



moulton niguel water district

FINANCE & INFORMATION TECHNOLOGY

BOARD OF DIRECTORS' MEETING

MOULTON NIGUEL WATER DISTRICT

27500 La Paz Road, Laguna Niguel

November 15, 2017

8:30 AM

Approximate Meeting Time: 2 Hours

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE OCTOBER 18, 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.

PRESENTATION ITEMS

4. Quarterly Investment Report - Chandler Asset Management

DISCUSSION/ACTION ITEMS

5. ADOPTION OF RESOLUTION IN SUPPORT OF DIRECTOR STEVEN E. LAMAR'S CANDIDACY TO SERVE AS VICE PRESIDENT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES FOR 2018-2019 (RESOLUTION 17-__)

It is recommended that the Board of Directors approve the resolution entitled, "Support of Director Steven E. LaMar's candidacy to serve as Vice President of the Association of California Water Agencies for 2018-2019."

INFORMATION ITEMS

6. 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 October 2017
- 7. Water Usage Update
 - 8. Future Agenda Items (Any items added under this section are for discussion at future meetings only)
 - 9. 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.



moulton niguel water district

DRAFT

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

October 18, 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 October 18, 2017. There were present and participating:

DIRECTORS

| | |
|-----------------|-------------------------------|
| Duane Cave | Director |
| Scott Colton | Vice President |
| Richard Fiore | Director |
| Donald Froelich | President |
| Gary Kurtz | Director (via teleconference) |
| Larry Lizotte | Director |
| Brian Probolsky | Vice President/Chair |

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

| | |
|-----------------|--------------------------------------|
| Joone Lopez | General Manager |
| Matt Collings | Assistant General Manager |
| Gina Hillary | Director of Human Resources |
| Drew Atwater | Director of Planning |
| Jake Vollebregt | Director of Regional & Legal Affairs |
| Rod Woods | Director of Engineering |
| Todd Novacek | Director of Operations |
| Paige Gulck | Board Secretary |
| Tim Bonita | Recording Secretary |
| Trevor Agrelius | MNWD |
| Matthew Brown | MNWD |
| Johnathan Cruz | MNWD |
| Shavonne Mays | MNWD |
| Medha Patel | MNWD |

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| | |
|------------------------|-------------------------|
| Lindsey Stuvick | MNWD |
| Carole Wayman-Piasecik | MNWD |
| Kelly Salt | Best, Best, and Krieger |
| Jodie Cook | Jodie Cook Design |
| Joel Bishop | Member of the Public |

1. CALL MEETING TO ORDER

The meeting was called to order by Brian Probolsky at 8:31 a.m.

2. APPROVE THE MINUTES OF THE SEPTEMBER 20, 2017 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING

MOTION DULY MADE BY SCOTT COLTON AND SECONDED BY DUANE CAVE, MINUTES OF THE SEPTEMBER 20, 2017 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING WERE APPROVED AS PRESENTED. A ROLL CALL VOTE WAS TAKEN AND THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

3. PUBLIC COMMENTS

None.

DISCUSSION/ACTION ITEMS

4. CONSIDERATION OF PUBLIC HEARING CONCERNING PROPOSED INCREASES AND ADJUSTMENTS TO WATER, RECYCLED WATER, AND WASTEWATER SERVICE FEES

It is recommended that the Board of Directors direct the General Manager to determine a Public Hearing date for the consideration of the proposed water, recycled water, and wastewater rate increases and adjustments. The Public Hearing shall be held not less than 45 days after the finalized Notice of Public Hearing concerning the proposed Rate Increases and Adjustments to the Water, Recycled Water, and Wastewater Service Fees is mailed.

Matt Collings provided a brief introduction to the item. Discussion ensued regarding the notice of public hearing.

MOTION DULY MADE BY DUANE CAVE AND SECONDED BY DONALD FROELICH. ITEM 4 WAS APPROVED AS PRESENTED. A ROLL CALL VOTE WAS TAKEN AND THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

5. Professional Services Agreement for Direct Install Turf Replacement Program

Lindsey Stuvick provided information on the item. Staff recommends that the Board of Directors approve a two-year professional services agreement with Tree of Life Nursery, Inc. for a total not-to-exceed amount of \$603,000 for services associated with the Direct Install Turf Replacement Program; and authorize the General Manager or Assistant General Manager to execute the agreement. Discussion ensued regarding details of the program.

INFORMATION ITEMS

6. Monthly Financial Report

Carole Wayman-Piasck provided the monthly financial report.

7. California Water Fix Update

Drew Atwater provided an update on the California Water Fix.

8. Water Usage Update

Drew Atwater provided the water usage update. The District achieved a 12% reduction for September 2017.

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

None.

10. Late Items (Appropriate Findings to be Made)

None.

ADJOURNMENT

The meeting was adjourned at 10:43 a.m.

Respectfully submitted,

Tim Bonita
Recording Secretary

Moulton Niguel Water District

Period Ending
September 30, 2017



| | |
|------------------|---------------------------------|
| SECTION 1 | Consolidated Information |
| SECTION 2 | Account Profile |
| SECTION 3 | Portfolio Holdings |
| SECTION 4 | Transactions |
| SECTION 5 | Economic Update |

SECTION 1

Consolidated Information

Investment Objectives

In order to provide for current expenses and long term growth, the District has divided its portfolio into three categories, the Liquid, Limited Maturity and Operating Reserve Funds. The investment goals of the Liquid and Limited Maturity Funds are to provide liquidity for operating expenses and current capital requirements, preserve principal, and earn a total rate of return commensurate with the first two goals.

The investment goals of the Operating Reserve Fund are to preserve real capital and provide growth over the long term by earning the rate of return which is available from longer term investments permitted under the California Government Code.

Chandler Asset Management Performance Objective

The performance objective for the Liquid Fund is to earn a return in excess of the return on 90 day Treasury bills.

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The performance objective of the Limited Maturity Fund is to earn a return that equals or exceeds the return of the Bank of America Merrill Lynch 0-3 Yr US Treasury/Agency Index.

The performance objective of the Operating Reserve Fund is to earn a total rate of return over a market cycle which exceeds the return on a market index of government securities with maturities of one to ten years (the Bank of America Merrill Lynch 1-10 Yr Government Index).

Bond Reserves: To earn a commensurate rate of return over market cycles while ensuring compliance with the District's indentured funds.

Strategy

The Liquid Fund is invested in short term securities and LAIF in order to achieve its goals. The average maturity of the Liquid Fund may not exceed 90 days, and the maximum maturity of individual securities in the fund shall be one year. In order to meet the goals of the Limited Maturity and Operating Reserve Funds, they are invested in a diversified portfolio of high quality fixed income securities with a maximum maturity of ten years. No more than 40% of the fund may be invested in securities with maturities in excess of five years in the Operating Reserve Fund.



Moulton Niguel Water District Bond Reserves

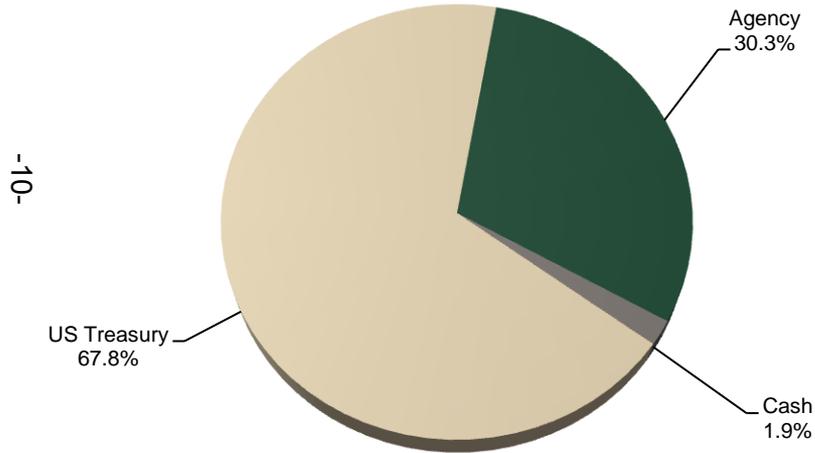
| | 9/30/2017 | 6/30/2017 |
|------------------------|-----------|-----------|
| | Portfolio | Portfolio |
| Average Maturity (yrs) | 3.25 | 2.99 |
| Modified Duration | 3.13 | 2.88 |
| Average Purchase Yield | 1.32% | 1.20% |
| Average Market Yield | 1.66% | 1.55% |
| Average Quality | AA+/Aaa | AA+/Aaa |
| Total Market Value | 7,302,315 | 7,654,158 |

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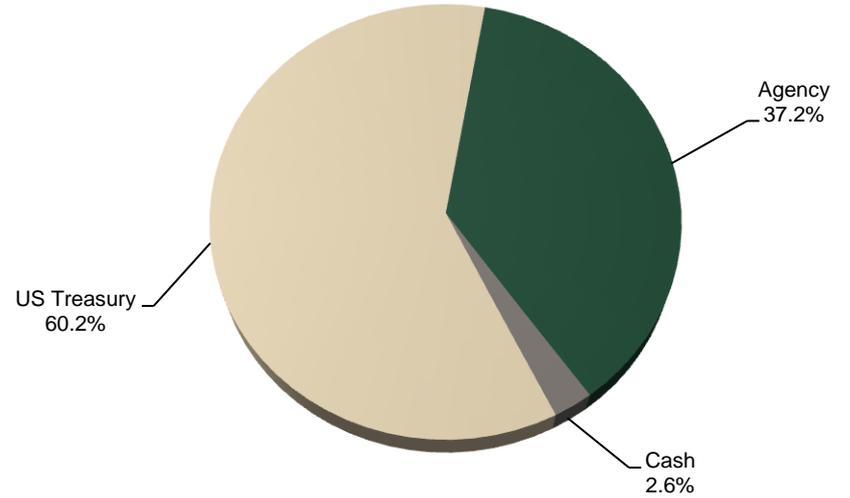


Moulton Niguel Water District Bond Reserves

September 30, 2017



June 30, 2017





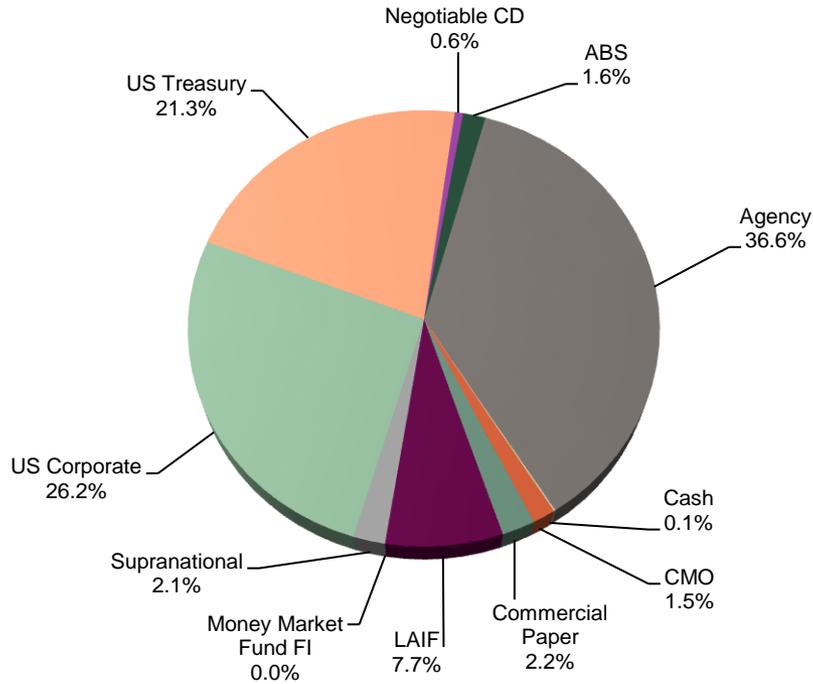
Moulton Niguel Water District Consolidated

| | 9/30/2017 | 6/30/2017 |
|------------------------|-------------|-------------|
| | Portfolio | Portfolio |
| Average Maturity (yrs) | 3.00 | 2.80 |
| Modified Duration | 2.80 | 2.61 |
| Average Purchase Yield | 1.98% | 1.86% |
| Average Market Yield | 1.76% | 1.64% |
| Average Quality | AA/Aa1 | AA/Aa1 |
| Total Market Value | 116,421,157 | 125,901,422 |

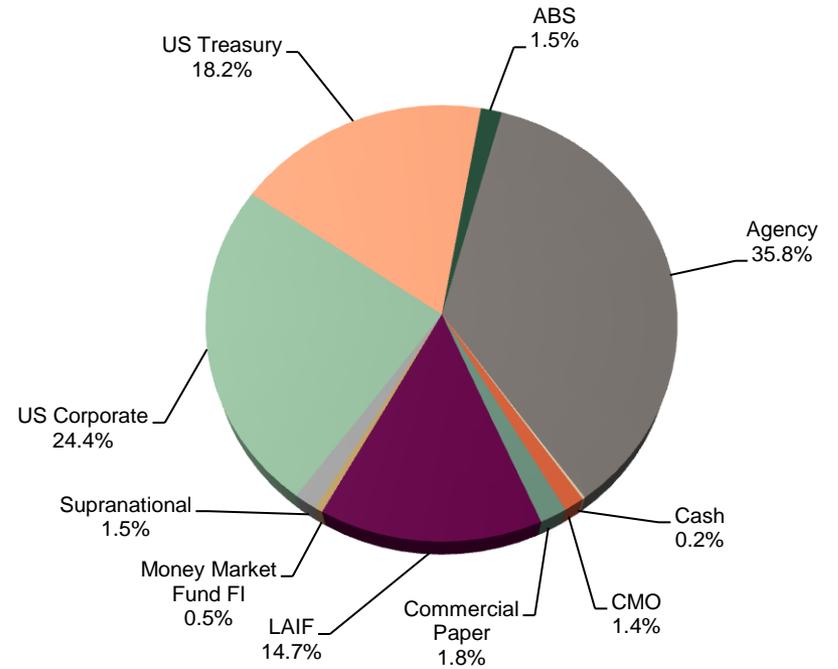


Moulton Niguel Water District Consolidated

September 30, 2017



June 30, 2017



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Moulton Niguel Water District Consolidated – Account #43

