require such contractors to similarly maintain the confidentiality of such customer information.

**7. Indemnification.** The Program is a rebate program in which a participant is solely responsible for selecting, purchasing and installing the water use efficiency devices. MWDOC will require each participant to sign a release and waiver of claims against MWDOC, MNWD and any other funding agency as a condition for participating in the Program. To the extent MWDOC and/or MNWD or their respective staffs perform any activities in connection with the Program, each agrees to indemnify and hold the other harmless from any and all liability, claims, obligations, damages and suits arising out of its negligence or liability without fault in the performance of such activities, except to the extent such liability, claims, obligations, damages or suits arise from the other's negligence or liability without fault.

8. **Term.** This Agreement shall commence on September 1, 2013 and continue until June 30, 2014 or until the Total Funding for the Program, as shown on Exhibit A hereto, has been exhausted, whichever occurs first (“Program Expiration”). If the Total Funding for the Program is exhausted prior to Program Expiration, MWDOC will notify MNWD and inquire about the availability of additional funding, as provided herein. If MNWD declines to provide additional funding, MWDOC will direct its Rebate Contractor to discontinue offering rebate funding for the Program in MNWD’s service area.

9. **Early Termination.** MNWD may terminate this Agreement at any time upon thirty (30) days’ written notice to MWDOC. MWDOC may terminate this Agreement prior to the Program Expiration date, or prior to the exhaustion of the Total Funding for the Program for MNWD’s service area, without prior notice in the event funding for the Program is exhausted, reduced, or eliminated from any funding source. If MWDOC deems it necessary to terminate this Program for any other reason, MWDOC will give MNWD thirty (30) days’ written notice. In the event of termination by either party, MNWD will be responsible for payment of its funding contribution for all rebates initiated by participants of the Program within MNWD’s service area prior to the effective date of the termination. For purposes of this paragraph, an application is deemed initiated when a participant in the Program submits an online rebate application or obtains a rebate reservation.

Dated: \_\_\_\_\_

MUNICIPAL WATER DISTRICT OF  
ORANGE COUNTY

By: \_\_\_\_\_

Karl W. Seckel, P.E.  
Interim General Manager

Dated: \_\_\_\_\_

MOULTON NIGUEL WATER DISTRICT

By: \_\_\_\_\_

\_\_\_\_\_, General Manager

APPROVED AS TO FORM:

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Patricia B. Giannone for  
Bowie, Arneson, Wiles & Giannone  
Legal Counsel

**Exhibit A: Proposed Rebate Funding Levels FY 2013-2014**

| <b>Program</b>                               | <b>Maximum Funding*</b> | <b>Devices</b>                                 | <b>MNWD Rebate Funding Level Per Device</b> |
|--|-------------------------|--|---|
| <b>SoCal Water\$mart Residential Program</b> | \$450,000               | High Efficiency Clothes Washer (HECW)          | \$165                                       |
|  |                         | High Efficiency Toilet (HET)                   | \$50  |
| <b>Program</b>                               | <b>Maximum Funding*</b> | <b>Devices</b>                                 | <b>MNWD Rebate Funding Level Per Device</b> |
| <b>SoCal Water\$mart Commercial Program</b>  | \$50,000                | Commercial High Efficiency Toilet              | \$100                                       |
|  |                         | Zero Water/Ultra Low Water Urinals             | \$100                                       |
|  |                         | Connectionless Food Steamer                    | \$485 Per Compartment                       |
|  |                         | Commercial Ice Making Machine (Tier III)       | \$250                                       |
|  |                         | Hotel Connectionless Food Steamer              | \$485 Per Compartment                       |
|  |                         | Hotel Commercial Ice Making Machine (Tier III) | \$250.00                                    |
| <b>Total Funding for All Programs</b>        | <b>\$500,000</b>        |  |   |

\* Where indicated, "Maximum Funding" amounts for certain programs are subject to the provisions of Paragraph 3 of the Agreement and will be adjusted upon notification by MNWD to transfer funding between programs.

# Moulton Niguel Water District



## STAFF REPORT

**TO: Board of Directors    MEETING DATE: February 19, 2014**

**FROM: Marc Serna, Director of Engineering and Operations**  
**Eva Plajzer, Assistant Director of Engineering**

**SUBJECT: City of Laguna Niguel Crown Valley Parkway Medians Project**

---

**SUMMARY:**

**Issue:** Funding for the City of Laguna Niguel Crown Valley Parkway Medians Project for conservation and recycled water improvements.

**Recommendation:** It is recommended that the Board of Directors authorize an expenditure of \$417,119 from the Efficiency Fund for the City of Laguna Niguel Crown Valley Parkway Medians Project subject to the execution of a reimbursement agreement with the City of Laguna Niguel.

