



# moulton niguel water district

## FINANCE & INFORMATION TECHNOLOGY

### BOARD OF DIRECTORS' MEETING

### MOULTON NIGUEL WATER DISTRICT

27500 La Paz Road, Laguna Niguel

March 15, 2017

8:30 AM

**Approximate Meeting Time: 2 Hours**

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE FEBRUARY 15, 2017 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.*

### **CLOSED SESSION**

4. CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6

District representatives: Joone Lopez, General Manager/Chief Negotiator

Employee organization: Moulton Niguel Water District Employee Association (MNWDEA)

### **RETURN TO OPEN SESSION**

### **ACTION ITEMS**

5. APPROVAL OF GENERAL UNIT EMPLOYEES MOU (RESOLUTION 17-\_\_)

It is recommended that the Board of Directors adopt the resolution entitled, "Approving the Memorandum of Understanding for the Moulton Niguel Water District Employee Association General Unit Employees".

6. APPROVAL OF SUPERVISORY UNIT EMPLOYEES MOU (RESOLUTION 17-\_\_)

It is recommended that the Board of Directors adopt the resolution entitled, "Approving the Memorandum of Understanding for the Moulton Niguel Water District Employee Association Supervisory Unit Employees".

7. APPROVAL OF EXEMPT EMPLOYEES LABOR TERMS AND JOB CLASSIFICATION SALARY SCHEDULE (RESOLUTION 17-\_\_)

It is recommended that the Board of Directors adopt the resolution entitled, "Approving the Labor Terms and Job Classification Salary Schedule for Exempt Employees".

8. PERSONNEL & SALARY POLICY REVISIONS (RESOLUTION 17-\_\_)

It is recommended that the Board of Directors adopt the resolution entitled, "Approving the Personnel & Salary Policy".

**INFORMATION ITEMS**

9. Monthly Financial Report

- a. Summary of Financial Results
- b. Budget Comparison Report
- c. Statement of Net Position
- d. Restricted Cash and Investments with Fiscal Agent
- e. Net Position
- f. Summary of Disbursements February 2017

10. Water Usage Update

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

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).





# moulton niguel water district

DRAFT

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

February 15, 2017

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 February 15, 2017. There were present and participating:

**DIRECTORS**

Duane Cave	Director
Scott Colton	Vice President
Richard Fiore	Director
Donald Froelich	President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President/Chair (arrived at 8:35 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
Drew Atwater	Director of Planning
Jake Vollebregt	Director of Regional & Legal Affairs
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Trevor Agrelius	MNWD
Johnathan Cruz	MNWD
Ian Morgan	MNWD
Medha Patel	MNWD
Lindsey Stuvick	MNWD
Carole Wayman-Piascik	MNWD

## #2.

Jeffrey Dunn  
Doug Chotkevys  
Roger Faubel  
Michael Bell  
Tyler Old  
Brian Thomas

Best, Best, & Krieger  
Chotkevys Consulting  
Faubel Public Affairs  
Michael Bell Consulting, Inc.  
Public Financial Management, Inc.  
Public Financial Management, Inc.

### 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 JANUARY 18, 2017 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING

*MOTION DULY MADE BY DUANE CAVE AND SECONDED BY GARY KURTZ, MINUTES OF THE JANUARY 18, 2017 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE'. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.*

### 3. PUBLIC COMMENTS

*None.*

### INFORMATION ITEMS

#### 5. Monthly Financial Report

*This item was taken first on the agenda. Brian Probolsky arrived at 8:35 a.m. Trevor Agrelius presented the Monthly Financial Report.*

### PRESENTATION ITEMS

#### 4. Financial Overview

*Joone Lopez provided a brief introduction to the item. Staff provided a financial overview. Key topics included the District's process & oversight, updated financial planning practices, planning improvements, a budget breakdown, a discount rate overview, and risk management and mitigation strategies. Discussion ensued regarding the various topics.*

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

*None.*

- 7. Late Items (Appropriate Findings to be Made)