As of 9/30/2017

| Issue Name | Investment Type | Avg Mkt Yield | Avg Maturity | % Portfolio |
|---------------------------------------|------------------|---------------|--------------|-------------|
| Government of United States | US Treasury | 1.86% | 4.58 | 21.33% |
| Federal Home Loan Bank | Agency | 1.77% | 3.46 | 11.72% |
| Federal National Mortgage Association | Agency | 1.97% | 5.05 | 10.59% |
| Local Agency Investment Fund | LAIF | 1.12% | 0.00 | 7.69% |
| Federal Home Loan Mortgage Corp | Agency | 1.70% | 3.07 | 7.13% |
| Tennessee Valley Authority | Agency | 1.77% | 3.18 | 5.57% |
| Inter-American Dev Bank | Supranational | 2.03% | 4.46 | 2.13% |
| Charles Schwab Corp/The | US Corporate | 1.44% | 0.53 | 1.84% |
| HSBC USA Corp | US Corporate | 1.64% | 0.83 | 1.76% |
| ChevronTexaco Corp | US Corporate | 1.55% | 0.51 | 1.67% |
| Bank of Tokyo-Mit UFJ | Commercial Paper | 1.34% | 0.08 | 1.60% |
| Federal Farm Credit Bank | Agency | 1.52% | 1.86 | 1.58% |
| Qualcomm Inc | US Corporate | 1.73% | 2.13 | 1.57% |
| US Bancorp | US Corporate | 1.79% | 2.16 | 1.55% |
| JP Morgan Chase & Co | US Corporate | 3.16% | 0.93 | 1.49% |
| Federal Home Loan Mortgage Corp | CMO | 1.75% | 0.90 | 1.46% |
| Bank of New York | US Corporate | 1.87% | 1.95 | 1.43% |
| Paccar Financial | US Corporate | 1.68% | 1.53 | 1.40% |
| Honda Motor Corporation | US Corporate | 1.55% | 1.03 | 1.40% |
| Oracle Corp | US Corporate | 2.09% | 3.96 | 1.15% |
| State Street Bank | US Corporate | 2.14% | 3.64 | 1.08% |
| Exxon Mobil Corp | US Corporate | 1.99% | 3.42 | 1.07% |
| JP Morgan ABS | ABS | 1.45% | 2.54 | 1.07% |
| Toyota Motor Corp | US Corporate | 1.70% | 1.30 | 1.04% |
| Cisco Systems | US Corporate | 1.58% | 1.42 | 1.04% |
| Deere & Company | US Corporate | 1.64% | 1.20 | 1.01% |
| Berkshire Hathaway | US Corporate | 1.99% | 3.46 | 0.90% |
| Apple Inc | US Corporate | 2.25% | 4.95 | 0.90% |
| Pepsico Inc | US Corporate | 1.82% | 2.58 | 0.84% |
| Microsoft | US Corporate | 2.03% | 3.86 | 0.74% |

Moulton Niguel Water District Consolidated – Account #43
As of 9/30/2017

| Issue Name | Investment Type | Avg Mkt Yield | Avg Maturity | % Portfolio |
|--|----------------------|---------------|--------------|-------------|
| PNC Financial Services Group | US Corporate | 2.35% | 4.39 | 0.71% |
| Intel Corp | US Corporate | 1.28% | 0.21 | 0.71% |
| Bank of Nova Scotia Houston | Negotiable CD | 1.65% | 0.98 | 0.64% |
| Toyota Motor Corp | Commercial Paper | 1.36% | 0.28 | 0.56% |
| John Deere ABS | ABS | 1.75% | 3.31 | 0.39% |
| Wells Fargo Corp | US Corporate | 1.48% | 0.30 | 0.34% |
| General Electric Co | US Corporate | 1.59% | 1.29 | 0.33% |
| Air Products & Chemicals | US Corporate | 1.47% | 0.04 | 0.26% |
| Bank Cash Account | Cash | 0.00% | 0.00 | 0.12% |
| Honda ABS | ABS | 1.45% | 1.39 | 0.10% |
| Toyota ABS | ABS | 1.36% | 1.38 | 0.07% |
| Wells Fargo Adv Govt Money Market Fund | Money Market Fund FI | 0.73% | 0.00 | 0.03% |
| Total | | 1.76% | 3.00 | 100% |

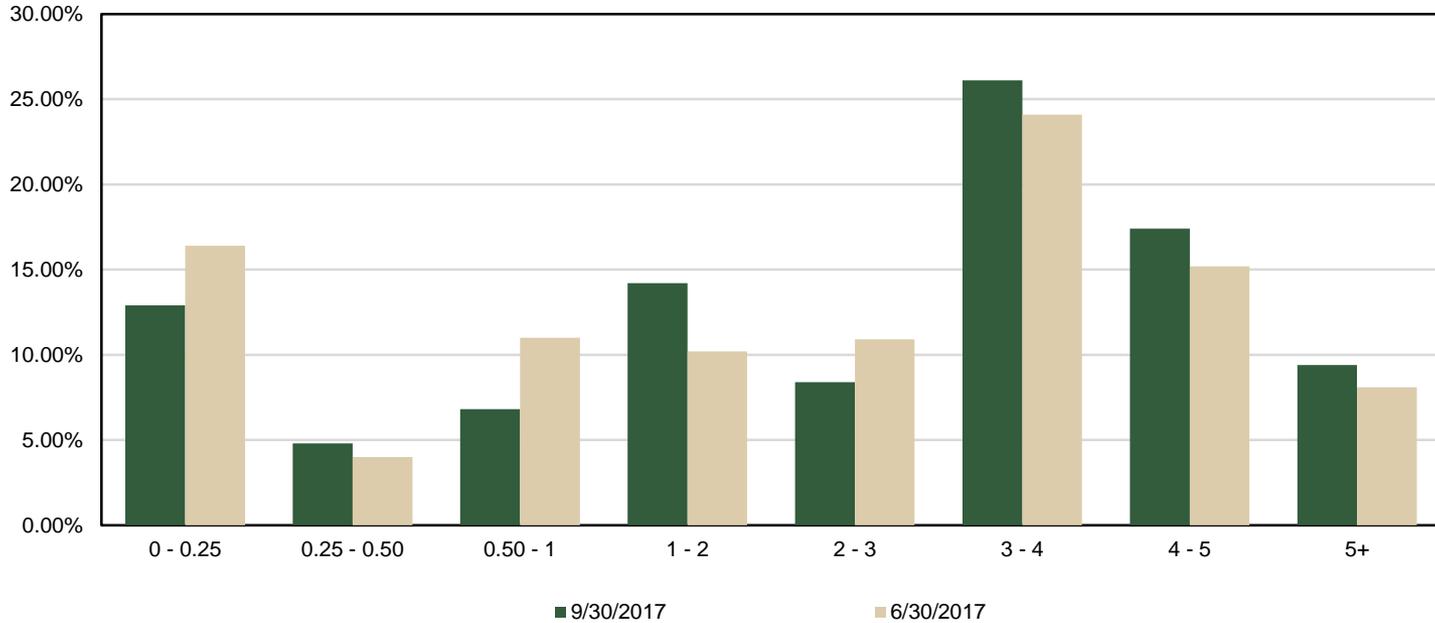


Duration Distribution

Moulton Niguel Water District Consolidated

September 30, 2017 vs. June 30, 2017

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| | 0 - 0.25 | 0.25 - 0.50 | 0.50 - 1 | 1 - 2 | 2 - 3 | 3 - 4 | 4 - 5 | 5+ |
|----------|----------|-------------|----------|-------|-------|-------|-------|------|
| 09/30/17 | 12.9% | 4.8% | 6.8% | 14.2% | 8.4% | 26.1% | 17.4% | 9.4% |
| 06/30/17 | 16.4% | 4.0% | 11.0% | 10.2% | 10.9% | 24.1% | 15.2% | 8.1% |

SECTION 2

Account Profile



Bond Reserves

| | Bond Reserves | |
|--|---------------|-------------|
| | 9/30/2017 | 6/30/2017 |
| Portfolio book value | \$7,376,898 | \$7,719,643 |
| Market value | \$7,302,316 | \$7,654,158 |
| Net Contribution/Withdrawal for the Period | -\$374,436 | -- |
| Average book yield | 1.32% | 1.20% |
| Average maturity (yrs) | 3.25 | 3.00 |
| Modified duration | 3.13 | 2.88 |
| \$ change in value for 1% change in rates | \$228,588 | \$220,699 |
| % maturing within two years | 11.0% | 14.4% |
| Average credit quality | AA+/Aaa | AA+/Aaa |

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Liquid Fund

| | BAML 3-Month US Treasury Bill Index | Liquid Fund | |
|--|--|---------------|--------------|
| | 9/30/2017 | 9/30/2017 | 6/30/2017 |
| Portfolio book value | -- | \$8,918,020 | \$18,471,152 |
| Market value | -- | \$8,954,758 | \$18,518,300 |
| Net Contribution/Withdrawal for the Period | -- | (\$9,600,000) | -- |
| Average book yield | -- | 1.12% | 1.01% |
| Average maturity (yrs) | 0.16 | 0.00 | 0.00 |
| Modified duration | 0.16 | 0.00 | 0.00 |
| \$ change in value for 1% change in rates | -- | \$0 | \$0 |
| % maturing within one year | 100% | 100% | 100% |
| Average credit quality | AAA | Not Rated | Not Rated |



Limited Maturity Fund

| | BAML 0-3 Yr US Treasury Index | Limited Maturity Fund | |
|--|-------------------------------|-----------------------|--------------|
| | 9/30/2017 | 9/30/2017 | 6/30/2017 |
| Portfolio book value | -- | \$17,357,326 | \$17,440,556 |
| Market value | -- | \$17,189,886 | \$17,125,870 |
| Net Contribution/Withdrawal for the Period | -- | \$0 | -- |
| Average book yield | -- | 1.98% | 1.95% |
| Average maturity (yrs) | 1.41 | 0.92 | 1.16 |
| Modified duration | 1.38 | 0.73 | 0.93 |
| \$ change in value for 1% change in rates | -- | \$125,486 | \$159,271 |
| % maturing within two years | 69.2% | 92.7% | 75.9% |
| Average credit quality | AAA | AA/Aa2 | AA/Aa2 |

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Operating Reserve Fund

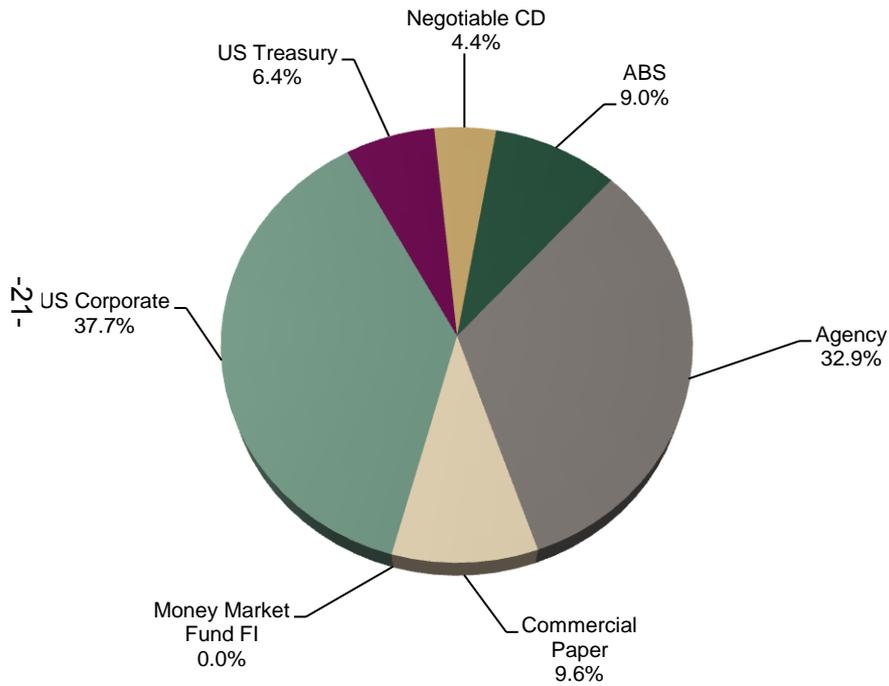
| | BAML 1-10 Yr US Treasury/Agency Index | Operating Reserve Fund | |
|--|--|------------------------|--------------|
| | 9/30/2017 | 9/30/2017 | 6/30/2017 |
| Portfolio book value | -- | \$82,010,755 | \$81,446,467 |
| Market value | -- | \$82,974,198 | \$82,603,095 |
| Net Contribution/Withdrawal for the Period | -- | (\$1,875) | -- |
| Average book yield | -- | 2.13% | 2.09% |
| Average maturity (yrs) | 3.88 | 3.74 | 3.74 |
| Modified duration | 3.64 | 3.50 | 3.51 |
| \$ change in value for 1% change in rates | -- | \$2,904,097 | \$2,899,369 |
| % maturing within two years | 23.4% | 19.9% | 19.8% |
| Average credit quality | AAA | AA/Aa1 | AA/Aa1 |

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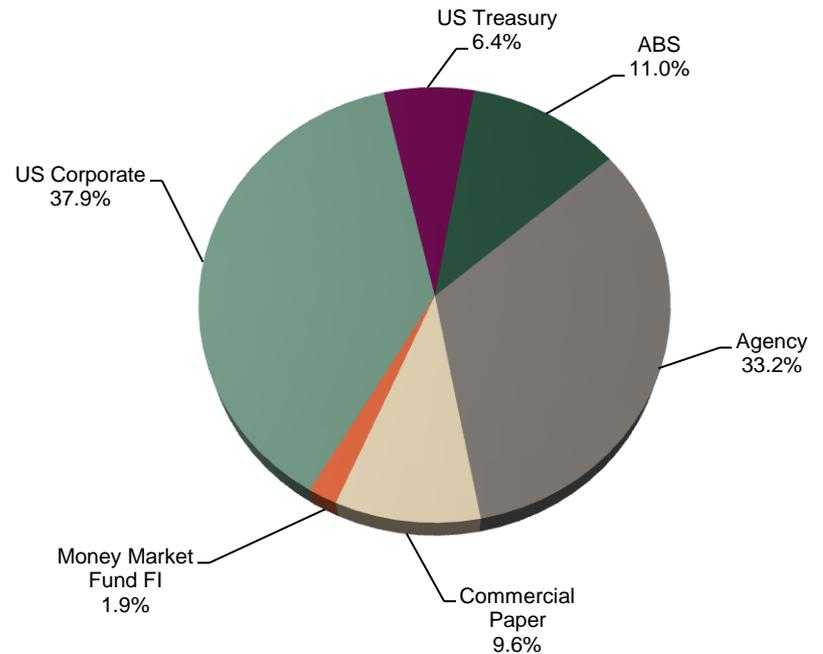