**Fiscal Impact:** The Efficiency fund has sufficient balance to cover this expenditure request.

**BACKGROUND:**

The purpose of the City of Laguna Niguel (City) Runoff Elimination Program for Crown Valley Parkway Medians Project (Project) is to conserve water, reduce urban runoff, improve worker safety, reduce street pavement damage, and enhance the aesthetic character of Crown Valley Parkway along its entire 5-mile length within the city, between Cabot Road and Camino del Avion. The project will replace aging and inefficient irrigation systems with new low-precipitation-rate systems; convert the water source from potable to recycled water, where available; and set the sprinklers back from the road edge behind a safety mow strip, along the entire length of the project. Under the project, the first phase of new drought-tolerant plantings to replace existing turf grass will also be installed between Glenrock Road and Cabot Road. Project construction is expected to begin in late spring 2014. The project location is shown in Exhibit A.

The Project is currently irrigated by eight potable water meters with an average annual potable water usage of 23.1 acre-feet. The City identified various conversions and retrofits for the Project as identified in the table below. The requested items are

## #7.

identified in the District's Water Conservation Rebate Program. The City requested a total of \$417,119 from the District to assist in execution of this Project.

| <b>Crown Valley Parkway Medians Project<br/>Water Conservation Program Features</b> |                 |             |                    |                  |
|---|-----------------|-------------|--------------------|------------------|
| <b>Item</b>   | <b>Quantity</b> | <b>Unit</b> | <b>Unit Rebate</b> | <b>Total</b>     |
| Weather-based irrigation controllers  | 6               | Each        | \$1,440            | \$8,640          |
| Rotating spray nozzles for pop-ups  | 4,474           | Each        | \$4                | \$17,896         |
| Removal of turf   | 70,805          | Square feet | \$1.5              | \$106,208        |
| Retrofit down stream of meter (onsite)  | 3.5             | Acre        | \$1,250            | \$4,375          |
| Retrofit up-stream of meter (offsite)   | 8               | Each        | ---                | \$280,000        |
| <b>Total</b>  |                 |             |                    | <b>\$417,119</b> |

The first four items in the table are currently covered by the District's rebate program. The program identifies a maximum rebate for rotating spray nozzles (200) and removal of turf (3,000 square feet). The proposed rebate for the city would currently exceed the maximum values. However, this is permissible through the rebate program with approval by the District's General Manager. The last item is the cost to convert this Project from the potable system to the recycled system with a direct benefit of reducing 23.1 acre-feet annually of potable water. The costs include the installation of new service lines and meters, and where pumps are required, the purchase and installation of irrigation system pumps and the associated electrical service. These costs have historically been paid by the District where a recycled water site conversion is recommended or desired by the District. Currently, staff has estimated a total cost of \$280,000 for the recycled water conversion. Firm costs would be identified in a construction package as part of the project bid.

### **DISCUSSION:**

This project presents an opportunity for the District to partner with the cities to improve the water efficiency within the District. The various onsite efficiency improvements will optimize the use of water while the offsite improvements will reallocate the use of potable to recycled water.

The onsite improvements are currently part of the District's Water Conservation Rebate Program and funding for these improvements will be through this program. The city has requested that \$137,119 be used for approved rebate programs and to increase the available maximum funding for two items.

The city also approached the District to evaluate the possibility of participating in the retrofit costs for offsite improvements to convert to recycled water for the eight meters supplying water to the project. District staff evaluated the cost effectiveness of

converting these meters from the potable to recycled water system. At current rates, the District will save about \$45 per acre-foot per year when this project converts from the potable to recycled source. In addition, 23 acre-feet per year of demand will be removed from the potable water system. This is a substantial decrease that will benefit the District in the anticipated upcoming conservation requirements due to the current State of California drought emergency.

The Water Use Efficiency Fund (Fund) was established by the District to provide a dedicated source of funds for projects and activities that reduced the demand on the potable water resource. This project demonstrates a high degree of water use optimization and reduction of demand from the potable water source. Therefore, this project meets the requirements of and should be funded from the Water Use Efficiency Fund.

The city is on an accelerated schedule with this project and would like to construct all improvements as part of their construction project. As such, the city and District have proposed developing a reimbursement agreement to cover the costs as listed in the table. The reimbursement agreement is anticipated to be presented to the Board of Directors in March or April.








Attachments:

