



**FINANCE & INFORMATION TECHNOLOGY  
BOARD OF DIRECTORS' MEETING  
MOULTON NIGUEL WATER DISTRICT  
27500 La Paz Road, Laguna Niguel  
October 14, 2015  
8:30 AM  
Approximate Meeting Time: 2 Hours**

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE SEPTEMBER 16, 2015 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.*

**DISCUSSION ITEMS**

4. Water Efficiency (Fund 6) Budget Amendment
5. Rebate Application for Turf Removal

**INFORMATION ITEMS**

6. 2016 Rate Update
7. Outreach Update
8. Monthly Financial Report
  - a. Summary of Financial Results
  - b. Budget Comparison Report
  - c. Financial Statements
  - d. Restricted Cash and Investments with Fiscal Agent
  - e. Unrestricted and Restricted Fund Balances

- f. Summary of Disbursements September 2015.
- 9. Future Agenda Items (Any items added under this section are for discussion at future meetings only)
- 10. 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).



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

**September 16, 2015**

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 8:30 AM on September 16, 2015. There were present and participating:

**DIRECTORS**

Scott Colton	Vice President
Richard Fiore	Director
Donald Froelich	President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President/Chair (arrived at 8:40 a.m.)

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
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Drew Atwater	Senior Financial Analyst
Carole Wayman-Piascik	Accounting Supervisor
Michael Bell	Public Financial Management
Johnathan Cruz	MNWD
Megan Geer	MNWD
Megan Schneider	MNWD

**1. CALL MEETING TO ORDER**

*The meeting was called to order by Richard Fiore at 8:30 a.m.*

**2. APPROVE THE MINUTES OF THE AUGUST 19, 2015 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING**

*MOTION DULY MADE BY DONALD FROELICH AND SECONDED BY SCOTT COLTON, MINUTES OF THE AUGUST 19, 2015 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE'. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.*

**3. PUBLIC COMMENTS**

*None.*

**DISCUSSION ITEMS**

**4. Water Shortage Contingency Plan Continued Implementation**

*Drew Atwater presented the Water Shortage Contingency Plan Continued Implementation. Topics discussed were statewide and regional drought actions, MNWD drought response, and customer response. Staff recommends that the Board of Directors approve the resolution entitled, "Declaring Water Shortage Stage 2". Discussion ensued regarding the plan.*

*Brian Probolsky arrived at 8:40 a.m.*

**5. MNWD Website Redesign Contract Award**

*Staff recommends that the Board of Directors approve the Professional Services Agreement with GigaSavvy for the not-to-exceed amount of \$90,840; and authorize the General Manager to execute the agreement. Discussion ensued regarding the services that will be provided by GigaSavvy.*

**6. Investment Policy Update**

*Michael Bell presented the Investment Policy Update. Key topics presented were investment objectives, categories of investments, authorized institutions, brokers, depositories, and authorized investments. Staff recommends that the Board of Directors approve the resolution entitled, "Approving Updated Investment Policy".*

**7. Rebate Application for Turf Removal**

*Matt Collings gave a brief description of the item. Staff recommends that the Board of Directors consider the rebate application for the identified project without a limitation on the maximum allowable acreage for the project and direct staff accordingly. Discussion ensued regarding the application.*

**INFORMATION ITEMS**

**8. Outreach Update**

*Joone Lopez and Richard Fiore provided an update on outreach efforts.*

*Larry Lizotte left at 10:30 a.m.*

**9. Monthly Financial Report**

*Carol Wayman-Piascik presented the monthly financial report.*

*Gary Kurtz left at 10:59 a.m.*

**10. Future Agenda Items (Any items added under this section are for discussion at future meetings only)**

*None.*

**11. Late Items (Appropriate Findings to be Made)**

*Staff has none.*

**ADJOURNMENT**

*The meeting was adjourned at 11:08 a.m.*

Respectfully submitted,

Tim Bonita  
Recording Secretary





# Moulton Niguel Water District

## STAFF REPORT

**TO:** Board of Directors **MEETING DATE:** October 14, 2015

**FROM:** Matt Collings, Assistant General Manager  
Drew Atwater, Water Resources Manager

**SUBJECT:** Water Efficiency (Fund 6) Budget Amendment

**DIVISION:** Districtwide

### SUMMARY:

Issue: Customer interest in turf rebates has exceeded initial expectations and requires additional funding.

Recommendation: It is recommended that the Board of Directors approve the resolution entitled, "Approving a Budget Amendment in Order to Fund Additional Water Efficiency Programs for fiscal year 2015-16".

Fiscal Impact: \$2,116,941 in additional funding will be needed from the Water Efficiency Fund to ensure continued rebate funding through the end of Fiscal Year 2015-16. There are sufficient funds available in Fund 6.