Moulton Niguel Water District Limited Maturity

September 30, 2017



June 30, 2017



Moulton Niguel Water District Limited Maturity – Account #42

As of 9/30/2017

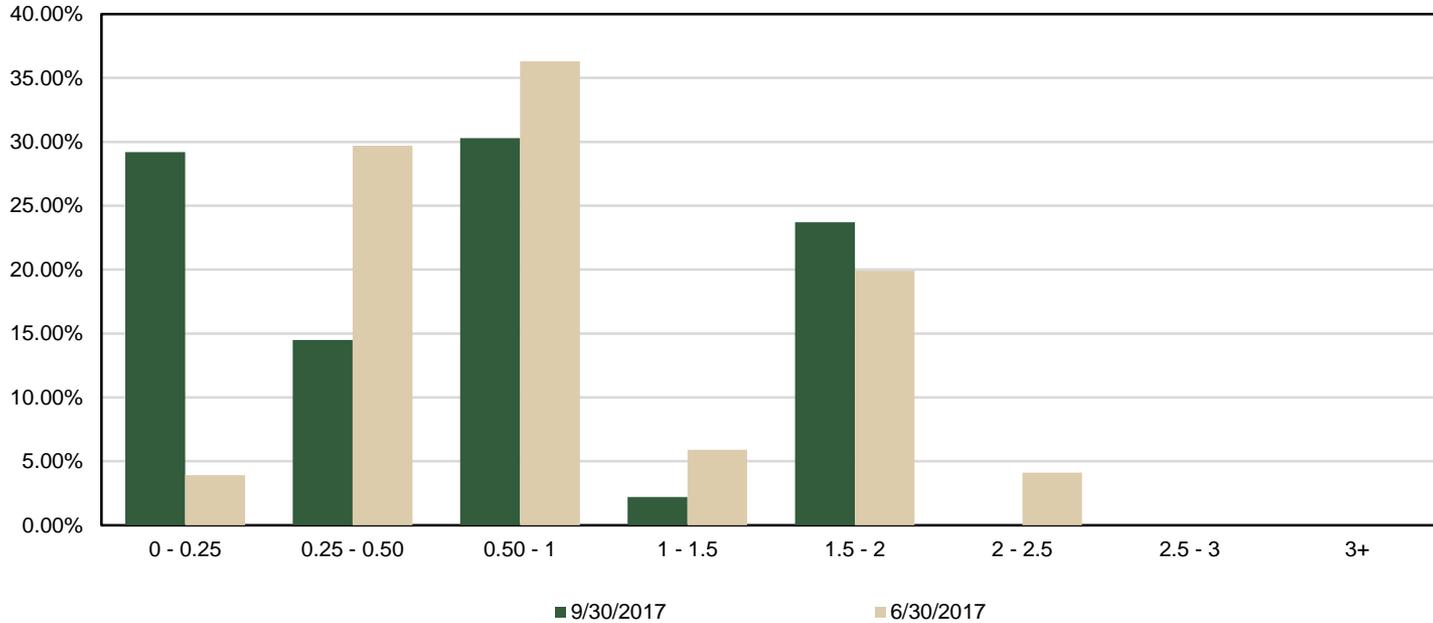
| Issue Name | Investment Type | Avg Mkt Yield | Avg Maturity | % Portfolio |
|--|----------------------|---------------|--------------|-------------|
| Federal Home Loan Bank | Agency | 1.48% | 1.58 | 16.04% |
| Tennessee Valley Authority | Agency | 1.31% | 0.21 | 9.51% |
| HSBC USA Corp | US Corporate | 1.73% | 1.16 | 7.34% |
| JP Morgan ABS | ABS | 1.45% | 2.54 | 7.21% |
| Government of United States | US Treasury | 1.36% | 1.17 | 6.39% |
| Bank of Tokyo-Mit UFJ | Commercial Paper | 1.33% | 0.06 | 5.81% |
| Charles Schwab Corp/The | US Corporate | 1.48% | 0.65 | 5.49% |
| ChevronTexaco Corp | US Corporate | 1.51% | 0.28 | 5.45% |
| Intel Corp | US Corporate | 1.28% | 0.21 | 4.79% |
| Bank of Nova Scotia Houston | Negotiable CD | 1.65% | 0.98 | 4.37% |
| Federal Farm Credit Bank | Agency | 1.31% | 0.54 | 3.92% |
| Toyota Motor Corp | Commercial Paper | 1.36% | 0.28 | 3.77% |
| JP Morgan Chase & Co | US Corporate | 6.40% | 0.01 | 3.00% |
| Qualcomm Inc | US Corporate | 1.42% | 0.63 | 2.69% |
| Bank of New York | US Corporate | 1.87% | 1.95 | 2.64% |
| Wells Fargo Corp | US Corporate | 1.48% | 0.30 | 2.33% |
| General Electric Co | US Corporate | 1.59% | 1.29 | 2.24% |
| Federal National Mortgage Association | Agency | 1.28% | 0.64 | 1.98% |
| Air Products & Chemicals | US Corporate | 1.47% | 0.04 | 1.75% |
| Federal Home Loan Mortgage Corp | Agency | 1.51% | 1.84 | 1.45% |
| John Deere ABS | ABS | 1.41% | 1.13 | 0.67% |
| Honda ABS | ABS | 1.45% | 1.39 | 0.66% |
| Toyota ABS | ABS | 1.36% | 1.38 | 0.47% |
| Wells Fargo Adv Govt Money Market Fund | Money Market Fund FI | 0.73% | 0.00 | 0.03% |
| Total | | 1.61% | 0.92 | 100% |



Duration Distribution

Moulton Niguel Water District Limited Maturity

September 30, 2017 vs. June 30, 2017



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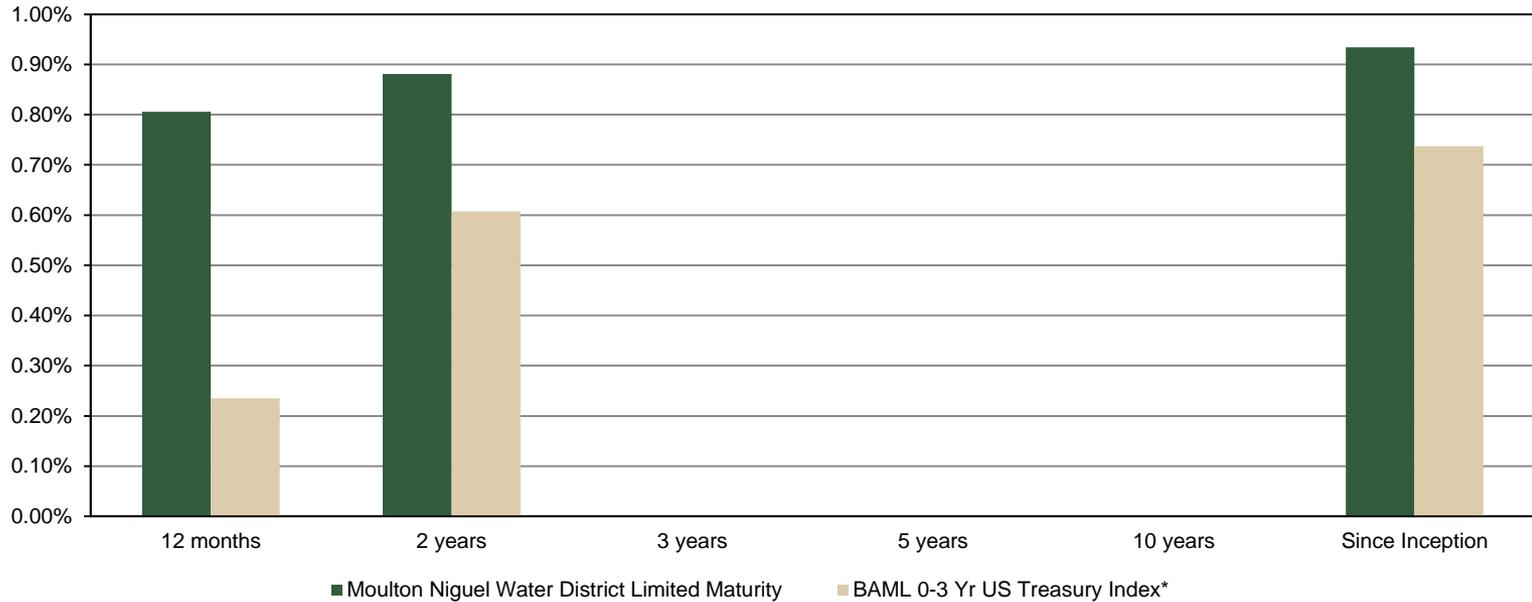
| | 0 - 0.25 | 0.25 - 0.50 | 0.50 - 1 | 1 - 1.5 | 1.5 - 2 | 2 - 2.5 | 2.5 - 3 | 3+ |
|----------|----------|-------------|----------|---------|---------|---------|---------|------|
| 09/30/17 | 29.2% | 14.5% | 30.3% | 2.2% | 23.7% | 0.0% | 0.0% | 0.0% |
| 06/30/17 | 3.9% | 29.7% | 36.3% | 5.9% | 19.9% | 4.1% | 0.0% | 0.0% |



Moulton Niguel Water District Limited Maturity

Period Ending
September 30, 2017

Total Rate of Return
Annualized Since Inception
February 28, 2015



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| | Annualized | | | | | | |
|--|------------|-----------|---------|---------|---------|----------|-----------------|
| | 3 months | 12 months | 2 years | 3 years | 5 years | 10 years | Since Inception |
| Moulton Niguel Water District Limited Maturity | 0.37% | 0.81% | 0.88% | N/A | N/A | N/A | 0.93% |
| BAML 0-3 Yr US Treasury Index | 0.25% | 0.24% | 0.61% | N/A | N/A | N/A | 0.74% |

*BAML 1-3 Yr US Treasury Index until 6/30/16; Then 0-3 BAML US Treasuries

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



40 – Trading Activity – 6/30/2017-9/30/2017

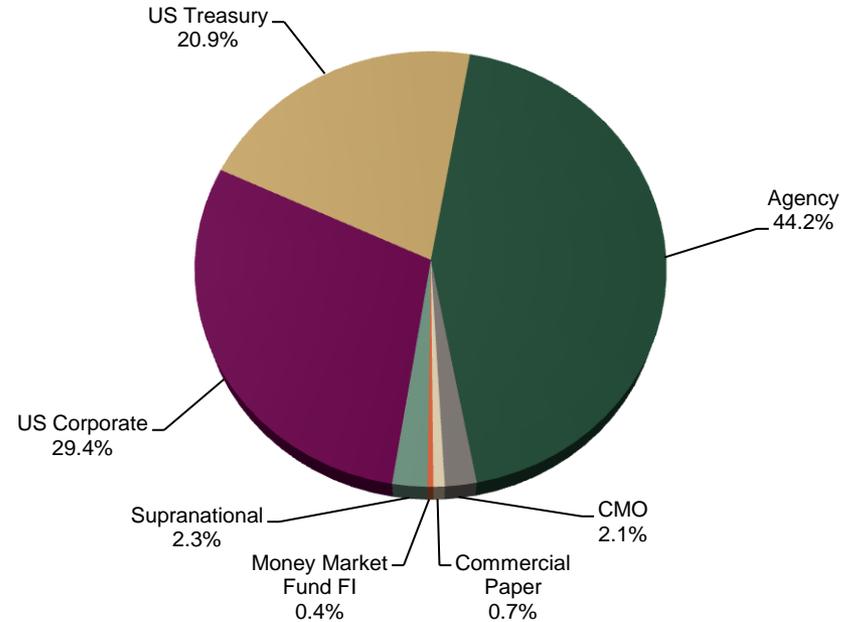
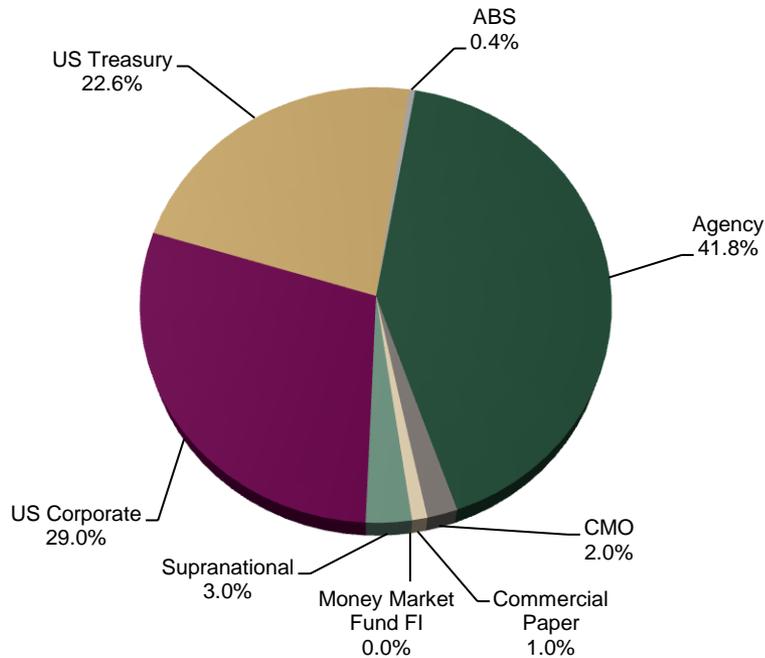
| Settle Date | Description | Sector | Maturity Date | Amount | Book Value | Market Value | Gain/Loss | Duration | Yield |
|-----------------|-----------------------------|-----------------------|---------------|----------------|----------------|----------------|-------------|----------|-------|
| Purchase | | | | | | | | | |
| 09/28/2017 | Inter-American Dev Bank | Supranational | 09/14/2022 | \$600,000.00 | \$592,590.00 | \$592,590.00 | \$0.00 | 4.721 | 2.013 |
| 09/14/2017 | Apple Inc | US Corporate | 09/12/2022 | \$1,050,000.00 | \$1,043,626.50 | \$1,043,626.50 | \$0.00 | 4.713 | 2.229 |
| 08/16/2017 | US Treasury | US Treasury | 02/15/2025 | \$2,000,000.00 | \$1,979,929.88 | \$1,979,929.88 | \$0.00 | 6.921 | 2.146 |
| 08/16/2017 | US Treasury | US Treasury | 05/15/2026 | \$400,000.00 | \$380,517.22 | \$380,517.22 | \$0.00 | 8.046 | 2.241 |
| 07/18/2017 | John Deere Owner Trust | Asset Backed Security | 10/15/2021 | \$340,000.00 | \$339,975.11 | \$339,975.11 | \$0.00 | 1.548 | 1.832 |
| 07/07/2017 | Bank of Tokyo Mitsubishi NY | Commercial Paper | 11/08/2017 | \$870,000.00 | \$866,014.43 | \$866,014.43 | \$0.00 | 0.337 | 1.355 |
| | | | | \$5,260,000.00 | \$5,202,653.14 | \$5,202,653.14 | \$0.00 | | |
| Sale | | | | | | | | | |
| 09/14/2017 | Apple Inc | US Corporate | 05/03/2018 | \$1,250,000.00 | \$1,231,967.50 | \$1,247,012.50 | \$15,045.00 | 0.629 | 1.378 |
| 08/16/2017 | US Treasury | US Treasury | 11/30/2019 | \$800,000.00 | \$758,909.45 | \$792,997.32 | \$34,087.87 | 2.249 | 1.390 |
| 08/16/2017 | FHLMC | Agency | 05/30/2019 | \$400,000.00 | \$402,347.20 | \$402,716.00 | \$368.80 | 1.751 | 1.364 |
| 08/16/2017 | FHLMC | Agency | 08/01/2019 | \$1,050,000.00 | \$1,043,490.00 | \$1,046,902.50 | \$3,412.50 | 1.926 | 1.403 |
| 07/17/2017 | FHLMC | Agency | 05/30/2019 | \$300,000.00 | \$301,760.40 | \$302,133.00 | \$372.60 | 1.831 | 1.363 |
| | | | | \$3,800,000.00 | \$3,738,474.55 | \$3,791,761.32 | \$53,286.77 | | |