*Staff explained that a request for concurring resolutions from two nominees to ACWA JPIA came to the attention of the District after the posting of the agenda and there is a need to consider whether to adopt such resolutions prior to the date of the next Board meetings. On that basis, it was recommended that a motion be made, seconded, and approved to add the following item to the agenda as a Late Item:*

*On a motion by Director Cave, seconded by Director Froelich, the Board took action to add the item to the Agenda*

*THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.*

*CONSIDERATION AND POSSIBLE ACTION TO ADOPT RESOLUTIONS CONCURREING IN NOMINATIONS TO THE EXECUTIVE COMMITTEE OF ACWA-JPIA*

*At the time of consideration of Item 7, a motion was made by Director Froelich, seconded by Director Fiore to adopt a Concurring Resolution to concur in the nomination of Fred Adjarian to the Executive Committee of ACWA-JPIA and a separate Concurring Resolution to concur in the nomination of Kathleen J. Tiegs to the Executive Committee of ACWA-JPIA.*

*THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.*

**CLOSED SESSION**

- 8. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation and initiation of litigation pursuant to paragraphs (2) and (4) of subdivision (d) of Government Code Section 54956.9

One potential case

**9. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Pursuant to Government Code Section: 54956.8

Property: Real Estate related to City of San Juan Capistrano's Water and Sewer Systems

Agency Negotiator: Joone Lopez - Moulton Niguel Water District

Negotiating Parties: Moulton Niguel Water District and City of San Juan Capistrano

Under Negotiation: Terms for Proposed Acquisition of Property

*The Board entered closed session at 11:09 a.m. and exited at 12:29 p.m. Brian Probolsky stated that there was no reportable action.*

**ADJOURNMENT**

*The meeting was adjourned at 12:30 p.m.*

Respectfully submitted,

Tim Bonita  
Recording Secretary

DRAFT



**MOULTON NIGUEL WATER DISTRICT**  
**Summary of Financial Results**  
**March 15, 2017**

Unaudited results of operations for the seven months ended January 31, 2017, are summarized below.

Total operating revenues were \$35.5 million through January 2017, which is tracking at 63% of the budget. Total operating expenses were \$38.0 million through the month of January, which amounted to 54% of the approved budget. Total Net Income for the seven months ended is at \$1.7 million.

Investment income is at (\$1.6) million for the year, which has been impacted by an unrealized loss (change in market value) of (\$2.6) million. Excluding the market fluctuations, the District has realized gains of \$0.9 million, which remains consistent with the realized gains from this point last year.

The District currently has \$6.0 million available in the Water Efficiency Fund for new projects, rebate applications or additional programs. The remaining fund balance takes into account \$2.1 million in water efficiency program commitments already approved by the Board.

The District's total cash balance has experienced a planned decrease by approximately \$12 million since June 30, 2016. The expended funds have been used to advance the Capital Improvement Plan per the Long Range Financial Plan.

Total liabilities have decreased by \$15.1 million (12%) since June 30, 2016. Almost 66%, or \$10.0 million of that change is related to Debt Service payments, which are scheduled payments.

All District fiscal agent reserves are properly funded and meet the reserve requirements in the bond indentures.

The Board has established a target reserve level of \$64.8 million, and the District currently holds \$68.7 million in reserves.