### BACKGROUND:

When the District established its Water Budget Based Rate Structure (WBBRS), the District created a separate fund to account for the marginal revenue collected above the cost of water from customers for water use above their individually calculated water budgets. This funding is utilized towards water reliability and water efficiency projects throughout the District. The District budgets separately for the Water Efficiency Fund (Fund 6) from the General Fund (Fund 1).

The turf removal program is a significant program budgeted and funded in the Water Efficiency Fund. More than half of the water used at the District is for outdoor landscapes. Water efficient landscapes can decrease water use up to 70 percent through a combination of proper plant selection and irrigation technology. However, the cost of installing climate-applicable plants is sometimes an obstacle to turning traditional grass landscapes into more water-efficient environments. The District's turf replacement program is designed to help residents, businesses, and public agencies make that conversion. The District has targeted outreach efforts and water efficiency programs towards transforming landscapes and converting landscape areas with turf

## #4.

Water Efficiency (Fund 6) Budget Amendment

October 14, 2015

Page 2 of 2

grass to California Friendly and California native landscapes to save water as a critical drought response measure.

### **DISCUSSION:**

In recent months, the District has expanded its outreach efforts to promote water use efficiency in response to the drought emergency. Customers have responded with outstanding requests for nearly \$3.9 Million for the District's turf removal program. Customer interest in efficiency rebates has greatly exceeded estimates used to establish the Fund 6 budget for Fiscal Year 2015-16. In addition, the Mission Viejo Country Club and Aliso Viejo Country Club golf courses have maintained their commitment to turf replacement despite the absence of supplemental funding for all but 25,000 square feet of the project from the Metropolitan Water District.

Based on the number of outstanding efficiency rebate applications and the expanded drought outreach efforts, Staff has identified that an additional \$2,116,941 in efficiency rebate funding and outreach is necessary to fund the programs through the end of Fiscal Year 2015-16. The projected Fiscal Year 2015-16 Water Efficiency ending fund balance is \$4,118,663 without the budget amendment and \$1,998,663 with the budget amendment.

Attachments: Proposed Resolution entitled, "Approving a Budget Amendment in Order to Fund Additional Water Efficiency Programs for Fiscal Year 2015-16"



**RESOLUTION NO. 15-\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MOULTON NIGUEL WATER DISTRICT  
APPROVING A BUDGET AMENDMENT IN ORDER TO FUND  
ADDITIONAL WATER EFFICIENCY PROGRAMS FOR FISCAL YEAR 2015-16**

**WHEREAS**, on June 18, 2015, the Board of Directors of the Moulton Niguel Water District (“Board of Directors”) adopted Resolution No. 15 - 19 (“Budget Resolution”) whereby the Board of Directors approved the Operating and Capital Improvement Program Budget for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016, which consists of the estimated and anticipated expenditures and revenues for the Fiscal Year for all funds; and

**WHEREAS**, since the date of adoption of the Budget Resolution, the demand for water efficiency programs, including rebate funding and drought outreach activities, has continued to grow in response to the current statewide drought. As a result, additional funds for such programs are needed in order to meet the demands of the District’s customers during the current fiscal year; and

**WHEREAS**, pursuant to the District’s Financial Policies, appropriations may be modified with majority approval of the Board of Directors throughout the fiscal year. Said Policy requires that any changes in appropriations at the fund level during the year must be submitted by District staff for formal Board review and approval; and

**WHEREAS**, a public meeting of the Board of Directors was duly noticed and conducted under the Brown Act on October 15, 2015, during which this Resolution was considered by the Board of Directors; and

**WHEREAS**, the Board of Directors desires to implement the procedures of the Financial Policies in order to approve amendments to the budget and appropriations at the Water Efficiency Fund (Fund 6) level in order to budget and expend additional amounts for water use efficiency programs.

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

**SECTION 1.** The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

**SECTION 2.** The FY 2015-16 Budget – Water Efficiency Fund Account Descriptions are hereby amended in order to increase the Water Efficiency budgeted amount from \$3,129,624

**#4.**

to \$4,849,624 and District Office Supplies budgeted amount from \$92,810 to \$489,751. This amendment reflects an increase in budgeted expenditures by \$2,116,941. Said budget and account information are more particularly described in the attachment to this Resolution and said attachment is hereby made part of this Resolution.

**SECTION 3.** Except as otherwise specifically set forth herein, the provisions of the Operating and Capital Improvement Budget and appropriations for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016, as adopted by way of the Budget Resolution, shall remain in full force and effect.

**SECTION 4.** The expenditure amounts designated to Fund 6 for which they are designated and such appropriations shall not be increased except under the procedures as described and followed herein.

**SECTION 5.** The appropriations for Fund 6 may only be further increased or decreased by the Board of Directors by passage of a subsequent resolution amending the Budget under the procedures described and followed herein.