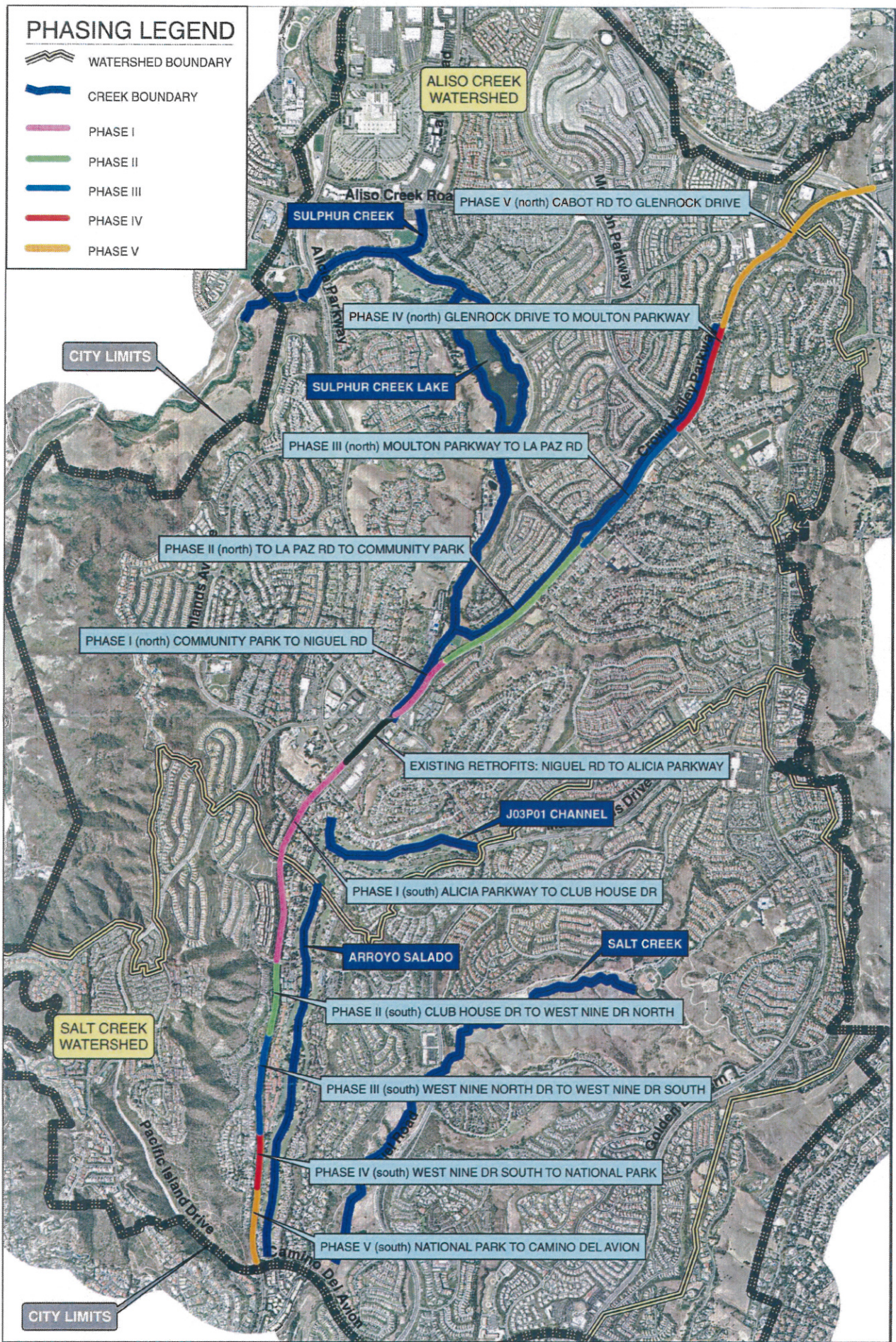
1. Exhibit A: Location Map
2. Resolution No. 11-10: Establishing a Conservation Fund for Certain WBBRS Revenues





### PHASING LEGEND

-  WATERSHED BOUNDARY
-  CREEK BOUNDARY
-  PHASE I
-  PHASE II
-  PHASE III
-  PHASE IV
-  PHASE V



D:\GIS\PROJECTS\PPV\PROJECTS\MEDIAN\_LOCATION\LIMITS\_PHASES



**RUNOFF ELIMINATION FOR  
CROWN VALLEY PARKWAY MEDIANS  
PHASING PLAN A-39- /ATERSHED AREAS**





RESOLUTION NO. 11- 10

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF MOULTON NIGUEL WATER DISTRICT  
ESTABLISHING A CONSERVATION FUND FOR  
CERTAIN WBBRS REVENUES**

**WHEREAS**, the Board of Directors of the District has adopted a resolution on this date to approve the Water-Budget-Based Rate Structure (“WBBRS”) and resulting increases to water rates and charges, and the Board desires to establish a “Conservation Fund” for deposit of WBBRS revenues generated under certain rate tiers for consumption in excess of water allowable under base allocation tiers;

**WHEREAS**, revenues generated from the Excessive and Wasteful Tiers (Tier 4 and Tier 5), net of the price of water under Tiers 4 and 5 that is in excess of the price of water under Tier 2, under WBBRS (“WBBRS Conservation Revenues”) will be segregated from other revenues of the District and deposited in **the Conservation Fund to be used for purposes generally related to water efficiency or conservation goals and policies, as specifically directed by the Board under budgetary and other approvals from time to time;**

**WHEREAS**, **these purposes may include, but are not limited to, conservation BMPs, education and devices; water system retrofitting; recycled and alternative water uses and supplies; and dry-year supply arrangements; and**

**WHEREAS**, the Board by adoption of this Resolution establishes the Conservation Fund in accordance with terms in **Attachment 1** to this Resolution.