**Moulton Niguel Water District**  
**All Funds - Budget Comparison Report**  
**Seven Months Ended January 31, 2017**

	Description	Fiscal Year to Date Actuals	Prior Fiscal Year to Date Actuals	Current Year Approved Budget	Current Year Budget Balance	% of Actuals to Budget
<b>ALL FUNDS</b>						
<b>Operating Revenues</b>						
	Water Sales	\$ 15,886,719	\$ 14,980,948	\$ 28,338,290	\$ 12,451,571	56%
	Recycled Water Sales	3,130,516	2,951,898	5,489,814	2,359,298	57%
	Sewer Sales	11,485,376	10,773,875	18,911,865	7,426,489	61%
	Water Efficiency	4,783,671	2,739,425	3,303,844	(1,479,827)	145%
	Other Operating Income	236,034	234,370	491,585	255,551	48%
<b>A</b>	<b>Total Operating Revenue</b>	<b>35,522,316</b>	<b>31,680,515</b>	<b>56,535,398</b>	<b>21,013,082</b>	<b>63%</b>
<b>Operating Expenses</b>						
	Salaries	6,646,510	5,881,842	11,950,943	5,304,433	56%
	PERs Employer Contributions	895,198	834,895	1,564,665	669,467	57%
	Defined Contribution 401A	99,065	96,145	281,004	181,939	35%
	Educational Courses	15,718	11,809	54,080	38,362	29%
	Travel & Meetings	133,375	100,836	278,020	144,645	48%
	Recruitment & Employee Relations	14,794	12,333	78,397	63,603	19%
	General Services	194,583	165,327	394,750	200,167	49%
	Annual Audit	20,873	44,087	53,000	32,127	39%
	Member Agencies O&M	196,884	570,590	692,228	495,344	28%
	Dues & Memberships	56,210	69,198	101,745	45,535	55%
	Election Expenses	-	-	83,000	83,000	0%
	Consulting Services	1,032,857	1,315,001	2,615,400	1,582,543	39%
	Equipment Rental	7,880	36,501	69,000	61,120	11%
	District Fuel	123,204	115,601	340,000	216,796	36%
	Insurance - District	213,784	228,505	443,170	229,386	48%
	Insurance - Personnel	183,056	212,578	480,546	297,490	38%
	Insurance - Benefits	1,401,440	1,423,654	3,106,144	1,704,704	45%
	Legal Services - Personnel	13,710	-	50,000	36,290	27%
	Legal Services - General <sup>1</sup>	104,030	128,453	430,000	325,970	24%
	District Office Supplies	313,229	492,824	853,750	540,521	37%