**SECTION 6.** If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board of Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

**ADOPTED, SIGNED and APPROVED** this 15<sup>th</sup> day of October, 2015.

**MOULTON NIGUEL WATER DISTRICT**

---

President/Vice President  
MOULTON NIGUEL WATER DISTRICT  
and of the Board of Directors thereof

---

Secretary/Assistant Secretary  
MOULTON NIGUEL WATER DISTRICT and of the  
Board of Directors thereof

**Moulton Niguel Water District**  
**FY 2015-16**  
**Water Efficiency Fund Summary of Revenues and Expenses**

Description	June 2015 Adopted Budget	Committed to Date	Proposed Amended Budget	Proposed Changes
<b><u>Operating Revenue</u></b>				
Water Efficiency	\$ 3,398,873	\$ 3,398,875	\$ 3,398,873	\$ -
<b>Total Operating Revenue</b>	<b>\$ 3,398,873</b>	<b>\$ 3,398,875</b>	<b>\$ 3,398,873</b>	<b>\$ -</b>
<b><u>Operating Expenses</u></b>				
Labor	\$ 668,156	\$ 117,364	\$ 668,156	\$ -
Educational Courses	500	-	500	-
Travel & Meetings	14,700	30	14,700	-
General Services	5,000	-	5,000	-
Dues & Memberships	500	-	500	-
Consulting Services	850,000	801,626	850,000	-
District Office Supplies	92,810	160,112	489,751	396,941
Repairs and Maintenance - Equipment	3,500	-	3,500	-
Water Efficiency	3,129,624	4,349,624	4,849,624	1,720,000
<b>Total Operating Expenses</b>	<b>\$ 4,764,790</b>	<b>\$ 5,428,756</b>	<b>\$ 6,881,731</b>	<b>\$ 2,116,941</b>
<b>Net Operating Revenues/Expenses</b>	<b>\$ (1,365,917)</b>	<b>\$ (2,029,881)</b>	<b>\$ (3,482,858)</b>	<b>\$ (2,116,941)</b>
<b><u>Non-Operating Revenue</u></b>				
Investment Income	\$ 159,792	\$ 159,792	\$ 159,792	\$ -
<b>Total Non-Operating Revenue</b>	<b>\$ 159,792</b>	<b>\$ 159,792</b>	<b>\$ 159,792</b>	<b>\$ -</b>
<b><u>Non-Operating Expenses</u></b>				
RW Retrofits	\$ 100,000	\$ -	\$ 100,000	\$ -
RW System Extension	1,500,000	74,000	1,500,000	-
Aliso Village RW Extension	95,611	25,900	95,611	-
<b>Total Non-Operating Expenses</b>	<b>\$ 1,695,611</b>	<b>\$ 99,900</b>	<b>\$ 1,695,611</b>	<b>\$ -</b>
<b>Net Revenues/Expenses</b>	<b>\$ (3,061,528)</b>	<b>\$ (2,129,781)</b>	<b>\$ (5,178,469)</b>	<b>\$ (2,116,941)</b>
<b>Projected FY 2015-16 Ending Balance</b>	<b>\$ 4,118,663</b>	<b>\$ 5,050,410</b>	<b>\$ 2,001,722</b>	<b>\$ (2,116,941)</b>





# Moulton Niguel Water District

## STAFF REPORT

**TO:** Board of Directors                      **MEETING DATE:** October 14, 2015

**FROM:** Matt Collings, Assistant General Manager

**SUBJECT:** Rebate Applications for Turf Removal

**DIVISION:** District-wide

---

### SUMMARY:

Issue: The District has received an exemption request for a rebate application that exceeded the maximum allowable acreage for turf removal as defined in the approved Board policy.

Recommendation: It is recommended that the Board of Directors consider the rebate application for the identified project without a limitation on the maximum allowable acreage for the project and direct staff accordingly.

Fiscal Impact: Sufficient funds are available within the Water Use Efficiency Fund to fund the identified rebate applications. Additional information is provided within the staff report.

### BACKGROUND:

More than half of the water used at the District is for outdoor landscapes. Water efficient landscapes can decrease water use up to 70 percent through a combination of proper plant selection and irrigation technology. However, the cost of installing climate-applicable plants is sometimes an obstacle to turning traditional grass landscapes into more water-efficient environments. The District’s turf replacement program is designed to help residents, businesses, and public agencies make that conversion.

The proposed project was submitted on June 18, 2015 and, based on that time frame, is eligible to receive \$1 per square foot from MWDOC and an additional \$0.75 per square foot from the District as a recycled water site. The program provides limitations on the amount of turf removal and/or synthetic turf installation that qualifies for the rebate. The relevant cap for the applicant is 25,000 square feet for District funding.

## #5.

### Rebate Applications for Turf Removal

September 16, 2015

Page 2 of 2

All rebates from the District are funded through the Water Efficiency Fund using the incremental revenue generated from the higher consumption tiers (Tiers 3, 4 and 5) in the water budget-based rate structure.