**NOW, THEREFORE**, the Board of Directors of Moulton Niguel Water District does hereby **RESOLVE, DETERMINE** and **ORDER** as follows:

**Section 1.** The Board hereby establishes the Conservation Fund for the deposit and application of the WBBRS Conservation Revenues (including interest earnings thereon) deposited therein generally in accordance with the policies set forth in Attachment 1, to be determined by the Board under budgetary and other approvals from time to time, and as may be revised from time to time by the Board.

**Section 2.** The provisions of this Resolution shall be effective immediately upon adoption.

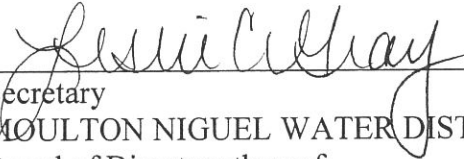
**#7.**

**ADOPTED, SIGNED and APPROVED** this 21<sup>st</sup> day of April, 2011.

**MOULTON NIGUEL WATER DISTRICT**



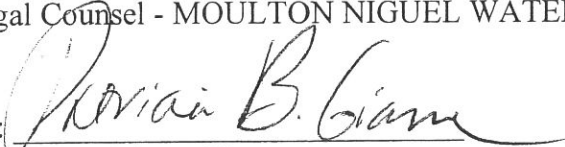
\_\_\_\_\_  
President  
MOULTON NIGUEL WATER DISTRICT and the  
Board of Directors thereof



\_\_\_\_\_  
Secretary  
MOULTON NIGUEL WATER DISTRICT and the  
Board of Directors thereof

APPROVED AS TO FORM:

BOWIE, ARNESON, WILES & GIANNONE  
Legal Counsel - MOULTON NIGUEL WATER DISTRICT

By:   
\_\_\_\_\_  
Patricia B. Giannone



ATTACHMENT 1

Conservation Fund Procedures

1. Objectives:

- A. Revenues generated from the Excessive and Wasteful Tiers, net of the price of water under Tiers 4 and 5 that is in excess of the price of water under Tier 2, will be segregated from other revenues of the District and deposited in the Conservation Fund.
- B. The District's intent is to use revenue in the Conservation Fund to implement water conservation or demand management measures employed to increase efficient uses of water, and further discourage the wasteful or unreasonable use of water, and may include, but not limited to, any of the following:
  - 1) Conservation best management practices, conservation education, irrigation controls and other conservation devices, and other demand management measures.
  - 2) Water system retrofitting, dual plumbing and facilities for production, distribution, and all uses of recycled water and other alternative water supplies.
  - 3) Projects and programs for prevention, control, or treatment of the runoff of water from irrigation and other outdoor water uses. Incremental costs shall not include the costs of stormwater management systems and programs.
  - 4) Securing dry-year water supply arrangements.
  - 5) Procuring water supplies to satisfy increments of water use in excess of the basic use allocations for the customers of the public entity, including supply or capacity contracts for water supply rights or entitlements and related energy costs for water delivery.
  - 6) Rebate programs for qualifying customers established and approved by the Board of Directors related to the foregoing.

**Moulton Niguel Water District  
Budget Comparison Report  
Six Months Ended December 31, 2013**

**#9.**

| Description   | Approved<br>Budget          | Fiscal Year to Date<br>Commitments | % of<br>Commitments<br>to Budget |
|---|-----------------------------|------------------------------------|----------------------------------|
| <b><u>GENERAL FUND &amp; WATER EFFICIENCY FUND:</u></b> |                             |                                    |                                  |
| Operating Revenues                                      | \$ 52,611,615               | \$ 28,415,201                      | 54%                              |
| Operating Expenses                                      | 63,740,394                  | 31,183,237                         | 49%                              |
| Operating Income (Loss)                                 | (11,128,779)                | (2,768,037)                        |                                  |
| Non-Operating Revenues (Expenses)                       | 24,491,292                  | 13,053,750                         | 53%                              |
| <b>Total Change in Funds</b>                            | <b><u>\$ 13,362,513</u></b> | <b><u>\$ 10,285,713</u></b>        |                                  |
| <b><u>GENERAL FUND:</u></b>                             |                             |                                    |                                  |
| Operating Revenues                                      | \$ 48,861,615               | \$ 26,026,094                      | 53%                              |
| Operating Expenses                                      | 61,481,787                  | 30,475,095                         | 50%                              |
| Operating Income (Loss)                                 | (12,620,172)                | (4,449,001)                        |                                  |
| Non-Operating Revenues (Expenses)                       | 24,372,980                  | 13,014,305                         | 53%                              |
| <b>Change in General Fund</b>                           | <b>11,752,808</b>           | <b>8,565,304</b>                   |                                  |
| <b><u>WATER EFFICIENCY FUND:</u></b>                    |                             |                                    |                                  |
| Operating Revenues                                      | 3,750,000                   | 2,389,107                          | 64%                              |
| Operating Expenses                                      | 2,258,607                   | 708,143                            | 31%                              |
| Operating Income (Loss)                                 | 1,491,393                   | 1,680,964                          |                                  |
| Non-Operating Revenues (Expenses)                       | 118,312                     | 39,445                             | 33%                              |
| <b>Change in Water Efficiency Fund</b>                  | <b>1,609,705</b>            | <b>1,720,409</b>                   |                                  |