	District Operating Supplies	223,789	208,126	390,450	166,661	57%
	Repairs & Maintenance - Equipment	393,012	427,648	628,769	235,757	63%
	Repairs & Maintenance - Facilities	1,754,322	1,287,883	3,447,205	1,692,883	51%
	Safety Program & Compliance Requirements	150,476	109,360	191,650	41,174	79%
	Wastewater Treatment	6,955,886	6,392,451	9,480,876	2,524,990	73%
	Special Outside Assessments	26,282	24,292	240,000	213,718	11%
	Utilities	1,151,167	1,251,767	2,373,260	1,222,093	49%
	Water Purchases	14,509,112	14,095,076	25,826,808	11,317,696	56%
	Meter / Vault Purchases	89,983	257,480	615,000	525,017	15%
	Water Efficiency	776,133	1,770,973	2,898,457	2,122,324	27%
	Other Operating Expenses <sup>2</sup>	339,647	530	-	(339,647)	n/a
<b>B</b>	<b>Total Operating Expenses</b>	<b>38,036,209</b>	<b>37,565,764</b>	<b>70,012,317</b>	<b>32,315,755</b>	<b>54%</b>
<b>A-B</b>	<b>Operating Income (Loss)</b>	<b>(2,513,893)</b>	<b>(5,885,249)</b>	<b>(13,476,919)</b>	<b>(11,302,673)</b>	<b>19%</b>
<b>Non-Operating Revenues (Expenses)</b>						
	Property Tax Revenue	14,998,254	14,335,961	27,069,573	12,071,319	55%
	Investment Income <sup>3</sup>	(1,641,026)	2,103,065	2,348,860	3,989,886	-70%
	Property Lease Income	1,015,506	1,018,145	1,569,878	554,372	65%
	Interest Expense	(3,072,706)	(3,280,421)	(5,466,157)	(2,393,451)	56%
	Misc. Non-Operating Income	2,855,689	3,896,380	3,718,464	862,775	77%
	Capacity fees	269,904	774,634	468,818	198,914	58%
<b>C</b>	<b>Total Non-Operating Revenue (Expenses)</b>	<b>14,425,621</b>	<b>18,847,764</b>	<b>29,240,618</b>	<b>14,814,997</b>	<b>49%</b>
<b>A-B+C</b>	<b>Change in All Funds</b>	<b>\$ 11,911,729</b>	<b>\$ 12,962,515</b>	<b>\$ 15,763,699</b>	<b>\$ 3,512,324</b>	
<b>Other Non Cash Expenses</b>						
	Depreciation	10,211,212	9,936,610	-	(10,211,212)	n/a
<b>D</b>	<b>Total Change in Net Position</b>	<b>\$ 1,700,516</b>	<b>\$ 3,025,906</b>	<b>\$ 15,763,699</b>	<b>\$ 13,723,536</b>	

Note: Totals may not sum due to rounding.