#### **DISCUSSION:**

In recent months, the District has expanded its outreach efforts to promote water use efficiency in response to the drought emergency. Customers have responded with requests for nearly 3 million square feet of turf removal and more than 600,000 square feet of synthetic turf installation. The District has received one additional request from a customer to remove 63,109 square feet of turf for two accounts. Table 1 identifies the customer and the rebate requests for each of the programs by account.

Table 1 – Rebate Requests

Customer	Division	Proposed Turf Removal (Sq. Feet)	Proposed Synthetic Turf Installation (Sq. Feet)	Proposed Rebate Value (\$)
Aliso Viejo Community Association – Acct #96-51653	6	28,459	0	\$21,344.25
Aliso Viejo Community Association – Acct #96-00537	6	34,650	0	\$25,987.50
<b>Total</b>		<b>63,109</b>	<b>0</b>	<b>\$47,331.75</b>

The values provided above are based on estimates from each of the project proponents and may vary as each project becomes more defined. The proposed rebate value does not include the \$1.00 per square foot from MWDOC for Commercial projects and is only based on the supplemental incentive provided by the District. The proposed rebate incentives for the identified project would be funded from the Water Efficiency Fund.

Staff is recommending the Board remove the maximum allowable acreage to allow the General Manager or her designee to consider each application based on the overall project objectives, various funding sources, and current available budget for rebate funding. Removal of the maximum acreage by the Board of Directors does not constitute an approval of the rebate application, but allows each application to be considered for the full amount of turf removal or synthetic turf installation.

## **MOULTON NIGUEL WATER DISTRICT**

### **Summary of Financial Results**

Results of operations for the two months ended August 31, 2015, as compared to the two months ended August 31, 2014, are summarized below. Please note that the unaudited statements presented below for fiscal year-end, June 30, 2015, are being reviewed by the District's auditors and not yet finalized. The year-end audit and the annual financial reporting process take approximately two months to complete. Therefore, actual audited financial statements will differ from what is presented here.

#### **Summary Budget Comparison Report**

The Summary Budget Comparison Report is a high-level statement of the operating activities of the District over the past two months compared to the budget. The report includes total revenues and expenses, as well as line item revenues and expenses for the General Fund and the Water Efficiency Fund. As shown in the summary report, operating revenues were approximately \$9.0 million, or 17% of the annual \$52.6 million budget, while operating expenses were \$10.5 million, or 15% of the annual \$68.1 million budget.

Non-operating revenues are approximately at 5% of budget for the Fiscal Year due to the timing of receipt of property tax revenue.

#### **Statement of Net Position**

The Statement of Net Position shows the District's assets and liabilities as of August 31, 2015, compared to the balances at fiscal year ended June 30, 2015. Overall, assets were about \$13.3 million lower than at June 30, 2015, primarily due to the planned reduction in current cash and investments as a result of recent debt service payments and to fund ongoing capital projects. Liabilities have decreased by approximately \$9.7 million since June 30, 2015, also due to debt service payments and a reduction in accounts payable. As a result, the District's net position decreased by approximately \$3.6 million for the month ending August 31, 2015, compared to fiscal year ending June 30, 2015.

#### **Revenues**

Total revenues for the two months ended August 31, 2015 were \$10.4 million, approximately \$1.4 million less than August 31, 2014, due to reduced water and recycled water sales as well as lower Water Efficiency Fund revenues resulting from customers' response to the drought actions and messaging. Total Operating Revenues for the month ended August 31, 2015 were \$9.0 million, a decrease of \$1.2 million compared to August 31, 2014.

#### **Expenses**

Total expenses for the two months ended August 31, 2015 were \$14.3 million, a decrease of \$1.2 million or 7.6% as compared to \$15.5 million on August 31, 2014. Total operating expenses were \$10.2 million, a decrease of \$1.3 million from last year. Other operating expenses for the two months ended August 31, 2015 were \$3.2 million, an increase of \$0.2 million compared to \$3.0 million on August 31, 2014. Other non-operating expenses for the two months ended August 31,

## **#8.a.**

### **MOULTON NIGUEL WATER DISTRICT Summary of Financial Results**

2015 totaled \$0.9 million, a decrease of approximately \$0.1 million compared to \$1.0 million on August 31, 2014.

#### **Restricted Cash and Investments with Fiscal Agent**

Restricted cash includes funds held by the trustee. The use of these funds is restricted by law or bond covenants. Funds in these accounts were \$12.8 million at August 31, 2015, an increase of \$4.1 million compared to June 30, 2015. This increase is due to the timing of debt service payments due on September 1, 2015.

#### **Unrestricted and Restricted Fund Balances**

The unrestricted and restricted fund balances reflect the funds in each of the District's unrestricted and restricted funds that are not held by the Fiscal Agent. The unrestricted fund balances are further broken down by designated and undesignated funds. As shown in the report, the District has seven funds that are designated by District policy for specific purposes, including Self Insurance, Water Efficiency, Replacement and Refurbishment, Water Supply Reliability, Planning and Construction, Rate Stabilization, and Emergency Reserve. Total unrestricted funds decreased by approximately \$12.5 million since June 30, 2015, due to spending on budgeted capital projects funded from unrestricted, undesignated fund balances. Restricted fund balances are \$2.9 million, a decrease of \$5.8 million compared to June 30, 2015. This decrease is due to debt service payments.