**Moulton Niguel Water District**  
**General Fund - Budget Comparison Report**  
**Six Months Ended December 31, 2013**

| Description                                     | Approved<br>Budget     | Fiscal Year to Date<br>Commitments | % of<br>Commitments<br>to Budget |
|---|------------------------|------------------------------------|----------------------------------|
| <b>GENERAL FUND</b>                             |                        |                                    |                                  |
| <b><u>Operating Revenues</u></b>                |                        |                                    |                                  |
| Water Sales                                     | \$ 26,950,000          | \$ 14,351,632                      | 53%                              |
| Recycled Water Sales                            | 4,547,715              | 2,669,503                          | 59%                              |
| Sanitation Sales                                | 16,920,000             | 8,799,041                          | 52%                              |
| Other Operating Income                          | 443,900                | 205,919                            | 46%                              |
| <b>Total Operating Revenue</b>                  | <b>48,861,615</b>      | <b>26,026,094</b>                  |                                  |
| <b><u>Operating Expenses</u></b>                |                        |                                    |                                  |
| Salaries  | 8,536,016              | 4,468,706                          | 52%                              |
| PERs Employer Contributions                     | 879,054                | 463,419                            | 53%                              |
| PERs Employee Contributions                     | 201,699                | 98,942                             | 49%                              |
| PERs Other (Side fund, 401A)                    | 210,481                | 65,966                             | 31%                              |
| Educational Courses                             | 47,380                 | 6,956                              | 15%                              |
| Travels & Meetings                              | 245,623                | 71,787                             | 29%                              |
| Employee Relations                              | 13,000                 | 7,211                              | 55%                              |
| General Services                                | 512,475                | 250,274                            | 49%                              |
| Annual Audit                                    | 45,000                 | 31,820                             | 71%                              |
| Member Agencies O&M                             | 1,140,100              | 857,884                            | 75%                              |
| Dues & Memberships                              | 84,214                 | 60,435                             | 72%                              |
| Consulting Services                             | 1,085,974              | 471,746                            | 43%                              |
| Equipment Rental                                | 89,300                 | 43,004                             | 48%                              |
| District Fuel                                   | 346,000                | 144,057                            | 42%                              |
| Insurance - District                            | 585,246                | 260,666                            | 45%                              |
| Insurance/Disability - Personnel                | 320,250                | 202,838                            | 63%                              |
| Insurance - Benefits                            | 2,493,531              | 1,173,378                          | 47%                              |
| Legal Services - Personnel                      | 50,000                 | 3,545                              | 7%                               |
| Legal Services - General                        | 169,000                | 165,207                            | 98%                              |
| District Office Supplies                        | 563,300                | 369,144                            | 66%                              |
| District Operating Supplies                     | 244,095                | 138,353                            | 57%                              |
| Repairs & Maintenance - Equipment               | 1,858,101              | 281,349                            | 15%                              |
| Repairs & Maintenance - Facilities              | 3,314,624              | 1,975,740                          | 60%                              |
| Safety Program & Compliance Requirements        | 134,985                | 117,836                            | 87%                              |
| SOCWA   | 8,702,195              | 3,484,476                          | 40%                              |
| Special Outside Assessments                     | 173,500                | 25,767                             | 15%                              |
| Utilities                                       | 1,839,205              | 1,078,391                          | 59%                              |
| Water Purchases                                 | 26,790,439             | 13,955,512                         | 52%                              |
| Meter / Vault Purchases                         | 807,000                | 200,686                            | 25%                              |
| <b>Total Operating Expenses</b>                 | <b>61,481,787</b>      | <b>30,475,095</b>                  |                                  |
| <b>Operating Income (Loss)</b>                  | <b>\$ (12,620,172)</b> | <b>\$ (4,449,001)</b>              |                                  |
| <b><u>Non-Operating Revenues (Expenses)</u></b> |                        |                                    |                                  |
| Property Tax Revenue                            | \$ 21,327,990          | \$ 11,834,456                      | 55%                              |
| Investment Income (Loss)                        | 1,347,155              | 294,303                            | 22%                              |
| Cellular Lease Income                           | 1,650,085              | 843,622                            | 51%                              |
| Misc Non-Operating Income                       | 47,750                 | 41,923                             | 88%                              |
| <b>Total Non-Operating Revenue (Expenses)</b>   | <b>24,372,980</b>      | <b>13,014,305</b>                  |                                  |
| <b>Change in General Fund</b>                   | <b>\$ 11,752,808</b>   | <b>8,565,304</b>                   |                                  |