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

2. The District performed an inventory inspection and removed approximately \$200k of obsolete equipment and supplies.

3. Investment income is comprised of realized income of \$945,756 and unrealized income (loss) of (\$2,586,782).

# #9.b.

Moulton Niguel Water District  
All Funds - Budget Comparison Report  
Seven Months Ended January 31, 2017  
Legal Services - General

Firm	Water Use			
	General <sup>4</sup>	Efficiency <sup>4</sup>	Capital <sup>5</sup>	Total
Best Best & Krieger LLP	\$ 92,218	\$ 11,812	\$ 6,492	\$ 110,523
<b>Budget Amount</b>	420,000	10,000	-	430,000
<b>Budget Balance</b>	\$ 327,782	\$ (1,812)	\$ (6,492)	\$ 319,477

Note: Totals may not sum due to rounding.

4. Legal Services - General on the previous page is made up of the General balance of \$92,218 and the \$11,812 Water Use Efficiency balance, for a total of \$104,030.

5. Capital legal services represent legal services rendered during construction and are capitalized by the District as part of the project. Each project budgets for legal expenses separately and are not included as part of this schedule.

**Moulton Niguel Water District**  
**General Fund - Budget Comparison Report**  
**Seven Months Ended January 31, 2017**

	Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
<b>GENERAL FUND</b>					
<b>Operating Revenues</b>					
	Water Sales	\$ 28,338,290	\$ 15,886,719	\$ 12,451,571	56%
	Recycled Water Sales	5,489,814	3,130,516	2,359,298	57%
	Sewer Sales	18,911,865	11,485,376	7,426,489	61%
	Other Operating Income	491,585	236,034	255,551	48%
<b>A</b>	<b>Total Operating Revenue</b>	<b>53,231,554</b>	<b>30,738,645</b>	<b>22,492,909</b>	<b>58%</b>
<b>Operating Expenses</b>					
	Salaries	11,181,396	6,203,086	4,978,310	55%
	PERs Employer Contributions	1,480,783	845,156	635,627	57%
	Defined Contribution 401A	267,655	92,876	174,779	35%
	Educational Courses	51,580	13,915	37,665	27%
	Travel & Meetings	253,320	124,410	128,910	49%
	Recruitment & Employee Relations	78,397	14,794	63,603	19%
	General Services	394,750	194,583	200,167	49%
	Annual Audit	53,000	20,873	32,127	39%
	Member Agencies O&M	692,228	196,884	495,344	28%
	Dues & Memberships	101,245	56,210	45,035	56%
	Election Expenses	83,000	-	83,000	0%
	Consulting Services	1,315,400	675,785	639,615	51%
	Equipment Rental	69,000	7,880	61,120	11%
	District Fuel	340,000	123,204	216,796	36%
	Insurance - District	443,170	213,784	229,386	48%
	Insurance - Personnel	460,266	174,152	286,114	38%
	Insurance - Benefits	2,924,922	1,307,905	1,617,017	45%
	Legal Services - Personnel	50,000	13,710	36,290	27%
	Legal Services - General	420,000	92,218	327,782	22%
	District Office Supplies	473,250	268,138	205,112	57%
	District Operating Supplies	390,450	223,789	166,661	57%
	Repairs & Maintenance - Equipment	626,269	392,790	233,479	63%
	Repairs & Maintenance - Facilities	3,447,205	1,754,322	1,692,883	51%
	Safety Program & Compliance Requirements	191,650	149,099	42,551	78%
	Wastewater Treatment	9,480,876	6,955,886	2,524,990	73%
	Special Outside Assessments	240,000	26,282	213,718	11%
	Utilities	2,373,260	1,151,167	1,222,093	49%
	Water Purchases	25,826,808	14,509,112	11,317,696	56%
	Meter / Vault Purchases	615,000	89,983	525,017	15%
	Other Operating Expenses	-	339,647	(339,647)	n/a
<b>B</b>	<b>Total Operating Expenses</b>	<b>64,324,880</b>	<b>35,891,995</b>	<b>28,432,885</b>	<b>56%</b>
<b>A-B</b>	<b>Operating Income (Loss)</b>	<b>(11,093,326)</b>	<b>(5,153,350)</b>	<b>(5,939,976)</b>	<b>46%</b>
<b>Non-Operating Revenues (Expenses)</b>					
	Property Tax Revenue	27,069,573	14,998,254	12,071,319	55%
	Investment Income	2,242,424	(803,632)	3,046,056	-36%
	Property Lease Income	1,569,878	1,015,506	554,372	65%
	Misc. Non-Operating Income (Expense)	3,718,464	69,428	3,649,036	2%
<b>C</b>	<b>Total Non-Operating Revenue (Expenses)</b>	<b>34,600,339</b>	<b>15,279,556</b>	<b>19,320,783</b>	<b>44%</b>
<b>A-B+C</b>	<b>Change in General Fund</b>	<b>\$ 23,507,013</b>	<b>\$ 10,126,206</b>	<b>\$ 13,380,807</b>	<b>46%</b>
<b>Other Non Cash Expenses</b>					
	Depreciation	-	10,211,212	(10,211,212)	n/a
<b>D</b>	<b>Total Change in Net Position</b>	<b>\$ 23,507,013</b>	<b>\$ (85,007)</b>	<b>\$ 3,169,595</b>	<b>\$ 10,211,213</b>