**Moulton Niguel Water District  
Summary - Budget Comparison Report  
Two Months Ended August 31, 2015**

Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
<b><u>GENERAL FUND &amp; WATER EFFICIENCY FUND:</u></b>				
Operating Revenues	\$ 52,634,952	\$ 8,953,203	\$ 43,681,749	17%
Operating Expenses	68,057,352	10,534,773	57,522,579	15%
Operating Income (Loss)	(15,422,400)	(1,581,570)	(13,840,830)	10%
Non-Operating Revenues (Expenses)	30,256,991	1,453,324	28,803,667	5%
<b>Total Change in Funds</b>	<b>\$ 14,834,591</b>	<b>\$ (128,245)</b>	<b>\$ 14,962,836</b>	
<b><u>GENERAL FUND:</u></b>				
Operating Revenues	\$ 49,236,079	\$ 8,581,183	\$ 40,654,896	17%
Operating Expenses	63,292,562	9,983,679	53,308,883	16%
Operating Income (Loss)	(14,056,483)	(1,402,496)	(12,653,987)	10%
Non-Operating Revenues (Expenses)	30,097,199	1,430,665	28,666,534	5%
<b>Change in General Fund</b>	<b>\$ 16,040,716</b>	<b>\$ 28,169</b>	<b>\$ 16,012,547</b>	
<b><u>WATER EFFICIENCY FUND:</u></b>				
Operating Revenues	\$ 3,398,873	\$ 372,021	\$ 3,026,852	11%
Operating Expenses	4,764,790	551,094	4,213,696	12%
Operating Income (Loss)	(1,365,917)	(179,073)	(1,186,844)	13%
Non-Operating Revenues (Expenses)	159,792	22,659	137,133	14%
<b>Change in Water Efficiency Fund</b>	<b>\$ (1,206,125)</b>	<b>\$ (156,414)</b>	<b>\$ (1,049,711)</b>	

*Note: Totals may not sum due to rounding.*

**Moulton Niguel Water District**  
**General Fund - Budget Comparison Report**  
**Two Months Ended August 31, 2015**

Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
<b>GENERAL FUND</b>				
<b><u>Operating Revenues</u></b>				
Water Sales	\$ 25,449,137	\$ 4,449,947	\$ 20,999,190	17%
Recycled Water Sales	5,249,795	1,079,698	4,170,097	21%
Sewer Sales	18,053,647	2,996,417	15,057,230	17%
Other Operating Income	483,500	55,122	428,378	11%
<b>Total Operating Revenue</b>	<b>49,236,079</b>	<b>8,581,183</b>	<b>40,654,896</b>	<b>17%</b>
<b><u>Operating Expenses</u></b>				
Salaries	10,307,516	1,601,381	8,706,135	16%
PERs Employer Contributions	1,306,049	136,715	1,169,334	10%
PERs Employee Contributions	149,890	18,721	131,169	12%
PERs Other (Side fund, 401A)	250,770	26,165	224,605	10%
Educational Courses	44,270	4,254	40,016	10%
Travel & Meetings	238,644	19,839	218,805	8%
Employee Relations	15,000	5,226	9,774	35%
General Services	458,095	24,207	433,888	5%
Annual Audit	48,080	-	48,080	0%
Member Agencies O&M	1,542,495	169,388	1,373,107	11%
Dues & Memberships	96,510	12,635	83,875	13%
Consulting Services	2,248,900	20,144	2,228,756	1%
Equipment Rental	65,000	9,972	55,028	15%
District Fuel	340,000	32,081	307,919	9%
Insurance - District	561,275	80,277	480,999	14%
Insurance - Personnel	438,275	55,679	382,596	13%
Insurance - Benefits	2,587,061	349,785	2,237,277	14%
Legal Services - Personnel	50,000	98	49,903	0%
Legal Services - General <sup>1</sup>	200,000	2,489	197,511	1%
District Office Supplies	475,400	54,844	420,556	12%
District Operating Supplies	392,967	57,813	335,154	15%
Repairs & Maintenance - Equipment	738,469	88,420	650,049	12%
Repairs & Maintenance - Facilities	4,135,970	292,643	3,843,327	7%
Safety Program & Compliance Requirements	309,450	32,737	276,713	11%
SOCWA	9,204,735	2,030,286	7,174,449	22%
Special Outside Assessments	225,000	23,141	201,859	10%
Utilities	2,258,900	238,861	2,020,039	11%
Water Purchases	23,697,842	4,557,804	19,140,037	19%
Meter / Vault Purchases	906,000	38,076	867,924	4%
<b>Total Operating Expenses</b>	<b>63,292,562</b>	<b>9,983,679</b>	<b>53,308,883</b>	<b>16%</b>
<b>Operating Income (Loss)</b>	<b>(14,056,483)</b>	<b>(1,402,496)</b>	<b>(12,653,987)</b>	<b>10%</b>
<b><u>Non-Operating Revenues (Expenses)</u></b>				
Property Tax Revenue	26,501,190	43,194	26,457,996	0%
Investment Income	1,867,913	407,343	1,460,570	22%
Property Lease Income	1,660,096	291,043	1,369,053	18%
Misc. Non-Operating Income	68,000	689,085	(621,085)	1013%
<b>Total Non-Operating Revenue (Expenses)</b>	<b>30,097,199</b>	<b>1,430,665</b>	<b>28,666,534</b>	<b>5%</b>
<b>Change in General Fund</b>	<b>\$ 16,040,716</b>	<b>\$ 28,169</b>	<b>\$ 16,012,547</b>	