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Moulton Niguel Water District Operating Reserve

September 30, 2017

June 30, 2017



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Moulton Niguel Water District Operating Reserve – Account #40

As of 9/30/2017

| Issue Name | Investment Type | Avg Mkt Yield | Avg Maturity | % Portfolio |
|---------------------------------------|------------------|---------------|--------------|-------------|
| Government of United States | US Treasury | 1.93% | 5.08 | 22.63% |
| Federal National Mortgage Association | Agency | 1.99% | 5.21 | 14.10% |
| Federal Home Loan Bank | Agency | 1.87% | 4.08 | 11.03% |
| Federal Home Loan Mortgage Corp | Agency | 1.72% | 3.14 | 9.46% |
| Tennessee Valley Authority | Agency | 1.92% | 4.18 | 5.84% |
| Inter-American Dev Bank | Supranational | 2.03% | 4.46 | 2.99% |
| US Bancorp | US Corporate | 1.79% | 2.16 | 2.18% |
| Federal Home Loan Mortgage Corp | CMO | 1.75% | 0.90 | 2.05% |
| Paccar Financial | US Corporate | 1.68% | 1.53 | 1.97% |
| Honda Motor Corporation | US Corporate | 1.55% | 1.03 | 1.96% |
| Qualcomm Inc | US Corporate | 1.84% | 2.64 | 1.65% |
| Oracle Corp | US Corporate | 2.09% | 3.96 | 1.62% |
| State Street Bank | US Corporate | 2.14% | 3.64 | 1.51% |
| Exxon Mobil Corp | US Corporate | 1.99% | 3.42 | 1.50% |
| JP Morgan Chase & Co | US Corporate | 1.78% | 1.33 | 1.46% |
| Toyota Motor Corp | US Corporate | 1.70% | 1.30 | 1.46% |
| Cisco Systems | US Corporate | 1.58% | 1.42 | 1.46% |
| Bank of New York | US Corporate | 1.87% | 1.95 | 1.46% |
| Charles Schwab Corp/The | US Corporate | 1.41% | 0.44 | 1.45% |
| Deere & Company | US Corporate | 1.64% | 1.20 | 1.42% |
| Federal Farm Credit Bank | Agency | 1.64% | 2.62 | 1.40% |
| Berkshire Hathaway | US Corporate | 1.99% | 3.46 | 1.27% |
| Apple Inc | US Corporate | 2.25% | 4.95 | 1.26% |
| ChevronTexaco Corp | US Corporate | 1.59% | 0.73 | 1.21% |
| Pepsico Inc | US Corporate | 1.82% | 2.58 | 1.18% |
| Bank of Tokyo-Mit UFJ | Commercial Paper | 1.35% | 0.11 | 1.05% |
| Microsoft | US Corporate | 2.03% | 3.86 | 1.03% |
| PNC Financial Services Group | US Corporate | 2.35% | 4.39 | 1.00% |
| HSBC USA Corp | US Corporate | 1.49% | 0.30 | 0.96% |
| John Deere ABS | ABS | 1.86% | 4.04 | 0.41% |

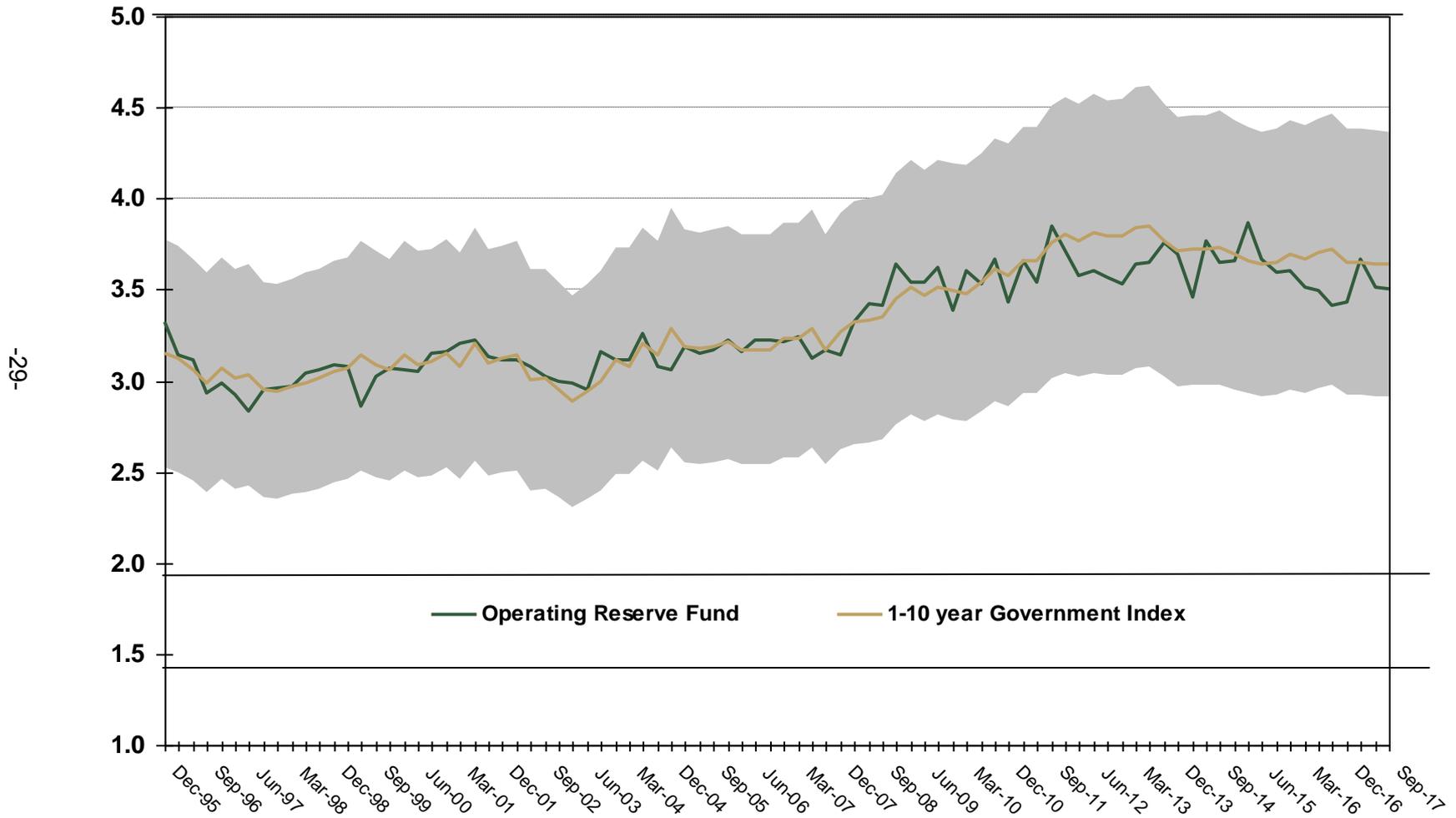
-27-

Moulton Niguel Water District Operating Reserve – Account #40
As of 9/30/2017

| Issue Name | Investment Type | Avg Mkt Yield | Avg Maturity | % Portfolio |
|--|----------------------|---------------|--------------|-------------|
| Wells Fargo Adv Govt Money Market Fund | Money Market Fund FI | 0.73% | 0.00 | 0.03% |
| Total | | 1.87% | 3.74 | 100% |

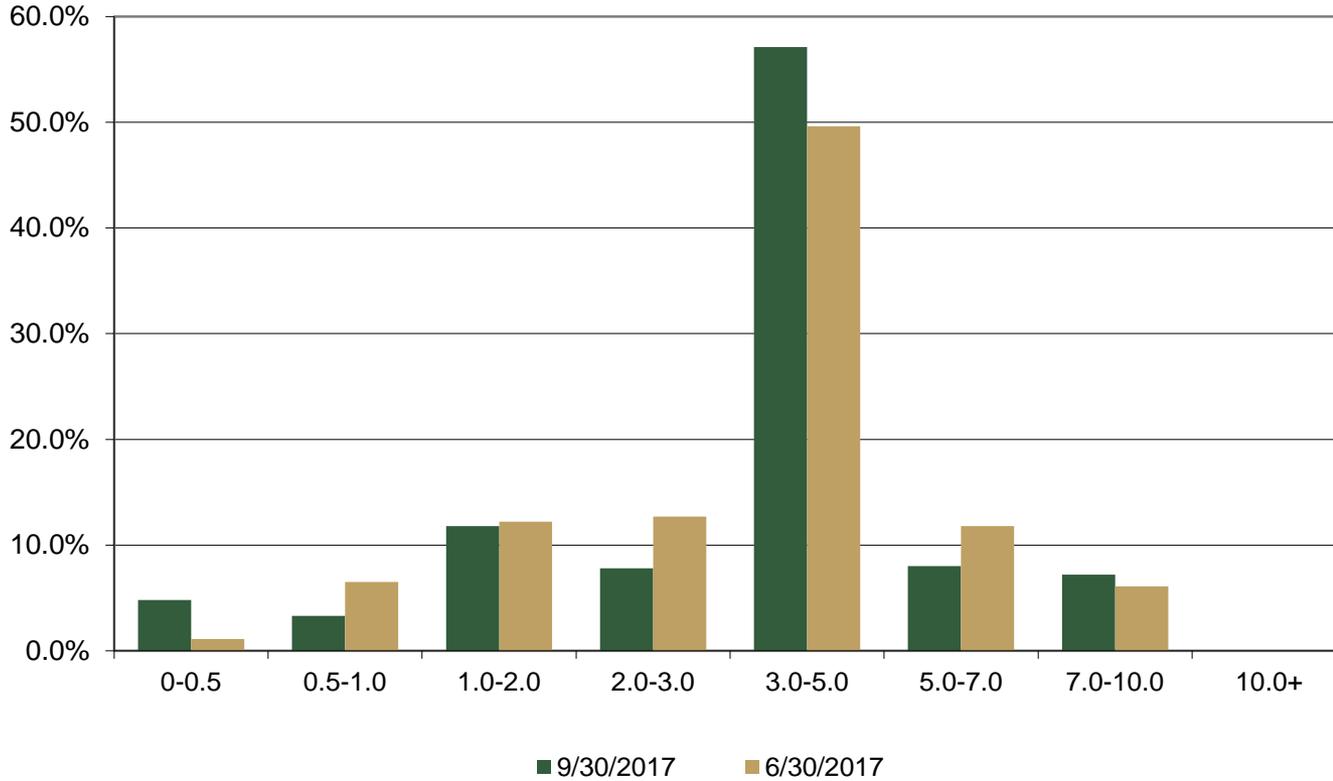


Operating Reserve Fund Duration Compared to 1-10 Year Government Index Duration





Operating Reserve Fund September 30, 2017 vs. June 30, 2017



| | 0-0.5 | 0.5-1.0 | 1.0-2.0 | 2.0-3.0 | 3.0-5.0 | 5.0-7.0 | 7.0-10.0 | 10.0+ |
|-----------|-------|---------|---------|---------|---------|---------|----------|-------|
| 9/30/2017 | 4.8% | 3.3% | 11.8% | 7.8% | 57.1% | 8.0% | 7.2% | 0.0% |
| 6/30/2017 | 1.1% | 6.5% | 12.2% | 12.7% | 49.6% | 11.8% | 6.1% | 0.0% |