Note: Totals may not sum due to rounding.

# #9.b.

**Moulton Niguel Water District  
Water Efficiency Fund - Budget Comparison Report  
Seven Months Ended January 31, 2017**

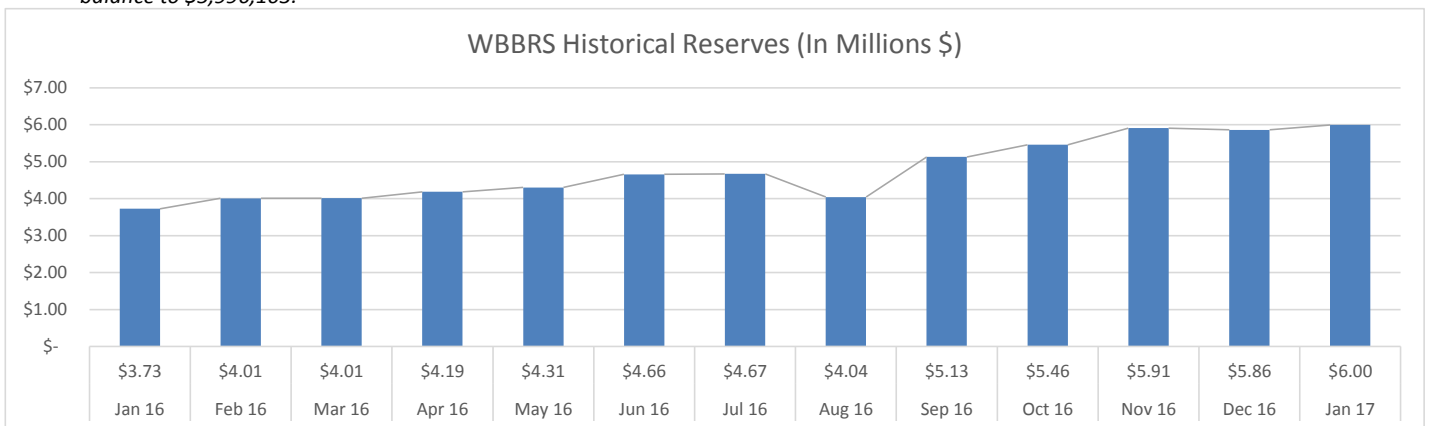
Description		Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
<b>WATER EFFICIENCY FUND</b>					
<b>Projected Operating Revenue</b>					
	Water Efficiency	\$ 3,303,844	\$ 4,783,671	\$ (1,479,827)	145%
<b>A</b>	<b>Projected Total Operating Revenue</b>	<b>3,303,844</b>	<b>4,783,671</b>	<b>(1,479,827)</b>	<b>145%</b>
<b>Projected Operating Expenses</b>					
	Labor	1,068,280	602,094	466,186	56%
	Educational Courses	2,500	1,803	697	72%
	Travel & Meetings	24,700	8,965	15,735	36%
	Dues & Memberships	500	-	500	0%
	Consulting Services	1,300,000	357,072	942,928	27%
	Legal Services	10,000	11,812	(1,812)	118%
	Conservation supplies	380,500	45,090	335,410	12%
	Repairs and Maintenance - Equipment	2,500	222	2,278	9%
	Safety Program & Compliance Requirements	-	1,377	(1,377)	n/a
	Water Efficiency	2,898,457	776,133	2,122,324	27%
<b>B</b>	<b>Projected Total Operating Expenses</b>	<b>5,687,437</b>	<b>1,804,568</b>	<b>3,882,869</b>	<b>32%</b>
<b>A-B</b>	<b>Projected Operating Income (Loss)</b>	<b>(2,383,593)</b>	<b>2,979,104</b>	<b>(5,362,697)</b>	<b>-125%</b>
<b>Projected Non-Operating Revenue</b>					
	Demand offset fees	-	26,564	(26,564)	n/a
<b>C</b>	<b>Investment Income</b>	<b>106,436</b>	<b>(117,001)</b>	<b>223,437</b>	<b>-110%</b>
	<b>Projected Total Non-Operating Revenue</b>	<b>106,436</b>	<b>(90,437)</b>	<b>196,873</b>	<b>-85%</b>
<b>A-B+C</b>	<b>Projected Change in Water Efficiency Fund</b>	<b>\$ (2,277,157)</b>	<b>\$ 2,888,667</b>	<b>\$ (5,165,824)</b>	