Note: Totals may not sum due to rounding.

1. Detail of Legal Services - General can be found on the next page.

Moulton Niguel Water District  
General Fund - Budget Comparison Report  
Two Months Ended August 31, 2015

Legal Services - General

Firm	General	Water Use Efficiency	Capital	Total
Bowie, Arneson, Wiles & Giannone	\$ 1,475	\$ -	\$ 3,681	\$ 5,156
Best Best & Krieger LLP	420	1,207	-	1,627
Downey Brand, Attorneys	594	-	3,064	3,658
<b>Total</b>	<b>\$ 2,489</b>	<b>\$ 1,207</b>	<b>\$ 6,744</b>	<b>\$ 10,440</b>

Note: Totals may not sum due to rounding.

**#8.b.**

**Moulton Niguel Water District  
Water Efficiency Fund - Budget Comparison Report  
Two Months Ended August 31, 2015**

Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
<b>WATER EFFICIENCY FUND</b>				
<b><u>Operating Revenue</u></b>				
Water Efficiency	\$ 3,398,873	\$ 372,021	\$ 3,026,852	11%
<b>Total Operating Revenue</b>	<b>3,398,873</b>	<b>372,021</b>	<b>3,026,852</b>	<b>11%</b>
<b><u>Operating Expenses</u></b>				
Labor	668,156	104,107	564,049	16%
Educational Courses	500	-	500	0%
Travel & Meetings	14,700	-	14,700	0%
General Services	5,000	-	5,000	0%
Dues & Memberships	500	-	500	0%
Consulting Services	850,000	-	850,000	0%
Legal Services	-	1,207	(1,207)	n/a
District Office Supplies	92,810	62,303	30,507	67%
Repairs and Maintenance - Equipment	3,500	-	3,500	0%
Water Efficiency	3,129,624	383,478	2,746,146	12%
<b>Total Operating Expenses</b>	<b>4,764,790</b>	<b>551,094</b>	<b>4,213,696</b>	<b>12%</b>
<b>Operating Income (Loss)</b>	<b>(1,365,917)</b>	<b>(179,073)</b>	<b>(1,186,844)</b>	<b>13%</b>
<b><u>Non-Operating Revenue</u></b>				
Investment Income	159,792	22,659	137,133	14%
<b>Total Non-Operating Revenue</b>	<b>159,792</b>	<b>22,659</b>	<b>137,133</b>	<b>14%</b>
<b>Change in Water Efficiency Fund</b>	<b>\$ (1,206,125)</b>	<b>\$ (156,414)</b>	<b>\$ (1,049,711)</b>	

*Note: Totals may not sum due to rounding.*

**MOULTON NIGUEL WATER DISTRICT**  
**STATEMENT OF NET POSITION**

	<u>(Unaudited)</u> <u>August 31, 2015</u>	<u>(Unaudited)</u> <u>June 30, 2015</u>
<b>CURRENT ASSETS:</b>		
Cash and investments	\$ 17,714,569	\$ 33,849,087
Restricted cash and investments with fiscal agent	12,833,081	8,777,679
Accounts receivables:		
Water and sanitation charges	3,361,757	3,392,611
Taxes and acreage assessments	-	300,842
Grant Reimbursements	405,067	405,067
Other accounts receivable	197,018	222,170
Interest receivable	539,226	620,930
Current portion of AMP receivable	656	1,302
Inventory	1,667,198	1,703,635
Prepaid expenses	881,297	480,124
	<u>37,599,870</u>	<u>49,753,446</u>
<b>TOTAL CURRENT ASSETS</b>		
<b>NONCURRENT ASSETS:</b>		
Investments	114,168,061	116,281,296
Retrofit loans receivable	591,270	597,037
AMP Receivable	-	-
Net pension asset (CalPERS sidefund payoff)	2,956,455	2,989,772
Capital assets, net of accumulated depreciation	339,844,221	343,111,406
Capital assets not being depreciated:		
Land	1,091,910	1,091,910
Construction in progress	35,920,187	31,642,240
	<u>494,572,103</u>	<u>495,713,661</u>
<b>TOTAL NONCURRENT ASSETS</b>		
<b>TOTAL ASSETS</b>	<u>532,171,973</u>	<u>545,467,108</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>		
Deferred Charges on Refunding	<u>1,396,942</u>	<u>1,488,899</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,396,942</u>	<u>1,488,899</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 533,568,915</u>	<u>\$ 546,956,007</u>