**Moulton Niguel Water District**  
**Water Efficiency Fund - Budget Comparison Report**  
**Six Months Ended December 31, 2013**

| Description                            | Approved<br>Budget  | Fiscal Year to Date<br>Commitments | % of<br>Commitments<br>to Budget |
|--|---------------------|------------------------------------|----------------------------------|
| <b>WATER EFFICIENCY FUND</b>           |                     |                                    |                                  |
| <b><u>Operating Revenue</u></b>        |                     |                                    |                                  |
| Water Efficiency                       | \$ 3,750,000        | \$ 2,389,107                       | 64%                              |
| <b>Total Operating Revenue</b>         | <b>3,750,000</b>    | <b>2,389,107</b>                   |                                  |
| <b><u>Operating Expenses</u></b>       |                     |                                    |                                  |
| Salaries                               | 411,903             | 230,522                            | 56%                              |
| PERs Employer Contributions            | 43,505              | 21,900                             | 50%                              |
| PERs Employee Contributions            | 11,966              | 5,579                              | 47%                              |
| Educational Courses                    | 500                 | 165                                | 33%                              |
| Travels & Meetings                     | 3,800               | 215                                | 6%                               |
| Dues & Memberships                     | 500                 | -                                  | 0%                               |
| Consulting Services                    | 20,000              | -                                  | 0%                               |
| Insurance/Disability - Personnel       | 4,064               | 2,964                              | 73%                              |
| Insurance - Benefits                   | 100,369             | 32,446                             | 32%                              |
| District Office Supplies               | 76,500              | 250                                | 0%                               |
| District Operating Supplies            | 500                 | -                                  | 0%                               |
| Repairs & Maintenance - Equipment      | 2,000               | -                                  | 0%                               |
| Water Efficiency                       | 1,583,000           | 414,101                            | 26%                              |
| <b>Total Operating Expenses</b>        | <b>2,258,607</b>    | <b>708,143</b>                     |                                  |
| <b>Operating Income (Loss)</b>         | <b>1,491,393</b>    | <b>1,680,964</b>                   |                                  |
| <b><u>Non-Operating Revenue</u></b>    |                     |                                    |                                  |
| Investment Income                      | 118,312             | 39,445                             | 33%                              |
| <b>Total Non-Operating Revenue</b>     | <b>\$ 118,312</b>   | <b>\$ 39,445</b>                   |                                  |
| <b>Change in Water Efficiency Fund</b> | <b>\$ 1,609,705</b> | <b>\$ 1,720,409</b>                |                                  |





**MOULTON NIGUEL WATER DISTRICT**

**UNAUDITED FINANCIAL STATEMENTS**

**SIX MONTHS ENDED DECEMBER 31, 2013**

**#10.**

**MOULTON NIGUEL WATER DISTRICT  
STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2013**

|  | <b>(Unaudited)<br/>December 31, 2013</b> |
|--|--|
| <b>CURRENT ASSETS:</b>                                 |  |
| Cash and investments                                   | \$ 25,407,888                            |
| Accounts receivables:                                  |  |
| Water and sanitation charges                           | 4,440,704                                |
| Other accounts receivable                              | 220,871                                  |
| Interest receivable                                    | 743,000                                  |
| Current portion of AMP receivable                      | 67,493                                   |
| Inventory  | 1,733,835                                |
| Prepaid expenses                                       | 591,498                                  |
|  | <hr/>                                    |
| <b>TOTAL CURRENT ASSETS</b>                            | <b>33,205,289</b>                        |
|  | <hr/>                                    |
| <b>NONCURRENT ASSETS:</b>                              |  |
| Cash and Investments                                   | 112,938,209                              |
| Restricted cash and investments with fiscal agent      | 28,744,026                               |
| Retrofit loans receivable                              | 643,471                                  |
| Net pension asset (CalPERS sidefund payoff)            | 3,001,474                                |
| Capital assets, net of accumulated depreciation        | 355,405,174                              |
| Capital assets not being depreciated:                  |  |
| Land   | 1,091,910                                |
| Construction in progress                               | 8,876,423                                |
|  | <hr/>                                    |
| <b>TOTAL NONCURRENT ASSETS</b>                         | <b>510,700,687</b>                       |
|  | <hr/>                                    |
| <b>TOTAL ASSETS</b>                                    | <b>543,905,976</b>                       |
|  | <hr/>                                    |
| <b>DEFERRED OUTFLOW OF RESOURCES:</b>                  |  |
| Deferred Charges on Refunding                          | 1,157,555                                |
|  | <hr/>                                    |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>            | <b>1,157,555</b>                         |
|  | <hr/>                                    |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b> | <b>\$ 545,063,531</b>                    |
|  | <hr/> <hr/>                              |