-30-



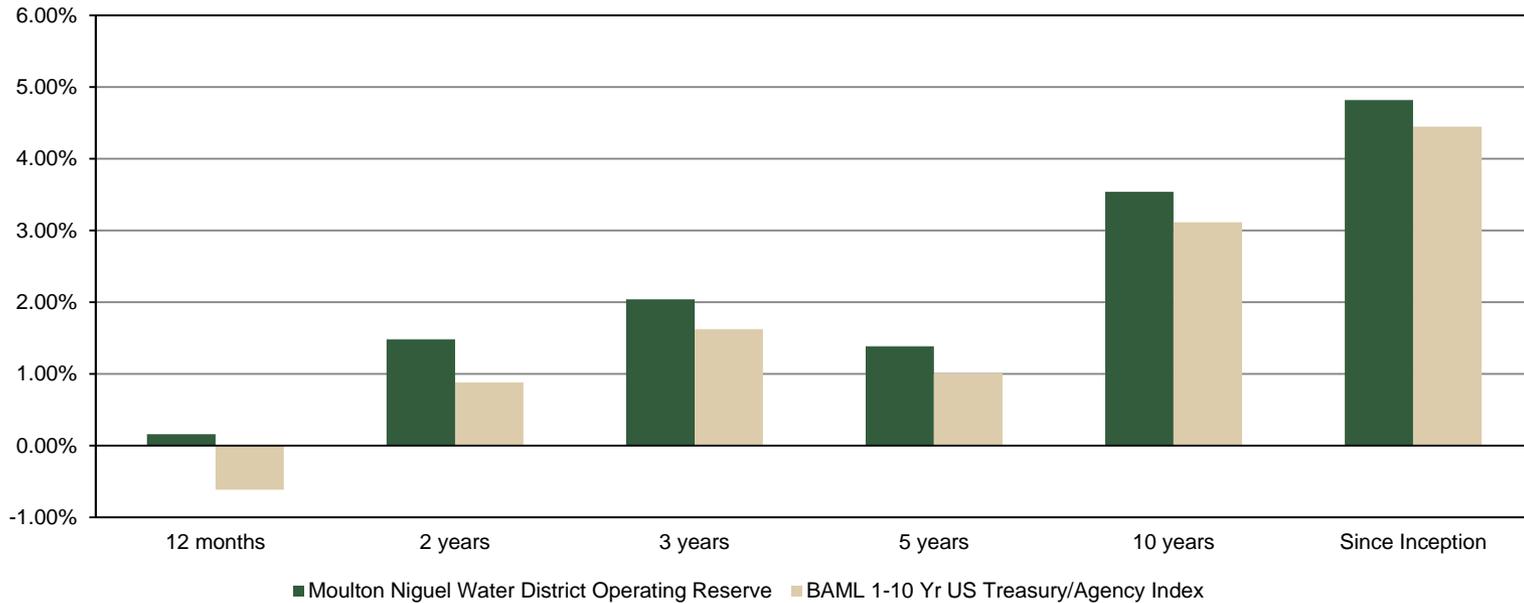
Investment Performance

Moulton Niguel Water District Operating Reserve

Period Ending
September 30, 2017

Total Rate of Return
Annualized Since Inception
September 30, 1995

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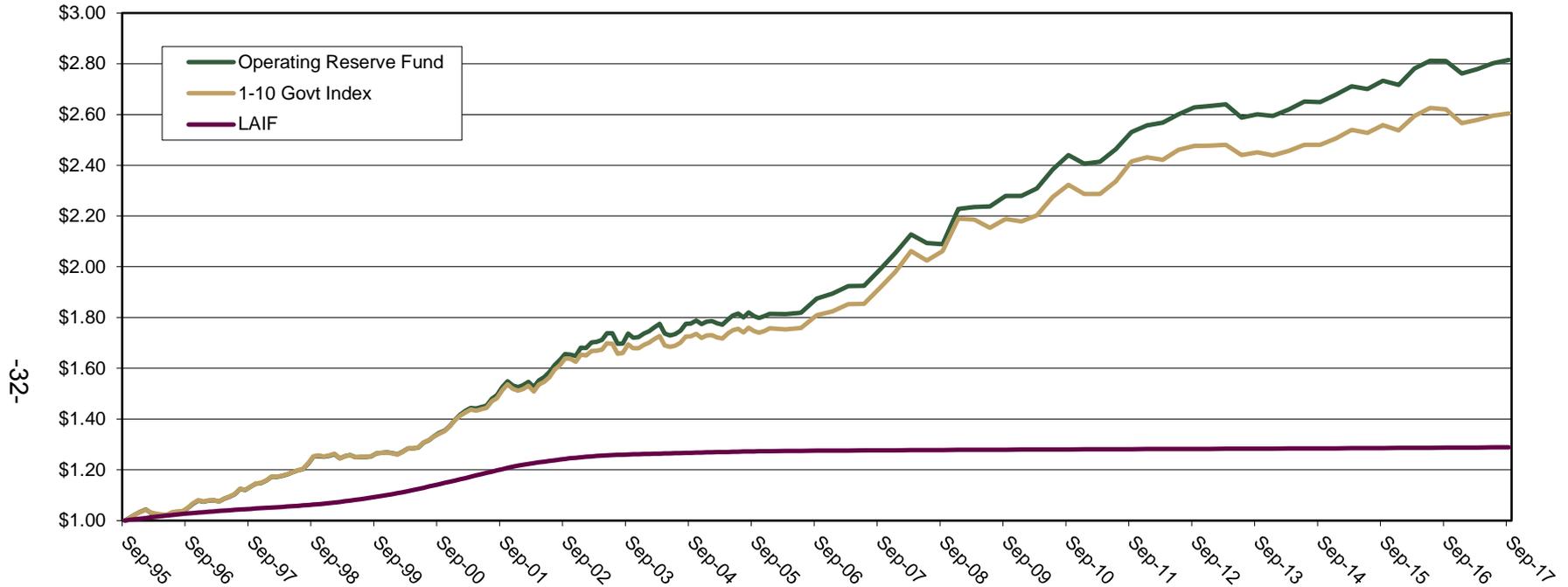


| | 3 months | 12 months | Annualized | | | | Since Inception |
|---|----------|-----------|------------|---------|---------|----------|-----------------|
| | | | 2 years | 3 years | 5 years | 10 years | |
| Moulton Niguel Water District Operating Reserve | 0.45% | 0.16% | 1.48% | 2.04% | 1.38% | 3.54% | 4.82% |
| BAML 1-10 Yr US Treasury/Agency Index | 0.34% | -0.62% | 0.88% | 1.63% | 1.01% | 3.11% | 4.45% |

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



Operating Reserve Fund Growth of \$1 Million



Historical return on \$1 million invested in September 1995

| | 9/30/2017 | Return |
|-------------------------------|-------------|--------|
| Operating Reserve Fund | \$2,761,251 | 4.90% |
| 1-10 Govt Index | \$2,566,031 | 4.53% |
| LAIF | \$1,287,187 | 1.20% |

SECTION 3

Portfolio Holdings



Moulton Niguel Water District Liquid Fund - Account #41

For the Month Ending 9/30/2017

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|---|---|---------------------|-----------------------------|------------------------------|----------------------|---|-------------------------------|-----------------------------|----------------------------|
| LAIF | | | | | | | | | |
| 90LAIF\$00 | Local Agency Investment Fund State Pool | 8,918,020.25 | Various 1.12% | 8,918,020.25 8,918,020.25 | 1.00 1.12% | 8,918,020.25 36,738.23 | 100.00% 0.00 | NR / NR NR | 0.00 0.00 |
| Total LAIF | | 8,918,020.25 | 1.12% | 8,918,020.25 | 1.12% | 8,918,020.25 36,738.23 | 100.00% 0.00 | NR / NR NR | 0.00 0.00 |
| TOTAL PORTFOLIO | | 8,918,020.25 | 1.12% | 8,918,020.25 | 1.12% | 8,918,020.25 36,738.23 | 100.00% 0.00 | NR / NR NR | 0.00 0.00 |
| TOTAL MARKET VALUE PLUS ACCRUALS | | | | | | 8,954,758.48 | | | |



Holdings Report

Moulton Niguel Water District Limited Maturity - Account #42

For the Month Ending 9/30/2017

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|-----------------------------------|--|---------------------|-----------------------------|--|----------------------|---|--------------------------------------|--------------------------------|----------------------------|
| ABS | | | | | | | | | |
| 477877AD6 | John Deere Owner Trust 2014-B A3 1.070% Due 11/15/2018 | 114,472.25 | Various 1.08% | 114,441.82 114,441.82 | 99.96 1.41% | 114,430.54 54.44 | 0.67% (11.28) | Aaa / NR AAA | 1.13 0.11 |
| 89236WAC2 | Toyota Auto Receivables Owner 2015-A 1.120% Due 02/15/2019 | 80,057.11 | 02/24/2015 1.13% | 80,045.01 80,045.01 | 99.94 1.36% | 80,011.03 39.85 | 0.47% (33.98) | Aaa / AAA NR | 1.38 0.25 |
| 43813NAC0 | Honda Auto Receivables 2015-2 A3 1.040% Due 02/21/2019 | 113,118.86 | 05/13/2015 1.05% | 113,101.49 113,101.49 | 99.89 1.45% | 112,992.02 32.68 | 0.66% (109.47) | NR / AAA AAA | 1.39 0.28 |
| 161571GY4 | Chase CHAIT Pool #2015-A5 1.360% Due 04/15/2020 | 1,240,000.00 | 04/30/2015 1.37% | 1,239,781.51 1,239,781.51 | 99.95 1.45% | 1,239,422.16 749.51 | 7.21% (359.35) | NR / AAA AAA | 2.54 0.52 |
| Total ABS | | 1,547,648.22 | 1.32% | 1,547,369.83 | 1.44% | 1,546,855.75 876.48 | 9.00% (514.08) | Aaa / AAA Aaa | 2.29 0.46 |
| Agency | | | | | | | | | |
| 880591CU4 | Tennessee Valley Authority Note 6.250% Due 12/15/2017 | 1,590,000.00 | Various 4.15% | 1,827,006.80 1,827,006.80 | 101.02 1.31% | 1,606,232.31 29,260.41 | 9.51% (220,774.49) | NR / AA+ AAA | 0.21 0.21 |
| 31331YF21 | FFCB Note 4.250% Due 04/16/2018 | 650,000.00 | 07/15/2010 2.98% | 706,634.50 706,634.50 | 101.59 1.31% | 660,342.15 12,661.46 | 3.92% (46,292.35) | Aaa / AA+ AAA | 0.54 0.53 |
| 30A4GJ5 | FHLB Note 1.125% Due 04/25/2018 | 610,000.00 | 07/31/2015 0.94% | 613,078.67 613,078.67 | 99.92 1.26% | 609,537.62 2,973.75 | 3.56% (3,541.05) | Aaa / AA+ AAA | 0.57 0.56 |
| 3135G0WJ8 | FNMA Note 0.875% Due 05/21/2018 | 340,000.00 | 04/11/2013 0.92% | 339,272.40 339,272.40 | 99.74 1.28% | 339,130.96 1,074.31 | 1.98% (141.44) | Aaa / AA+ AAA | 0.64 0.64 |
| 3137EADK2 | FHLMC Note 1.250% Due 08/01/2019 | 250,000.00 | 01/04/2013 1.35% | 248,450.00 248,450.00 | 99.53 1.51% | 248,812.50 520.83 | 1.45% 362.50 | Aaa / AA+ AAA | 1.84 1.80 |
| 3133X8AS1 | FHLB Note 5.125% Due 08/15/2019 | 2,000,000.00 | 06/07/2011 3.02% | 2,303,860.00 2,303,860.00 | 106.58 1.55% | 2,131,624.00 13,097.22 | 12.48% (172,236.00) | Aaa / AA+ AAA | 1.87 1.79 |
| Total Agency | | 5,440,000.00 | 2.92% | 6,038,302.37 | 1.40% | 5,595,679.54 59,587.98 | 32.90% (442,622.83) | Aaa / AA+ Aaa | 1.02 0.98 |
| Commercial Paper | | | | | | | | | |
| 06538BXP3 | Bank of Tokyo Mitsubishi NY Discount CP 1.334% Due 10/23/2017 | 1,000,000.00 | 06/23/2017 1.33% | 995,560.56 999,199.45 | 99.92 1.33% | 999,199.45 0.00 | 5.81% 0.00 | P-1 / A-1 NR | 0.06 0.06 |
| 89233HA95 | Toyota Motor Credit Discount CP 1.330% Due 01/09/2018 | 650,000.00 | 06/13/2017 1.36% | 644,957.09 647,598.61 | 99.63 1.36% | 647,598.61 0.00 | 3.77% 0.00 | P-1 / A-1+ NR | 0.28 0.27 |
| Total Commercial Paper | | 1,650,000.00 | 1.34% | 1,640,517.65 1,646,798.06 | 1.34% | 1,646,798.06 0.00 | 9.58% 0.00 | P-1 / A-1 NR | 0.15 0.15 |
| Money Market Fund FI | | | | | | | | | |
| 94975J466 | Wells Fargo Advantage Government MMF | 5,376.20 | 09/21/2017 0.73% | 5,376.20 5,376.20 | 1.00 0.73% | 5,376.20 0.00 | 0.03% 0.00 | Aaa / AAA NR | 0.00 0.00 |
| Total Money Market Fund FI | | 5,376.20 | 0.73% | 5,376.20 | 0.73% | 5,376.20 0.00 | 0.03% 0.00 | Aaa / AAA NR | 0.00 0.00 |



Moulton Niguel Water District Limited Maturity - Account #42

For the Month Ending 9/30/2017

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|----------------------------|---|---------------------|-----------------------------|--------------------------|----------------------|---|------------------------------------|--------------------------------|----------------------------|
| Negotiable CD | | | | | | | | | |
| 06417GYU6 | Bank of Nova Scotia Yankee CD 1.660% Due 09/21/2018 | 750,000.00 | 09/27/2017 1.65% | 750,070.78 750,070.78 | 100.01 1.65% | 750,070.78 311.25 | 4.37% 0.00 | P-1 / A-1+ F-1+ | 0.98 0.97 |
| Total Negotiable CD | | 750,000.00 | 1.65% | 750,070.78 | 1.65% | 750,070.78 311.25 | 4.37% 0.00 | Aaa / AAA Aaa | 0.98 0.97 |
| US Corporate | | | | | | | | | |
| 073902PR3 | Bear Stearns Note 6.400% Due 10/02/2017 | 500,000.00 | 06/13/2017 1.47% | 507,200.00 507,200.00 | 100.00 6.40% | 500,000.00 15,911.11 | 3.00% (7,200.00) | A3 / A- A+ | 0.01 0.01 |
| 009158AS5 | Air Products & Chemicals Note 1.200% Due 10/15/2017 | 300,000.00 | 03/03/2015 1.28% | 299,379.00 299,379.00 | 99.99 1.47% | 299,965.20 1,660.00 | 1.75% 586.20 | A2 / A NR | 0.04 0.04 |
| 166764AA8 | Chevron Corp Callable Note Cont 11/5/17 1.104% Due 12/05/2017 | 535,000.00 | Various 1.19% | 533,208.75 533,208.75 | 99.95 1.60% | 534,743.20 1,903.18 | 3.12% 1,534.45 | Aa2 / AA- NR | 0.18 0.10 |
| 458140AL4 | Intel Corp Note 1.350% Due 12/15/2017 | 820,000.00 | Various 1.31% | 821,763.85 821,763.85 | 100.01 1.28% | 820,114.80 3,259.51 | 4.79% (1,649.05) | A1 / A+ A+ | 0.21 0.21 |
| 94974BFG0 | Wells Fargo Corp Note 1.500% Due 01/16/2018 | 400,000.00 | 02/23/2015 1.47% | 400,372.00 400,372.00 | 100.01 1.48% | 400,022.00 1,250.00 | 2.33% (350.00) | A2 / A AA- | 0.30 0.29 |
| 428HPH9 | HSBC USA Inc Note 1.625% Due 01/16/2018 | 500,000.00 | 06/13/2017 1.59% | 500,110.00 500,110.00 | 100.04 1.49% | 500,186.50 1,692.71 | 2.92% 76.50 | A2 / A AA- | 0.30 0.29 |
| 166764AV2 | Chevron Corp Note 1.365% Due 03/02/2018 | 400,000.00 | 02/24/2015 1.37% | 400,000.00 400,000.00 | 99.99 1.39% | 399,956.00 439.83 | 2.33% (44.00) | Aa2 / AA- NR | 0.42 0.42 |
| 808513AK1 | Charles Schwab Corp Callable Note Cont 2/10/2018 1.500% Due 03/10/2018 | 430,000.00 | Various 1.48% | 430,191.20 430,191.20 | 100.03 1.41% | 430,142.33 376.25 | 2.50% (48.87) | A2 / A A | 0.44 0.35 |
| 747525AG8 | Qualcomm Inc Note 1.400% Due 05/18/2018 | 460,000.00 | Various 1.45% | 459,275.60 459,275.60 | 99.99 1.42% | 459,953.54 2,343.44 | 2.69% 677.94 | A1 / A NR | 0.63 0.63 |
| 808513AJ4 | Charles Schwab Corp Callable Note Cont 6/25/2018 2.200% Due 07/25/2018 | 509,000.00 | 06/23/2017 1.66% | 511,931.84 511,931.84 | 100.48 1.54% | 511,466.11 2,052.97 | 2.99% (465.73) | A2 / A A | 0.82 0.73 |
| 36962G7G3 | General Electric Capital Corp Note 2.300% Due 01/14/2019 | 380,000.00 | 07/31/2015 1.82% | 386,087.60 386,087.60 | 100.90 1.59% | 383,438.62 1,869.39 | 2.24% (2,648.98) | A1 / AA- AA- | 1.29 1.26 |
| 40434CAC9 | HSBC USA Inc Note 2.250% Due 06/23/2019 | 750,000.00 | 06/20/2017 1.99% | 753,832.50 753,832.50 | 100.60 1.89% | 754,503.75 4,593.75 | 4.42% 671.25 | A2 / A AA- | 1.73 1.68 |
| 06406HCW7 | Bank of New York Callable Note Cont 8/11/2019 2.300% Due 09/11/2019 | 450,000.00 | 11/19/2014 2.25% | 451,017.00 451,017.00 | 100.78 1.87% | 453,491.10 575.00 | 2.64% 2,474.10 | A1 / A AA- | 1.95 1.82 |
| Total US Corporate | | 6,434,000.00 | 1.57% | 6,454,369.34 | 1.93% | 6,447,983.15 37,927.14 | 37.73% (6,386.19) | A1 / A A+ | 0.67 0.63 |
| US Treasury | | | | | | | | | |
| 912828XK1 | US Treasury Note 0.875% Due 07/15/2018 | 625,000.00 | 07/31/2015 0.98% | 623,024.56 623,024.56 | 99.66 1.31% | 622,876.25 1,159.14 | 3.63% (148.31) | Aaa / AA+ AAA | 0.79 0.78 |