**MOULTON NIGUEL WATER DISTRICT**  
**STATEMENT OF NET POSITION**

	<u>(Unaudited)</u> <u>August 31, 2015</u>	<u>(Unaudited)</u> <u>June 30, 2015</u>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 5,290,749	\$ 8,162,699
Interest payable	2,288,779	1,830,740
Compensated absences	(115,617)	373,161
Current portion of long-term debt:		
Bonds payable	6,060,000	5,685,000
Loans Payable	1,097,290	2,110,605
Certificates of participation	<u>3,635,000</u>	<u>1,780,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>18,256,201</u>	<u>19,942,206</u>
<b>LONG-TERM LIABILITIES</b>		
Compensated absences	127,006	124,387
Long-term debt:		
Bonds payable	4,105,000	10,165,000
Loans payable	10,688,013	10,688,013
Certificates of participation	<u>74,190,000</u>	<u>76,045,000</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>89,110,019</u>	<u>97,022,400</u>
Bond Discount/Premium	3,339,774	3,483,310
<b>TOTAL LIABILITIES</b>	<u>110,705,994</u>	<u>120,447,916</u>
<b>NET POSITION:</b>		
Net investment in capital assets	290,980,291	276,377,708
Restricted for capital projects and GOB Refunding	1,756,593	1,508,110
Unrestricted	<u>130,126,038</u>	<u>148,622,273</u>
<b>TOTAL NET POSITION</b>	<u>422,862,922</u>	<u>426,508,091</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 533,568,915</u>	<u>\$ 546,956,007</u>

*Note: Totals may not sum due to rounding.*

**MOULTON NIGUEL WATER DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	(Unaudited)	
	Two Months Ended August 31,	
	2015	2014
<b>Operating Revenues:</b>		
Water Sales	\$ 4,449,947	\$ 5,060,978
Recycled Water Sales	1,079,698	1,225,381
Sewer Sales	2,996,417	2,956,148
Water Efficiency Funds (WBBRS)	372,021	888,071
Other Operating Income	55,122	72,454
<b>Total Operating Revenues</b>	8,953,203	10,203,031
<b>Non-Operating Revenues:</b>		
Investment Income <sup>1</sup>	430,003	457,796
Property Tax Revenue	43,194	132,072
GOB Assessment	7,262	42,980
Other Non-Operating Revenues	974,246	975,182
<b>Total Non-Operating Revenues</b>	1,454,704	1,608,031
<b>TOTAL REVENUES</b>	10,407,908	11,811,061
<b>Operating Expenses:</b>		
Water Purchases	4,557,804	5,510,910
Meter Purchases	38,076	85,880
Operating Supply and Maintenance	513,666	385,784
Salaries and Benefits	1,869,447	1,873,663
Election Expenses	-	-
Professional Services	42,740	96,152
Member Agencies O&M	169,388	152,977
Insurance	503,382	507,905
SOCWA	2,030,286	2,239,198
Utilities	238,861	408,678
General, Administrative, and Other	206,448	161,418
<b>Total Operating Expenses</b>	10,170,098	11,422,564

**MOULTON NIGUEL WATER DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	(Unaudited)	
	Two Months Ended August 31,	
	2015	2014
<b>Other Operating Expenses:</b>		
Depreciation and Misc. Operating Revenue	2,831,551	2,767,433
Water Efficiency	381,477	260,481
<b>Total Other Operating Expenses</b>	\$ 3,213,028	\$ 3,027,913
<b>Non Operating Expenses:</b>		
Interest Expense	\$ 963,918	\$ 1,037,040
Amortization and Misc. Non-Operating Expense	(51,167)	(21,456)
<b>Total Non Operating Expenses</b>	912,751	1,015,584
<b>TOTAL EXPENSES</b>	14,295,877	15,466,061
<b>Capital Contributions:</b>		
Connection Fees	242,800	15,030
Donated Facilities	-	-
Contributed Revenue	-	-
<b>Total Capital Contributions</b>	242,800	15,030
<b>CHANGE IN NET POSITION</b>	\$ (3,645,169)	\$ (3,639,970)
<b>Net Position, Beginning</b>	\$ 426,508,091	\$ 418,278,857
<b>Change in Net Position</b>	(3,645,169)	(3,639,970)
<b>Net Position, Ending</b>	\$ 422,862,922	\$ 414,638,887