Note: Totals may not sum due to rounding.

**Water Efficiency Available Net Position<sup>1</sup>**

Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance
Fund Net Position, Beginning of Year	\$ 5,158,320	\$ 5,158,320	\$ 5,158,320
Projected Change in Water Efficiency Fund	(2,277,157)	2,888,667	(5,165,824)
Project Commitments		(2,050,884)	
<b>Fund Net Position, Seven Months Ended January 31, 2017</b>	<b>\$ 2,881,163</b>	<b>\$ 5,996,103</b>	

1. In addition to realized expenditures, there is approximately \$2,050,884 in project commitments, reducing the available WBBRS reserve balance to \$5,996,103.



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

	<b>(Unaudited)</b>	
	<b>January 31, 2017</b>	<b>June 30, 2016</b>
<b>CURRENT ASSETS:</b>		
Cash and investments	\$ 29,160,153	\$ 21,149,580
Restricted cash and investments with fiscal agent	7,865,049	8,086,043
Accounts receivables:		
Water and sanitation charges	2,338,519	4,023,360
Taxes and acreage assessments	-	255,190
Grant Reimbursements	24,500	1,771,918
Other accounts receivable	183,974	347,088
Interest receivable	568,970	589,339
AMP receivable	-	656
Inventory	975,413	1,322,755
Prepaid expenses	1,007,266	566,095
	<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>	<b>42,123,844</b>	<b>38,112,024</b>
	<hr/>	<hr/>
<b>NONCURRENT ASSETS:</b>		
Investments	89,481,140	109,982,071
Retrofit loans receivable	547,003	561,582
Capital assets, net of accumulated depreciation	335,597,458	344,747,326
Capital assets not being depreciated:		
Land	1,091,910	1,091,910
Construction in progress	57,559,955	45,135,106
	<hr/>	<hr/>
<b>TOTAL NONCURRENT ASSETS</b>	<b>484,277,466</b>	<b>501,517,995</b>
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>526,401,310</b>	<b>539,630,019</b>
	<hr/>	<hr/>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>		
Deferred Charges on Refunding	749,489	937,158
Deferred Items related to Pension	1,419,676	1,419,676
	<hr/>	<hr/>
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>2,169,165</b>	<b>2,356,834</b>
	<hr/>	<hr/>
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES \$</b>	<b>528,570,474</b>	<b>\$ 541,986,853</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	(Unaudited)	
	January 31, 2017	June 30, 2016
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 3,837,177	\$ 9,107,383
Interest payable	2,118,205	1,880,732
Unearned Revenue	-	45,572
Compensated absences	700,994	618,807
Current portion of long-term debt:		
Bonds payable	1,275,000	6,060,000
Loans Payable	2,027,347	1,994,998
Certificates of participation	1,925,000	1,855,000
	<b>11,883,724</b>	<b>21,562,492</b>
 <b>LONG-TERM LIABILITIES</b>		
Compensated absences	233,665	206,269
Long-term debt:		
Bonds payable	15,095,000	16,370,000
Loans payable	6,829,554	8,693,015
Certificates of participation	60,000,000	61,925,000
Net Pension Liability	12,934,337	12,934,337
	<b>95,092,555</b>	<b>100,128,621</b>
Bond Discount/Premium	2,207,366	2,609,427
	<b>109,183,645</b>	<b>124,300,540</b>
 <b>DEFERRED INFLOW OF RESOURCES:</b>		
Deferred Items related to Pension	3,530,389	3,530,389
	<b>3,530,389</b>	<b>3,530,389</b>
 <b>NET POSITION:</b>		
Net investment in capital assets	305,639,544	292,404,060
Restricted for capital projects	261,463	2,632,947
Unrestricted	109,955,433	119,118,917
	<b>415,856,440</b>	<b>414,155,924</b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION</b>	<b>\$ 528,570,474</b>	<b>\$ 541,986,853</b>

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



**MOULTON NIGUEL WATER DISTRICT  
RESTRICTED CASH AND INVESTMENTS WITH FISCAL AGENT  
As of January 31, 2017**

	Reserve Requirement	(Unaudited) Balance 1/31/2017	Over (Under) Requirement	Balance 6/30/2016
<b><u>Restricted Cash and Investments:</u></b>				
2009 COPS Trust Reserve	\$ 6,000,000	\$ 6,067,353	\$ 67,353	\$ 6,033,813
2009 COPS Installment	-	39	39	39
2010 Installment Payment	-	179,399	179,399	264,609
2010 COPS Trust Reserves	192,500	378,124	185,624	555,767
2014 Consolidated Ref Bonds	-	120	120	4
2015 Refunding Bonds	-	6	6	8
2015 Refunding Reserve	1,226,500	1,240,007	13,507	1,231,804
<b>Total Restricted Trust Accounts</b>	<b>\$ 7,419,000</b>	<b>\$ 7,865,049</b>	<b>\$ 446,049</b>	<b>\$ 8,086,043</b>