Holdings Report

Moulton Niguel Water District Limited Maturity - Account #42

For the Month Ending 9/30/2017

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|---|---|----------------------|-----------------------------|--|----------------------|---|---------------------------------------|--------------------------------|----------------------------|
| 912828SX9 | US Treasury Note 1.125% Due 05/31/2019 | 475,000.00 | 01/30/2013 1.23% | 472,014.60 472,014.60 | 99.49 1.43% | 472,587.95 1,795.85 | 2.76% 573.35 | Aaa / AA+ AAA | 1.67 1.64 |
| Total US Treasury | | 1,100,000.00 | 1.09% | 1,095,039.16 1,095,039.16 | 1.36% | 1,095,464.20 2,954.99 | 6.39% 425.04 | Aaa / AA+ Aaa | 1.17 1.15 |
| TOTAL PORTFOLIO | | 16,927,024.42 | 1.94% | 17,531,045.33 17,537,325.74 | 1.61% | 17,088,227.68 101,657.84 | 100.00% (449,098.06) | Aa2 / AA AA+ | 0.92 0.73 |
| TOTAL MARKET VALUE PLUS ACCRUALS | | | | | | 17,189,885.52 | | | |



Moulton Niguel Water District Operating Reserve - Account #40

For the Month Ending 9/30/2017

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|------------------|---|-------------------|-----------------------------|------------------------------|----------------------|------------------------------|-------------------------|------------------------|----------------------|
| ABS | | | | | | | | | |
| 47788BAD6 | John Deere Owner Trust 2017-B A3 1.820% Due 10/15/2021 | 340,000.00 | 07/11/2017 1.83% | 339,975.11 339,975.11 | 99.93 1.86% | 339,776.28 275.02 | 0.41% (198.83) | Aaa / NR AAA | 4.04 2.12 |
| Total ABS | | 340,000.00 | 1.83% | 339,975.11 | 1.86% | 275.02 | (198.83) | Aaa / NR Aaa | 4.04 2.12 |
| Agency | | | | | | | | | |
| 3137EADK2 | FHLMC Note 1.250% Due 08/01/2019 | 950,000.00 | Various 1.65% | 927,474.80 927,474.80 | 99.53 1.51% | 945,487.50 1,979.16 | 1.14% 18,012.70 | Aaa / AA+ AAA | 1.84 1.80 |
| 3137EADM8 | FHLMC Note 1.250% Due 10/02/2019 | 1,425,000.00 | Various 1.60% | 1,396,312.75 1,396,312.75 | 99.43 1.54% | 1,416,837.60 8,856.77 | 1.72% 20,524.85 | Aaa / AA+ AAA | 2.01 1.96 |
| 3137EADR7 | FHLMC Note 1.375% Due 05/01/2020 | 1,575,000.00 | 04/17/2014 2.18% | 1,503,983.25 1,503,983.25 | 99.45 1.59% | 1,566,400.50 9,023.44 | 1.90% 62,417.25 | Aaa / AA+ AAA | 2.59 2.52 |
| 3133ECPD0 | FFCB Note 1.420% Due 05/13/2020 | 1,165,000.00 | 05/22/2013 1.63% | 1,148,561.85 1,148,561.85 | 99.44 1.64% | 1,158,488.82 6,341.48 | 1.40% 9,926.97 | Aaa / AA+ AAA | 2.62 2.55 |
| 3135G0F73 | FNMA Note 1.500% Due 11/30/2020 | 1,900,000.00 | 10/28/2015 1.57% | 1,893,464.00 1,893,464.00 | 99.33 1.72% | 1,887,264.30 9,579.17 | 2.29% (6,199.70) | Aaa / AA+ AAA | 3.17 3.06 |
| 33XDVS7 | FHLB Note 5.250% Due 12/11/2020 | 1,825,000.00 | 07/07/2011 3.54% | 2,073,346.00 2,073,346.00 | 110.76 1.77% | 2,021,311.60 29,276.04 | 2.47% (52,034.40) | Aaa / AA+ AAA | 3.20 2.93 |
| 3135G0H55 | FNMA Note 1.875% Due 12/28/2020 | 1,665,000.00 | 11/13/2015 1.88% | 1,664,850.15 1,664,850.15 | 100.52 1.71% | 1,673,583.08 8,064.84 | 2.03% 8,732.93 | Aaa / AA+ AAA | 3.25 3.12 |
| 880591EL2 | Tennessee Valley Authority Note 3.875% Due 02/15/2021 | 2,120,000.00 | 04/06/2011 3.87% | 2,121,611.20 2,121,611.20 | 106.62 1.84% | 2,260,250.72 10,496.94 | 2.74% 138,639.52 | Aaa / AA+ AAA | 3.38 3.16 |
| 3130A7CV5 | FHLB Note 1.375% Due 02/18/2021 | 1,580,000.00 | 02/17/2016 1.46% | 1,573,616.80 1,573,616.80 | 98.97 1.69% | 1,563,670.70 2,594.93 | 1.89% (9,946.10) | Aaa / AA+ AAA | 3.39 3.28 |
| 3135G0J20 | FNMA Note 1.375% Due 02/26/2021 | 1,800,000.00 | 04/21/2016 1.45% | 1,793,466.00 1,793,466.00 | 98.77 1.75% | 1,777,838.40 2,406.25 | 2.15% (15,627.60) | Aaa / AA+ AAA | 3.41 3.31 |
| 3135G0K69 | FNMA Note 1.250% Due 05/06/2021 | 1,850,000.00 | 07/22/2016 1.27% | 1,848,649.50 1,848,649.50 | 98.22 1.76% | 1,817,132.90 9,314.24 | 2.20% (31,516.60) | Aaa / AA+ AAA | 3.60 3.48 |
| 3133752P1 | FHLB Note 3.500% Due 07/29/2021 | 2,925,000.00 | 08/03/2011 3.19% | 3,003,185.25 3,003,185.25 | 106.11 1.84% | 3,103,746.75 17,631.25 | 3.76% 100,561.50 | Aaa / AA+ AAA | 3.83 3.57 |
| 3137EAEC9 | FHLMC Note 1.125% Due 08/12/2021 | 1,900,000.00 | 08/16/2016 1.32% | 1,881,855.00 1,881,855.00 | 97.46 1.81% | 1,851,709.60 2,909.38 | 2.24% (30,145.40) | Aaa / AA+ AAA | 3.87 3.75 |
| 3137EADB2 | FHLMC Note 2.375% Due 01/13/2022 | 2,000,000.00 | 01/27/2016 1.78% | 2,066,660.00 2,066,660.00 | 101.77 1.94% | 2,035,486.00 10,291.67 | 2.47% (31,174.00) | Aaa / AA+ AAA | 4.29 4.04 |
| 3130A5P45 | FHLB Note 2.375% Due 06/10/2022 | 1,850,000.00 | 07/24/2015 2.31% | 1,857,751.50 1,857,751.50 | 101.78 1.98% | 1,882,859.70 13,547.40 | 2.29% 25,108.20 | Aaa / AA+ AAA | 4.70 4.40 |
| 880591EN8 | Tennessee Valley Authority Note 1.875% Due 08/15/2022 | 2,585,000.00 | Various 2.03% | 2,550,760.80 2,550,760.80 | 99.47 1.99% | 2,571,377.05 6,193.23 | 3.11% 20,616.25 | Aaa / AA+ AAA | 4.88 4.62 |
| 3135G0ZR7 | FNMA Note 2.625% Due 09/06/2024 | 1,400,000.00 | 10/29/2014 2.68% | 1,393,896.00 1,393,896.00 | 102.30 2.26% | 1,432,183.20 2,552.08 | 1.73% 38,287.20 | Aaa / AA+ AAA | 6.94 6.31 |



Holdings Report

Moulton Niguel Water District Operating Reserve - Account #40

For the Month Ending 9/30/2017

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|---------------------|------------------------------------|----------------------|-----------------------------|------------------------------|----------------------|------------------------------|-------------------------|--------------------------|----------------------|
| 3135G0K36 | FNMA Note 2.125% Due 04/24/2026 | 1,900,000.00 | Various 2.16% | 1,893,849.00 1,893,849.00 | 97.63 2.43% | 1,854,960.50 17,607.99 | 2.26% (38,888.50) | Aaa / AA+ AAA | 8.57 7.70 |
| 3130A2VE3 | FHLB Note 3.000% Due 09/11/2026 | 500,000.00 | 05/25/2017 2.61% | 516,110.00 516,110.00 | 103.44 2.57% | 517,183.50 833.33 | 0.62% 1,073.50 | Aaa / AA+ NR | 8.95 7.82 |
| 3135G0Q22 | FNMA Note 1.875% Due 09/24/2026 | 1,275,000.00 | 12/14/2016 2.97% | 1,157,190.00 1,157,190.00 | 94.93 2.51% | 1,210,309.05 464.84 | 1.46% 53,119.05 | Aaa / AA+ AAA | 8.99 8.18 |
| Total Agency | | 34,190,000.00 | 2.22% | 34,266,593.85 | 1.88% | 34,548,081.47 | 41.84% | Aaa / AA+ Aaa | 4.21 3.95 |

| CMO | | | | | | | | | |
|------------------|--|---------------------|---------------------|------------------------------|-----------------|------------------------|----------------------|-------------------------|----------------------|
| 3137AH6Q6 | FHLMC K704 A2 2.412% Due 08/25/2018 | 1,693,212.19 | 03/06/2014 1.68% | 1,745,199.10 1,745,199.10 | 100.32 1.75% | 1,698,679.57 680.67 | 2.05% (46,519.53) | Aaa / NR AAA | 0.90 0.72 |
| Total CMO | | 1,693,212.19 | 1.68% | 1,745,199.10 | 1.75% | 1,698,679.57 | 2.05% | Aaa / NR Aaa | 0.90 0.72 |

| Commercial Paper | | | | | | | | | |
|-------------------------------|--|-------------------|---------------------|--------------------------|----------------|--------------------|---------------|-------------------------|----------------------|
| 538BY80 | Bank of Tokyo Mitsubishi NY Discount CP 1.330% Due 11/08/2017 | 870,000.00 | 07/07/2017 1.35% | 866,014.43 868,778.62 | 99.86 1.35% | 868,778.62 0.00 | 1.05% 0.00 | P-1 / A-1 NR | 0.11 0.11 |
| Total Commercial Paper | | 870,000.00 | 1.35% | 868,778.62 | 1.35% | 868,778.62 | 1.05% | P-1 / A-1 NR | 0.11 0.11 |

| Money Market Fund FI | | | | | | | | | |
|-----------------------------------|--------------------------------------|------------------|------------------|------------------------|---------------|-------------------|---------------|-------------------------|----------------------|
| 94975J466 | Wells Fargo Advantage Government MMF | 28,945.24 | Various 0.73% | 28,945.24 28,945.24 | 1.00 0.73% | 28,945.24 0.00 | 0.03% 0.00 | Aaa / AAA NR | 0.00 0.00 |
| Total Money Market Fund FI | | 28,945.24 | 0.73% | 28,945.24 | 0.73% | 28,945.24 | 0.03% | Aaa / AAA NR | 0.00 0.00 |

| Supranational | | | | | | | | | |
|----------------------------|---|---------------------|---------------------|------------------------------|-----------------|--------------------------|---------------------|-------------------------|----------------------|
| 4581X0CW6 | Inter-American Dev Bank Note 2.125% Due 01/18/2022 | 1,870,000.00 | 01/10/2017 2.15% | 1,867,699.90 1,867,699.90 | 100.49 2.01% | 1,879,159.26 8,057.88 | 2.27% 11,459.36 | Aaa / NR AAA | 4.30 4.07 |
| 4581X0CZ9 | Inter-American Dev Bank Note 1.750% Due 09/14/2022 | 600,000.00 | 09/26/2017 2.01% | 592,590.00 592,590.00 | 98.31 2.11% | 589,887.00 495.83 | 0.71% (2,703.00) | Aaa / NR AAA | 4.96 4.71 |
| Total Supranational | | 2,470,000.00 | 2.12% | 2,460,289.90 | 2.03% | 2,469,046.26 | 2.99% | Aaa / NR Aaa | 4.46 4.23 |

| US Corporate | | | | | | | | | |
|--------------|---|--------------|---------------------|------------------------------|-----------------|--------------------------|-------------------|---------------|--------------|
| 40428HPH9 | HSBC USA Inc Note 1.625% Due 01/16/2018 | 790,000.00 | 08/21/2015 1.75% | 787,677.40 787,677.40 | 100.04 1.49% | 790,294.67 2,674.48 | 0.96% 2,617.27 | A2 / A AA- | 0.30 0.29 |
| 69371RM45 | Paccar Financial Corp Note 1.450% Due 03/09/2018 | 1,115,000.00 | 03/03/2015 1.48% | 1,113,951.90 1,113,951.90 | 100.01 1.42% | 1,115,162.79 988.01 | 1.35% 1,210.89 | A1 / A+ NR | 0.44 0. |
| 808513AK1 | Charles Schwab Corp Callable Note Cont 2/10/2018 1.500% Due 03/10/2018 | 1,200,000.00 | 03/12/2015 1.50% | 1,200,072.00 1,200,072.00 | 100.03 1.41% | 1,200,397.20 1,050.00 | 1.45% 325.20 | A2 / A A | 0. 0. |