*Note: Totals may not sum due to rounding.*

1. Investment income is comprised of realized income of \$457,902 and unrealized income loss of (\$27,900).



**MOULTON NIGUEL WATER DISTRICT**  
**RESTRICTED CASH AND INVESTMENTS WITH FISCAL AGENT**  
**AS OF August 31, 2015**

	(Unaudited) Balance 8/31/2015	Net Change	(Unaudited) Balance 6/30/2015
<b><u>Restricted Cash and Investments:</u></b>			
DWR Trust Reserves	\$ 615,750	\$ 10	\$ 615,739
2009 COPS Trust Reserve	8,049,689	2,026,325	6,023,364
2010 COPS Trust Reserves	2,787,230	1,891,050	896,180
2015 (03) COPS Trust Reserve	1,380,412	153,912	1,226,500
2015 (03) COPS Issuance Fund	-	(15,896)	15,896
<b>Total Restricted Trust Accounts</b>	<b><u>\$ 12,833,081</u></b>	<b><u>\$ 4,055,403</u></b>	<b><u>\$ 8,777,679</u></b>

*Note: Totals may not sum due to rounding.*



**MOULTON NIGUEL WATER DISTRICT**  
**UNRESTRICTED AND RESTRICTED FUND BALANCES**  
**AS OF August 31, 2015**

	Reserve Policy Target	(Unaudited) Balance		(Unaudited) Balance
		8/31/2015	Net Change	6/30/2015
<b><u>Unrestricted Fund Balances:</u></b>				
Designated for Self Insurance Reserves	\$ 250,000	\$ 250,253	\$ 398	\$ 249,855
Designated for Water Efficiency (WBBRS) <sup>1</sup>	n/a	7,003,772	(176,418)	7,180,191
Designated for Replacement and Refurbishment	17,061,912	16,787,307	(301,509)	17,088,815
Designated for Water Supply Reliability	n/a	-	(801,631)	801,631
Designated for Planning and Construction	n/a	29,209,557	80,674	29,128,883
Designated for Rate Stabilization	11,000,281	11,035,985	35,705	11,000,281
Designated for Emergency Reserve	6,884,925	6,884,925	-	6,884,925
Unrestricted, undesignated <sup>2</sup>	20,262,901	57,826,243	(11,324,766)	69,151,009
<b>Total Unrestricted Fund Balance</b>	<b>55,460,019</b> <sup>3</sup>	<b>128,998,043</b>	<b>(12,487,546)</b>	<b>141,485,589</b>
<b><u>Restricted Fund Balances:</u></b>				
Restricted 2014 GOB Consolidated Refunding		1,127,995	(6,008,689)	7,136,684
Restricted for Capital Facilities (Projects)		1,756,593	248,483	1,508,110
<b>Total Restricted Fund Balance</b>		<b>2,884,588</b>	<b>(5,760,206)</b>	<b>8,644,793</b>
<b>Total Unrestricted and Restricted Fund Balance</b>		<b>\$ 131,882,630</b>	<b>\$ (18,247,752)</b>	<b>\$ 150,130,382</b>

Note: Totals may not sum due to rounding.

1. In addition to realized expenditures, there is \$1,119,607 in project commitments, reducing the available fund balance to \$5,884,165.
2. Unrestricted, undesignated funds include the General Operating Reserve as well as the regular District cash flows.
3. All funds in excess of reserve policy targets will be used to fund capital projects and operations.



**MOULTON NIGUEL WATER DISTRICT  
SUMMARY OF DISBURSEMENTS  
FOR THE MONTH OF SEPTEMBER 2015**

**Summary of Disbursements in September 2015:**

General Fund Disbursements		<b>3,782,885</b>
 <u>Restricted Fund Disbursements:</u>		
Water Efficiency Fund	178,098	
Replacement & Refurbishment Fund	341,103	
Water Supply Reliability Fund	5,049,379	
Planning & Construction Fund	173,093	
CIEDB Loan	17,683	5,759,356
<b>Total Disbursements for all Funds</b>		<b>\$ 9,542,241</b>

**Detail of Major Expenditures in September 2015:**

1. Irvine Ranch Water District (IRWD)		
Baker Pipeline Project #2006071, quarterly payment		<b>5,049,379</b>
2. Municipal Water District of Orange County (MWDOC)		
July Water Purchases 2,191.0 AF	2,022,293	
July Readiness to Serve	146,965	
July Capacity Charge	40,196	
July SCP Operation Surcharge	11,597	
July Turf, Nozzles, and Smart Timer Rebates	3,655	
June Reclaimed Rebate 732.1 AF	(112,743)	<b>2,111,962</b>
3. Paulus Engineering, Inc.		
C# 2014.008 Valve Replacement, progress payment #4	160,555	
C# 2010.018 Mathis/OSO By Pass, progress payment #3	66,760	<b>227,314</b>
4. S.S. Mechanical Corporation		
C#'s 2012.028, .029, .030, .031, .033 Generators, progress payment #2		<b>107,156</b>