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



**MOULTON NIGUEL WATER DISTRICT**  
**NET POSITION**  
As of January 31, 2017

	Reserve Policy Target	(Unaudited)		Balance 6/30/2016
		Balance 1/31/2017	Net Change	
<b>Adopted Reserve Targets <sup>1</sup></b>				
Designated for Self Insurance Reserve	\$ 250,000	\$ 251,368	\$ (3,391)	\$ 254,759
Designated for Rate Stabilization	13,250,000	13,483,712	(173,772)	13,657,484
Designated for Emergency Reserves	35,510,000	35,510,000	-	35,510,000
Designated for Operating Reserves <sup>2</sup>	15,820,000	19,469,508	(6,847,612)	26,317,120
<b>Total Adopted Reserve Targets</b>	<b>\$ 64,830,000</b>	<b>\$ 68,714,587</b>	<b>\$ (7,024,776)</b>	<b>\$ 75,739,363</b>
	<b>FY 16/17 Capital Budget <sup>3</sup></b>			
<b>Designated for FY 16-17 Capital Projects</b>				
Designated for Replacement and Refurbishment	\$ 27,144,426	\$ 19,785,741	\$ 10,055,976	\$ 9,729,765
Designated for Water Supply Reliability	8,861,074	4,442,151	4,442,151	-
Designated for Planning and Construction	9,613,031	8,965,966	(19,525,503)	28,491,469
<b>Total Designated for FY 16-17 Capital Projects</b>	<b>\$ 45,618,531</b>	<b>\$ 33,193,859</b>	<b>\$ (5,027,375)</b>	<b>\$ 38,221,234</b>
<b>Other amounts</b>				
Designated for Water Efficiency (WBBRS) <sup>4</sup>		\$ 8,046,987	\$ 2,888,667	\$ 5,158,320
Restricted for Capital Facilities (Projects)		261,463	(2,371,484)	2,632,947
Net Investment in Capital Assets <sup>5</sup>		305,639,544	13,235,484	292,404,060
<b>Total Other amounts</b>		<b>\$ 313,947,994</b>	<b>\$ 13,752,667</b>	<b>\$ 300,195,327</b>
<b>Total Net Position</b>		<b>\$ 415,856,440</b>	<b>\$ 1,700,516</b>	<b>\$ 414,155,924</b>

Note: Totals may not sum due to rounding.

1. Board designated balances represent available cash in that fund.

2. General Operating Reserves include the unrestricted, undesignated balance, and other general District accrued cash flows. This amount includes the remaining total cash balance of \$26,620,521.

3. FY 16-17 Budget also includes \$950,990 for capital expenses in Fund 6, bringing the total CIP budget to \$46,569,520.

4. In addition to realized expenditures, there is approximately \$2,050,884 in project commitments, reducing the available WBBRS reserve balance to \$5,996,103.

5. Net Investment in Capital Assets calculated as follows:

Total capital assets	\$ 394,249,323
Less capital related debt	(89,359,267)
Add deferred charges related to debt	749,489
<b>Total Net Investment in Capital Assets</b>	<b>\$ 305,639,544</b>



**MOULTON NIGUEL WATER DISTRICT  
SUMMARY OF DISBURSEMENTS  
FOR THE MONTH OF FEBRUARY 2017**

**Summary of Disbursements in February 2017:**

General Fund Disbursements		<b>4,236,773</b>
<b><u>Restricted Fund Disbursements:</u></b>		
Self Insurance Fund	1,959	
Water Efficiency Fund	191,167	
Replacement & Refurbishment Fund	233,730	
Water Supply Reliability Fund	1,900	
Planning & Construction Fund	37,612	
2009 COP Debt Service	2,049,449	
2014 GOB ('03 Refunding)	86,680	
2015 COPS ('03 Refunding)	306,619	<b>2,909,115</b>
<b>Total Disbursements for all Funds</b>		<b>\$ 7,145,889</b>

**Detail of Major Expenditures in February 2017:**

1. Municipal Water District of Orange County (MWDOC)		
December Water Purchases 1548.9 AF	1,459,064	
December Readiness To Serve	134,906	
FY 15/16 O&M of East Orange County Feeder No. 2	88,971	
December Capacity Charge	38,599	
December Turf, Nozzles, and Smart Timer Rebates	31,654	
December SCP Operation Surcharge	8,596	
December SoCal Water\$mart Residential Rebates	4,000	
November Reclaimed Rebate 421.1 AF	(64,849)	<b>1,700,939</b>
2. Santa Margarita Water District (SMWD)		
FY 16/17 Q2 Plant 3A O&M Charges	409,468	
FY 2017 Major Capital Replacement/Maintenance project G00E12	7,854	
FY 16/17 Q2 Upper Chiquita Reservoir Expenses	837	<b>418,160</b>
3. City of Mission Viejo		
2016 CDBG Residential Resurfacing Program - Raising Sewer Manholes		<b>197,800</b>
4. Paulus Engineering, Inc.		
C# 2015002 Valve Replacements, progress payment #5		<b>169,913</b>
5. Vadnais Trenchless Services, Inc.		
C# 2009115 San Juan Creek 30" ETM, progress payment #11		<b>149,895</b>
6. A & Y Company Inc.		
Concrete & Asphalt Service		<b>113,550</b>