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Holdings Report

Moulton Niguel Water District Operating Reserve - Account #40

For the Month Ending 9/30/2017

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|---------------------------|--|----------------------|-----------------------------|------------------------------|----------------------|------------------------------|-------------------------|--------------------|----------------------|
| 166764AE0 | Chevron Corp Callable Note Cont 5/24/2018 1.718% Due 06/24/2018 | 1,000,000.00 | 03/28/2014 1.71% | 1,000,470.00 1,000,470.00 | 100.08 1.59% | 1,000,829.00 4,629.06 | 1.21% 359.00 | Aa2 / AA- NR | 0.73 0.64 |
| 02665WAC5 | American Honda Finance Note 2.125% Due 10/10/2018 | 1,600,000.00 | 03/28/2014 1.99% | 1,609,232.00 1,609,232.00 | 100.58 1.55% | 1,609,358.40 16,150.00 | 1.96% 126.40 | A1 / A+ NR | 1.03 1.00 |
| 91159HHE3 | US Bancorp Callable Note Cont 10/15/2018 1.950% Due 11/15/2018 | 1,210,000.00 | Various 1.83% | 1,215,878.85 1,215,878.85 | 100.41 1.55% | 1,215,004.56 8,913.67 | 1.48% (874.29) | A1 / A+ AA | 1.13 1.02 |
| 24422ESF7 | John Deere Capital Corp Note 1.950% Due 12/13/2018 | 1,170,000.00 | Various 2.00% | 1,167,143.90 1,167,143.90 | 100.36 1.64% | 1,174,255.29 6,844.50 | 1.42% 7,111.39 | A2 / A A | 1.20 1.18 |
| 89236TBB0 | Toyota Motor Credit Corp Note 2.100% Due 01/17/2019 | 1,200,000.00 | 11/19/2014 2.00% | 1,204,548.00 1,204,548.00 | 100.51 1.70% | 1,206,099.60 5,180.00 | 1.46% 1,551.60 | Aa3 / AA- A | 1.30 1.27 |
| 46625HJR2 | JP Morgan Chase Note 2.350% Due 01/28/2019 | 1,200,000.00 | 04/02/2014 2.32% | 1,201,392.00 1,201,392.00 | 100.75 1.78% | 1,208,972.40 4,935.00 | 1.46% 7,580.40 | A3 / A- A+ | 1.33 1.30 |
| 17275RAR3 | Cisco Systems Note 2.125% Due 03/01/2019 | 1,200,000.00 | Various 2.02% | 1,205,740.50 1,205,740.50 | 100.75 1.58% | 1,209,058.80 2,125.00 | 1.46% 3,318.30 | A1 / AA- NR | 1.42 1.39 |
| 06406HCW7 | Bank of New York Callable Note Cont 8/11/2019 2.300% Due 09/11/2019 | 1,200,000.00 | 11/19/2014 2.25% | 1,202,712.00 1,202,712.00 | 100.78 1.87% | 1,209,309.60 1,533.33 | 1.46% 6,597.60 | A1 / A AA- | 1.95 1.82 |
| 713448CS5 | PepsiCo Inc Callable Note Cont 3/30/2020 1.850% Due 04/30/2020 | 970,000.00 | 04/27/2015 1.86% | 969,447.10 969,447.10 | 100.08 1.82% | 970,743.02 7,526.93 | 1.18% 1,295.92 | A1 / A+ A | 2.58 2.41 |
| 7525AD5 | Qualcomm Inc Note 2.250% Due 05/20/2020 | 1,340,000.00 | 05/13/2015 2.25% | 1,340,302.10 1,340,302.10 | 101.06 1.84% | 1,354,190.60 10,971.26 | 1.65% 13,888.50 | A1 / A NR | 2.64 2.53 |
| 20231GAV4 | Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 03/01/2021 | 1,230,000.00 | 05/16/2016 1.84% | 1,251,561.90 1,251,561.90 | 100.76 1.99% | 1,239,291.42 2,277.55 | 1.50% (12,270.48) | Aaa / AA+ NR | 3.42 3.27 |
| 084670BQ0 | Berkshire Hathaway Callable Note Cont 2/15/2021 2.200% Due 03/15/2021 | 1,045,000.00 | 03/08/2016 2.25% | 1,042,784.60 1,042,784.60 | 100.69 1.99% | 1,052,170.79 1,021.78 | 1.27% 9,386.19 | Aa2 / AA A+ | 3.46 3.28 |
| 857477AV5 | State Street Bank Note 1.950% Due 05/19/2021 | 1,255,000.00 | 05/18/2016 2.02% | 1,250,557.30 1,250,557.30 | 99.33 2.14% | 1,246,581.46 8,973.25 | 1.51% (3,975.84) | A1 / A AA- | 3.64 3.47 |
| 594918BP8 | Microsoft Callable Note Cont 7/8/21 1.550% Due 08/08/2021 | 870,000.00 | Various 1.57% | 868,966.50 868,966.50 | 98.23 2.03% | 854,637.54 1,985.30 | 1.03% (14,328.96) | Aaa / AAA AA+ | 3.86 3.71 |
| 69371RN44 | Paccar Financial Corp Note 1.650% Due 08/11/2021 | 530,000.00 | 08/04/2016 1.68% | 529,289.80 529,289.80 | 97.77 2.26% | 518,164.04 1,214.58 | 0.63% (11,125.76) | A1 / A+ NR | 3.87 3.71 |
| 68389XBK0 | Oracle Corp Callable Note Cont 8/01/21 1.900% Due 09/15/2021 | 1,350,000.00 | 10/05/2016 1.93% | 1,347,988.50 1,347,988.50 | 99.27 2.09% | 1,340,149.05 1,140.00 | 1.62% (7,839.45) | A1 / AA- A+ | 3.96 3.79 |
| 91159HHP8 | US Bancorp Note 2.625% Due 01/24/2022 | 575,000.00 | 01/19/2017 2.66% | 574,011.00 574,011.00 | 101.39 2.28% | 583,014.93 2,809.11 | 0.71% 9,003.93 | A1 / A+ AA | 4.32 4.05 |
| 69353RFB9 | PNC Bank Callable Note Cont 1/18/2022 2.625% Due 02/17/2022 | 815,000.00 | 06/13/2017 2.36% | 824,576.25 824,576.25 | 101.11 2.35% | 824,025.31 2,614.79 | 1.00% (550.94) | A2 / A A+ | 4.39 4.04 |
| 037833DC1 | Apple Inc Callable Note Cont 08/12/2022 2.100% Due 09/12/2022 | 1,050,000.00 | 09/12/2017 2.23% | 1,043,626.50 1,043,626.50 | 99.28 2.25% | 1,042,432.65 1,163.75 | 1.26% (1,193.85) | Aa1 / AA+ NR | 4.95 4.67 |
| Total US Corporate | | 23,915,000.00 | 1.98% | 23,951,930.10 | 1.82% | 23,964,143.12 | 29.00% | A1 / A+ | 2.25 |
| | | | | | | 96,721.35 | 12,213.02 | A+ | 2.14 |

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Holdings Report

Moulton Niguel Water District Operating Reserve - Account #40

For the Month Ending 9/30/2017

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|---|---|----------------------|-----------------------------|------------------------------|----------------------|------------------------------|-------------------------|--------------------------|----------------------|
| US Treasury | | | | | | | | | |
| 912828PX2 | US Treasury Note 3.625% Due 02/15/2021 | 1,425,000.00 | 06/02/2011 2.95% | 1,505,662.92 1,505,662.92 | 106.34 1.69% | 1,515,286.58 6,597.40 | 1.83% 9,623.66 | Aaa / AA+ AAA | 3.38 3.17 |
| 912828RC6 | US Treasury Note 2.125% Due 08/15/2021 | 1,650,000.00 | 02/28/2014 2.23% | 1,637,953.86 1,637,953.86 | 101.28 1.78% | 1,671,075.45 4,478.09 | 2.02% 33,121.59 | Aaa / AA+ AAA | 3.88 3.70 |
| 912828RR3 | US Treasury Note 2.000% Due 11/15/2021 | 2,000,000.00 | 01/18/2012 1.90% | 2,017,664.26 2,017,664.26 | 100.77 1.80% | 2,015,468.00 15,108.70 | 2.45% (2,196.26) | Aaa / AA+ AAA | 4.13 3.92 |
| 912828SF8 | US Treasury Note 2.000% Due 02/15/2022 | 2,025,000.00 | 07/31/2014 2.33% | 1,978,970.99 1,978,970.99 | 100.65 1.84% | 2,038,209.08 5,172.55 | 2.46% 59,238.09 | Aaa / AA+ AAA | 4.38 4.16 |
| 912828SV3 | US Treasury Note 1.750% Due 05/15/2022 | 2,000,000.00 | 07/29/2013 2.41% | 1,895,945.50 1,895,945.50 | 99.47 1.87% | 1,989,376.00 13,220.11 | 2.41% 93,430.50 | Aaa / AA+ AAA | 4.62 4.39 |
| 912828TJ9 | US Treasury Note 1.625% Due 08/15/2022 | 2,000,000.00 | Various 2.17% | 1,910,562.70 1,910,562.70 | 98.73 1.90% | 1,974,532.00 4,150.81 | 2.38% 63,969.30 | Aaa / AA+ AAA | 4.88 4.65 |
| 912828TY6 | US Treasury Note 1.625% Due 11/15/2022 | 1,600,000.00 | 05/27/2014 2.37% | 1,509,318.90 1,509,318.90 | 98.45 1.95% | 1,575,124.80 9,820.65 | 1.91% 65,805.90 | Aaa / AA+ AAA | 5.13 4.86 |
| 912828VB3 | US Treasury Note 1.750% Due 05/15/2023 | 1,800,000.00 | Various 2.37% | 1,713,425.18 1,713,425.18 | 98.54 2.03% | 1,773,774.00 11,898.10 | 2.15% 60,348.82 | Aaa / AA+ AAA | 5.62 5.29 |
| 2828B66 | US Treasury Note 2.750% Due 02/15/2024 | 1,725,000.00 | Various 1.97% | 1,819,091.87 1,819,091.87 | 103.86 2.10% | 1,791,574.65 6,058.60 | 2.17% (27,517.22) | Aaa / AA+ AAA | 6.38 5.82 |
| 912828J27 | US Treasury Note 2.000% Due 02/15/2025 | 2,000,000.00 | 08/15/2017 2.15% | 1,979,929.88 1,979,929.88 | 98.63 2.20% | 1,972,656.00 5,108.70 | 2.38% (7,273.88) | Aaa / AA+ AAA | 7.38 6.80 |
| 912828R36 | US Treasury Note 1.625% Due 05/15/2026 | 400,000.00 | 08/15/2017 2.24% | 380,517.22 380,517.22 | 94.85 2.29% | 379,406.40 2,455.16 | 0.46% (1,110.82) | Aaa / AA+ AAA | 8.63 7.92 |
| Total US Treasury | | 18,625,000.00 | 2.27% | 18,349,043.28 | 1.93% | 18,696,482.96 | 22.63% | Aaa / AA+ Aaa | 5.08 4.77 |
| TOTAL PORTFOLIO | | 82,132,157.43 | 2.13% | 82,007,991.01 | 1.87% | 82,613,933.52 | 100.00% | Aa1 / AA Aaa | 3.74 3.50 |
| TOTAL MARKET VALUE PLUS ACCRUALS | | | | | | 82,974,197.57 | | | |



Holdings Report

Moulton Niguel Water District 2009 COP Rsv Fund - Account #44

For the Month Ending 9/30/2017

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|---|---|---------------------|-----------------------------|--------------------------|----------------------|---|--------------------------------------|--------------------------------|----------------------------|
| Agency | | | | | | | | | |
| 313378J77 | FHLB Note 1.875% Due 03/13/2020 | 520,000.00 | 04/19/2016 1.20% | 533,405.60 533,405.60 | 100.59 1.63% | 523,083.08 487.50 | 8.66% (10,322.52) | Aaa / AA+ NR | 2.45 2.39 |
| 3130A7CV5 | FHLB Note 1.375% Due 02/18/2021 | 535,000.00 | 04/12/2016 1.34% | 535,963.00 535,963.00 | 98.97 1.69% | 529,470.78 878.66 | 8.78% (6,492.22) | Aaa / AA+ AAA | 3.39 3.28 |
| 3130A8QS5 | FHLB Note 1.125% Due 07/14/2021 | 500,000.00 | 10/27/2016 1.41% | 493,510.00 493,510.00 | 97.69 1.76% | 488,434.00 1,203.13 | 8.10% (5,076.00) | Aaa / AA+ AAA | 3.79 3.68 |
| Total Agency | | 1,555,000.00 | 1.31% | 1,562,878.60 | 1.69% | 1,540,987.86 2,569.29 | 25.54% (21,890.74) | Aaa / AA+ Aaa | 3.20 3.10 |
| Cash | | | | | | | | | |
| 90CASH\$00 | Cash Custodial Cash Account | 116,852.45 | Various 0.00% | 116,852.45 116,852.45 | 1.00 0.00% | 116,852.45 0.00 | 1.93% 0.00 | NR / NR NR | 0.00 0.00 |
| Total Cash | | 116,852.45 | 0.00% | 116,852.45 | 0.00% | 116,852.45 0.00 | 1.93% 0.00 | NR / NR NR | 0.00 0.00 |
| US Treasury | | | | | | | | | |
| 912828TH3 | US Treasury Note 0.875% Due 07/31/2019 | 475,000.00 | 04/14/2016 0.98% | 473,461.55 473,461.55 | 98.96 1.45% | 470,045.75 700.24 | 7.79% (3,415.80) | Aaa / AA+ AAA | 1.83 1.81 |
| 912828UQ1 | US Treasury Note 1.250% Due 02/29/2020 | 475,000.00 | 04/14/2016 1.10% | 477,766.24 477,766.24 | 99.30 1.54% | 471,697.33 508.46 | 7.81% (6,068.91) | Aaa / AA+ AAA | 2.42 2.37 |
| 912828UV0 | US Treasury Note 1.125% Due 03/31/2020 | 475,000.00 | 04/14/2016 1.10% | 475,502.57 475,502.57 | 98.94 1.56% | 469,971.65 14.68 | 7.78% (5,530.92) | Aaa / AA+ AAA | 2.50 2.45 |
| 912828WC0 | US Treasury Note 1.750% Due 10/31/2020 | 475,000.00 | 04/14/2016 1.21% | 486,319.95 486,319.95 | 100.30 1.65% | 476,428.80 3,478.60 | 7.94% (9,891.15) | Aaa / AA+ AAA | 3.09 2.97 |
| 912828B90 | US Treasury Note 2.000% Due 02/28/2021 | 475,000.00 | 04/14/2016 1.26% | 491,515.27 491,515.27 | 100.96 1.71% | 479,564.28 813.54 | 7.95% (11,950.99) | Aaa / AA+ AAA | 3.42 3.29 |
| 912828WN6 | US Treasury Note 2.000% Due 05/31/2021 | 500,000.00 | 07/11/2016 1.01% | 523,439.18 523,439.18 | 100.89 1.75% | 504,453.00 3,360.66 | 8.40% (18,986.18) | Aaa / AA+ AAA | 3.67 3.50 |
| 912828G53 | US Treasury Note 1.875% Due 11/30/2021 | 475,000.00 | 01/18/2017 1.89% | 474,649.05 474,649.05 | 100.21 1.82% | 476,020.30 2,993.08 | 7.93% 1,371.25 | Aaa / AA+ AAA | 4.17 3.97 |
| 912828J43 | US Treasury Note 1.750% Due 02/28/2022 | 500,000.00 | 04/24/2017 1.84% | 498,029.02 498,029.02 | 99.51 1.87% | 497,539.00 749.31 | 8.25% (490.02) | Aaa / AA+ AAA | 4.42 4.22 |
| 912828L24 | US Treasury Note 1.875% Due 08/31/2022 | 525,000.00 | 09/18/2017 1.84% | 525,904.10 525,904.10 | 99.74 1.93% | 523,646.55 842.97 | 8.68% (2,257.55) | Aaa / AA+ AAA | 4.92 4.67 |
| Total US Treasury | | 4,375,000.00 | 1.36% | 4,426,586.93 | 1.70% | 4,369,366.66 13,461.54 | 72.52% (57,220.27) | Aaa / AA+ Aaa | 3.41 3.28 |
| TOTAL PORTFOLIO | | 6,046,852.45 | 1.32% | 6,106,317.98 | 1.67% | 6,027,206.97 16,030.83 | 100.00% (79,111.01) | Aaa / AA+ Aaa | 3.29 3.17 |
| TOTAL MARKET VALUE PLUS ACCRUALS | | | | | | 6,043,237.80 | | | |