**MOULTON NIGUEL WATER DISTRICT  
STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2013**

|   | <u>(Unaudited)<br/>December 31, 2013</u> |
|---|--|
| <b>CURRENT LIABILITIES:</b>                   |  |
| Accounts payable                              | \$ 5,440,560                             |
| Interest payable                              | 2,172,080                                |
| Compensated absences                          | 552,215                                  |
| Current portion of long-term debt:            |  |
| Bonds payable                                 | 5,585,000                                |
| Loans Payable                                 | 2,064,971                                |
| Certificates of participation                 | <u>1,715,000</u>                         |
| <br><b>TOTAL CURRENT LIABILITIES</b>          | <br><u>17,529,826</u>                    |
| <br><b>LONG-TERM LIABILITIES</b>              |  |
| Compensated absences                          | 210,993                                  |
| Long-term debt:                               |  |
| Bonds payable                                 | 16,955,000                               |
| Loans payable                                 | 13,251,823                               |
| Certificates of participation                 | <u>80,547,160</u>                        |
| <br><b>TOTAL LONG-TERM LIABILITIES</b>        | <br><u>110,964,976</u>                   |
| <br><b>TOTAL LIABILITIES</b>                  | <br><u>128,494,802</u>                   |
| <br><b>NET POSITION:</b>                      |  |
| Net investment in capital assets              | 283,985,363                              |
| Restricted for capital projects               | 571,561                                  |
| Unrestricted                                  | <u>132,011,805</u>                       |
| <br><b>TOTAL NET POSITION</b>                 | <br><u>416,568,729</u>                   |
| <br><b>TOTAL LIABILITIES AND NET POSITION</b> | <br>\$ <u><u>545,063,531</u></u>         |

**#10.**

**MOULTON NIGUEL WATER DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**SIX MONTHS ENDED DECEMBER 31, 2013**

|  | <b>(Unaudited)</b>       |
|--|--------------------------|
|  | <b>Six Months Ended</b>  |
|  | <b>December 31, 2013</b> |
| <b>Operating Revenues:</b>                       |                          |
| Water Sales                                      | \$ 14,351,632            |
| Recycled Water Sales                             | 2,669,503                |
| Sewer Sales                                      | 8,799,041                |
| WBBRS Efficiency Funds                           | 2,389,107                |
| Other Operating Income                           | 205,919                  |
|  | <hr/>                    |
| <b>Total Operating Revenues</b>                  | <b>28,415,201</b>        |
|  | <hr/>                    |
| <b>Non-Operating Revenues:</b>                   |                          |
| Investment Income                                | 333,748                  |
| Property Tax Revenue                             | 11,834,456               |
| GOB Assessment                                   | 3,410,019                |
| Other Non-Operating Revenues                     | 1,540,459                |
|  | <hr/>                    |
| <b>Total Non-Operating Revenues</b>              | <b>17,118,683</b>        |
|  | <hr/>                    |
| <b>TOTAL REVENUES</b>                            | <b>45,533,884</b>        |
|  | <hr/>                    |
| <b>Operating Expenses:</b>                       |                          |
| Water Purchases                                  | 13,955,512               |
| Meter Purchases                                  | 174,237                  |
| Operating Supply and Maintenance                 | 2,119,182                |
| Salaries and Benefits                            | 5,355,033                |
| Professional Services                            | 320,484                  |
| Member Agencies O&M                              | 378,515                  |
| Insurance  | 1,672,291                |
| SOCWA  | 3,484,476                |
| Utilities  | 1,078,361                |
| General, Administrative, and Other               | 362,227                  |
|  | <hr/>                    |
| <b>Total Operating Expenses</b>                  | <b>28,900,318</b>        |
|  | <hr/>                    |
| <b>Other Operating Revenues (Expenses):</b>      |                          |
| Depreciation and Misc. Operating Revenue         | (8,270,169)              |
| Water Efficiency                                 | (414,101)                |
|  | <hr/>                    |
| <b>Total Other Operating Revenues (Expenses)</b> | <b>\$ (8,684,270)</b>    |

**MOULTON NIGUEL WATER DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**SIX MONTHS ENDED DECEMBER 31, 2013**

|  |    | <b>(Unaudited)</b><br><b>Six Months Ended</b><br><b>December 31, 2013</b> |
|--|----|---|
| <b>Non Operating (Expenses):</b>             |    |   |
| Interest Expense                             | \$ | (3,321,051)   |
| Amortization and Misc. Non-Operating Expense |    | <u>(143,109)</u>  |
| <b>Total Non Operating (Expenses)</b>        |    | <u>(3,464,160)</u>  |
| <b>TOTAL EXPENSES</b>                        |    | <u>41,048,749</u>   |
| <b>Capital Contributions:</b>                |    |   |
| Connection Fees                              |    | <u>143,506</u>  |
| <b>Total Capital Contributions</b>           |    | <u>143,506</u>  |
| <b>CHANGE IN NET POSITION</b>                | \$ | <u><u>4,628,641</u></u>   |
| <br>   |    |   |
| <b>Net Position, as of June 30, 2013</b>     | \$ | 411,940,088   |
| <b>Change in Net Position</b>                |    | <u>4,628,641</u>  |
| <b>Net Position, as of December 31, 2013</b> | \$ | <u><u>416,568,729</u></u>   |

**#10.**

**MOULTON NIGUEL WATER DISTRICT  
UNRESTRICTED AND RESTRICTED FUND BALANCES  
AS OF DECEMBER 31, 2013**

|   | Balance<br>6/30/2013  | Net Change          | (Unaudited)<br>Balance<br>12/31/2013 |
|---|-----------------------|---------------------|--------------------------------------|
| <b><u>Unrestricted Fund Balances:</u></b>             |                       |                     |                                      |
| Designated for Self Insurance Reserves                | \$ 1,289,307          | \$ 4,587            | \$ 1,293,894                         |
| Designated for Water Efficiency (WBBRS)               | 4,383,762             | 1,720,409           | 6,104,171                            |
| Designated for Replacement and Refurbishment          | 16,501,847            | 9,625,767           | 26,127,614                           |
| Designated for Water Supply Reliability               | 2,597,710             | (518,833)           | 2,078,877                            |
| Designated for Planning and Construction              | 29,497,500            | 44,835              | 29,542,335                           |
| Designated for Rate Stabilization                     | 9,627,003             | 62,599              | 9,689,602                            |
| Unrestricted, undesignated                            | 63,912,366            | (6,737,054)         | 57,175,312                           |
| <b>Total Unrestricted Fund Balance</b>                | <b>127,809,495</b>    | <b>4,202,310</b>    | <b>132,011,805</b>                   |
| <b><u>Restricted Fund Balances:</u></b>               |                       |                     |                                      |
| Restricted 2003 GOB Consolidated Refunding            | 8,130,612             | (2,368,681)         | 5,761,931                            |
| Restricted for Capital Facilities (Projects)          | 424,363               | 147,198             | 571,561                              |
| <b>Total Restricted Fund Balance</b>                  | <b>8,554,975</b>      | <b>(2,221,483)</b>  | <b>6,333,492</b>                     |
| <b>Total Unrestricted and Restricted Fund Balance</b> | <b>\$ 136,364,470</b> | <b>\$ 1,980,827</b> | <b>\$ 138,345,297</b>                |



**MOULTON NIGUEL WATER DISTRICT  
RESTRICTED CASH AND INVESTMENTS WITH FISCAL AGENT  
AS OF DECEMBER 31, 2013**

|  | Balance<br>6/30/2013 | Net Change          | (Unaudited)<br>Balance<br>12/31/2013 |
|--|----------------------|---------------------|--------------------------------------|
| <b><u>Restricted Cash and Investments:</u></b> |                      |                     |                                      |
| DWR Trust Reserves                             | \$ 615,709           | \$ -                | \$ 615,709                           |
| 2003 COPS Trust Reserve                        | 2,494,997            | 7,819               | 2,502,816                            |
| 2009 COPS Trust Reserve                        | 6,024,088            | (6,549)             | 6,017,539                            |
| 2009 COPS Project Fund                         | 19,543,936           | (832,103)           | 18,711,832                           |
| 2010 COPS Trust Reserves                       | 896,148              | (18)                | 896,130                              |
| <b>Total Restricted Trust Accounts</b>         | <b>\$ 29,574,877</b> | <b>\$ (830,851)</b> | <b>\$ 28,744,026</b>                 |



**MOULTON NIGUEL WATER DISTRICT  
SUMMARY OF DISBURSEMENTS  
FOR THE MONTH OF JANUARY 2014**

**Summary of Disbursements in January 2014:**

|  |           |                  |
|--|-----------|------------------|
| General Fund Disbursements               | \$        | 6,552,205        |
| <u>Restricted Fund Disbursements:</u>    |           |                  |
| Self Insurance Fund                      | \$        | 16,571           |
| WBBRS Efficiency Fund                    |           | 106,017          |
| Replacement & Refurbishment Fund         |           | 156,958          |
| Planning & Construction Fund             |           | 74,140           |
|  |           | <b>353,686</b>   |
| <hr/>                                    |           |                  |
| <b>Total Disbursements for all Funds</b> | <b>\$</b> | <b>6,905,891</b> |

**Detail of Major Expenditures in January 2014:**

|  |           |                  |
|--|-----------|------------------|
| 1. Municipal Water District of Orange County (MWDOC) |           |                  |
| November Water Purchases AF 2165.3                   | \$        | 1,841,046        |
| November Capacity Charge                             |           | 22,913           |
| November RTS Charges                                 |           | 120,510          |
| November SCP Operation Surcharge                     |           | 9,051            |
|  | <b>\$</b> | <b>1,993,520</b> |
| <hr/>  |           |                  |
| 2. Aqua-Metric Sales, Co                             |           |                  |
| Meter Replacements                                   |           | <b>101,337</b>   |
| 3. Denovo, LLC                                       |           |                  |
| C#2010.033 New District Enterprise Software          |           | <b>92,280</b>    |
| 4. Sanders Paving, Inc                               |           |                  |
| Asphalt & Concrete Repairs Throughout the District   |           | <b>72,825</b>    |
| 5. SOCWA   |           |                  |
| 3rd Quarter O&M Expenditures FY 2013/2014            |           | <b>2,175,548</b> |