Holdings Report

Moulton Niguel Water District 2015 REV REF RSV - Account #46

For the Month Ending 9/30/2017

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|---------------------|---|-------------------|-----------------------------|--------------------------|----------------------|------------------------------|------------------------------------|--------------------------------|----------------------------|
| Agency | | | | | | | | | |
| 3137EADK2 | FHLMC Note 1.250% Due 08/01/2019 | 100,000.00 | 04/12/2016 1.01% | 100,782.00 100,782.00 | 99.53 1.51% | 99,525.00 208.33 | 7.92% (1,257.00) | Aaa / AA+ AAA | 1.84 1.80 |
| 3135G0ZG1 | FNMA Note 1.750% Due 09/12/2019 | 95,000.00 | 04/12/2016 0.99% | 97,408.25 97,408.25 | 100.42 1.53% | 95,402.80 87.74 | 7.58% (2,005.45) | Aaa / AA+ AAA | 1.95 1.91 |
| 3137EADM8 | FHLMC Note 1.250% Due 10/02/2019 | 100,000.00 | 04/11/2016 1.02% | 100,791.00 100,791.00 | 99.43 1.54% | 99,427.20 621.53 | 7.95% (1,363.80) | Aaa / AA+ AAA | 2.01 1.96 |
| 313378J77 | FHLB Note 1.875% Due 03/13/2020 | 95,000.00 | 04/19/2016 1.20% | 97,449.10 97,449.10 | 100.59 1.63% | 95,563.26 89.06 | 7.60% (1,885.84) | Aaa / AA+ NR | 2.45 2.39 |
| 3130A7CV5 | FHLB Note 1.375% Due 02/18/2021 | 95,000.00 | 04/12/2016 1.34% | 95,171.00 95,171.00 | 98.97 1.69% | 94,018.18 156.02 | 7.48% (1,152.82) | Aaa / AA+ AAA | 3.39 3.28 |
| 3135G0Q89 | FNMA Note 1.375% Due 10/07/2021 | 95,000.00 | Various 1.61% | 94,023.65 94,023.65 | 98.11 1.86% | 93,206.88 631.36 | 7.45% (816.77) | Aaa / AA+ AAA | 4.02 3.86 |
| 3135G0S38 | FNMA Note 2.000% Due 01/05/2022 | 90,000.00 | 04/24/2017 1.92% | 90,320.40 90,320.40 | 100.25 1.94% | 90,228.69 430.00 | 7.20% (91.71) | Aaa / AA+ AAA | 4.27 4.05 |
| Total Agency | | 670,000.00 | 1.29% | 675,945.40 | 1.67% | 667,372.01 | 53.18% (8,573.39) | Aaa / AA+ Aaa | 2.82 2.73 |
| ish | | | | | | | | | |
| 90CASH\$00 | Cash Custodial Cash Account | 23,302.16 | Various 0.00% | 23,302.16 23,302.16 | 1.00 0.00% | 23,302.16 0.00 | 1.85% 0.00 | NR / NR NR | 0.00 0.00 |
| Total Cash | | 23,302.16 | 0.00% | 23,302.16 | 0.00% | 23,302.16 | 1.85% 0.00 | NR / NR NR | 0.00 0.00 |
| US Treasury | | | | | | | | | |
| 912828UQ1 | US Treasury Note 1.250% Due 02/29/2020 | 100,000.00 | 04/14/2016 1.10% | 100,582.37 100,582.37 | 99.30 1.54% | 99,304.70 107.04 | 7.90% (1,277.67) | Aaa / AA+ AAA | 2.42 2.37 |
| 912828UV0 | US Treasury Note 1.125% Due 03/31/2020 | 100,000.00 | 04/14/2016 1.10% | 100,105.80 100,105.80 | 98.94 1.56% | 98,941.40 3.09 | 7.86% (1,164.40) | Aaa / AA+ AAA | 2.50 2.45 |
| 912828WC0 | US Treasury Note 1.750% Due 10/31/2020 | 95,000.00 | 04/14/2016 1.21% | 97,263.99 97,263.99 | 100.30 1.65% | 95,285.76 695.72 | 7.62% (1,978.23) | Aaa / AA+ AAA | 3.09 2.97 |
| 912828WN6 | US Treasury Note 2.000% Due 05/31/2021 | 70,000.00 | 07/11/2016 1.01% | 73,281.48 73,281.48 | 100.89 1.75% | 70,623.42 470.49 | 5.65% (2,658.06) | Aaa / AA+ AAA | 3.67 3.50 |
| 912828G53 | US Treasury Note 1.875% Due 11/30/2021 | 100,000.00 | 01/18/2017 1.89% | 99,926.12 99,926.12 | 100.21 1.82% | 100,214.80 630.12 | 8.01% 288.68 | Aaa / AA+ AAA | 4.17 3.97 |

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Moulton Niguel Water District 2015 REV REF RSV - Account #46

For the Month Ending 9/30/2017

| CUSIP | Security Description | Par Value/Units | Purchase Date Book Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody/S&P Fitch | Maturity Duration |
|---|---|---------------------|-----------------------------|--------------------------|----------------------|------------------------------|--------------------------------------|--------------------------------|----------------------------|
| 912828L24 | US Treasury Note 1.875% Due 08/31/2022 | 100,000.00 | 09/18/2017 1.84% | 100,172.21 100,172.21 | 99.74 1.93% | 99,742.20 160.57 | 7.93% (430.01) | Aaa / AA+ AAA | 4.92 4.67 |
| Total US Treasury | | 565,000.00 | 1.38% | 571,331.97 | 1.71% | 564,112.28 | 44.97% (7,219.69) | Aaa / AA+ Aaa | 3.46 3.32 |
| TOTAL PORTFOLIO | | 1,258,302.16 | 1.30% | 1,270,579.53 | 1.65% | 1,254,786.45 | 100.00% (15,793.08) | Aaa / AA+ Aaa | 3.05 2.94 |
| TOTAL MARKET VALUE PLUS ACCRUALS | | | | | | 1,259,077.52 | | | |

SECTION 4

Transactions



Transaction Ledger

Moulton Niguel Water District Liquid Fund - Account #41

June 30, 2017 through September 30, 2017

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------|-----------------|------------|----------------------|---|-------|----------------|----------------------|-------------------|----------------------|-------------|
| ACQUISITIONS | | | | | | | | | | |
| Purchase | 07/15/2017 | 90LAIF\$00 | 46,868.20 | Local Agency Investment Fund State Pool | 1.000 | 1.01% | 46,868.20 | 0.00 | 46,868.20 | 0.00 |
| | Subtotal | | 46,868.20 | | | | 46,868.20 | 0.00 | 46,868.20 | 0.00 |
| Security Contribution | 07/31/2017 | 90LAIF\$00 | 1,500,000.00 | Local Agency Investment Fund State Pool | 1.000 | | 1,500,000.00 | 0.00 | 1,500,000.00 | 0.00 |
| Security Contribution | 08/31/2017 | 90LAIF\$00 | 500,000.00 | Local Agency Investment Fund State Pool | 1.000 | | 500,000.00 | 0.00 | 500,000.00 | 0.00 |
| | Subtotal | | 2,000,000.00 | | | | 2,000,000.00 | 0.00 | 2,000,000.00 | 0.00 |
| TOTAL ACQUISITIONS | | | 2,046,868.20 | | | | 2,046,868.20 | 0.00 | 2,046,868.20 | 0.00 |
| DISPOSITIONS | | | | | | | | | | |
| Security Withdrawal | 07/14/2017 | 90LAIF\$00 | 550,000.00 | Local Agency Investment Fund State Pool | 1.000 | | 550,000.00 | 0.00 | 550,000.00 | 0.00 |
| Security Withdrawal | 07/26/2017 | 90LAIF\$00 | 900,000.00 | Local Agency Investment Fund State Pool | 1.000 | | 900,000.00 | 0.00 | 900,000.00 | 0.00 |
| Security Withdrawal | 07/27/2017 | 90LAIF\$00 | 3,500,000.00 | Local Agency Investment Fund State Pool | 1.000 | | 3,500,000.00 | 0.00 | 3,500,000.00 | 0.00 |
| Security Withdrawal | 08/14/2017 | 90LAIF\$00 | 550,000.00 | Local Agency Investment Fund State Pool | 1.000 | | 550,000.00 | 0.00 | 550,000.00 | 0.00 |
| Security Withdrawal | 08/24/2017 | 90LAIF\$00 | 4,300,000.00 | Local Agency Investment Fund State Pool | 1.000 | | 4,300,000.00 | 0.00 | 4,300,000.00 | 0.00 |
| Security Withdrawal | 08/30/2017 | 90LAIF\$00 | 900,000.00 | Local Agency Investment Fund State Pool | 1.000 | | 900,000.00 | 0.00 | 900,000.00 | 0.00 |
| Security Withdrawal | 09/14/2017 | 90LAIF\$00 | 900,000.00 | Local Agency Investment Fund State Pool | 1.000 | | 900,000.00 | 0.00 | 900,000.00 | 0.00 |
| | Subtotal | | 11,600,000.00 | | | | 11,600,000.00 | 0.00 | 11,600,000.00 | 0.00 |
| TOTAL DISPOSITIONS | | | 11,600,000.00 | | | | 11,600,000.00 | 0.00 | 11,600,000.00 | 0.00 |

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Transaction Ledger

Moulton Niguel Water District Limited Maturity - Account #42

June 30, 2017 through September 30, 2017

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------|-----------------|-----------|-------------------|--|---------|----------------|-------------------|-------------------|-------------------|-------------|
| ACQUISITIONS | | | | | | | | | | |
| Purchase | 09/27/2017 | 06417GYU6 | 750,000.00 | Bank of Nova Scotia Yankee CD 1.66% Due: 09/21/2018 | 100.009 | 1.65% | 750,070.78 | 172.92 | 750,243.70 | 0.00 |
| | Subtotal | | 750,000.00 | | | | 750,070.78 | 172.92 | 750,243.70 | 0.00 |
| TOTAL ACQUISITIONS | | | 750,000.00 | | | | 750,070.78 | 172.92 | 750,243.70 | 0.00 |

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Transaction Ledger

Moulton Niguel Water District Operating Reserve - Account #40

June 30, 2017 through September 30, 2017

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------|-----------------|-----------|---------------------|--|---------|----------------|---------------------|-------------------|---------------------|------------------|
| ACQUISITIONS | | | | | | | | | | |
| Purchase | 07/07/2017 | 06538BY80 | 870,000.00 | Bank of Tokyo Mitsubishi NY Discount CP 1.33% Due: 11/08/2017 | 99.542 | 1.35% | 866,014.43 | 0.00 | 866,014.43 | 0.00 |
| Purchase | 07/18/2017 | 47788BAD6 | 340,000.00 | John Deere Owner Trust 2017-B A3 1.82% Due: 10/15/2021 | 99.993 | 1.83% | 339,975.11 | 0.00 | 339,975.11 | 0.00 |
| Purchase | 08/16/2017 | 912828J27 | 2,000,000.00 | US Treasury Note 2% Due: 02/15/2025 | 98.996 | 2.15% | 1,979,929.88 | 108.69 | 1,980,038.57 | 0.00 |
| Purchase | 08/16/2017 | 912828R36 | 400,000.00 | US Treasury Note 1.625% Due: 05/15/2026 | 95.129 | 2.24% | 380,517.22 | 1,642.66 | 382,159.88 | 0.00 |
| Purchase | 09/14/2017 | 037833DC1 | 1,050,000.00 | Apple Inc Callable Note Cont 08/12/2022 2.1% Due: 09/12/2022 | 99.393 | 2.23% | 1,043,626.50 | 122.50 | 1,043,749.00 | 0.00 |
| Purchase | 09/28/2017 | 4581X0CZ9 | 600,000.00 | Inter-American Dev Bank Note 1.75% Due: 09/14/2022 | 98.765 | 2.01% | 592,590.00 | 408.33 | 592,998.33 | 0.00 |
| | Subtotal | | 5,260,000.00 | | | | 5,202,653.14 | 2,282.18 | 5,204,935.32 | 0.00 |
| TOTAL ACQUISITIONS | | | 5,260,000.00 | | | | 5,202,653.14 | 2,282.18 | 5,204,935.32 | 0.00 |
| DISPOSITIONS | | | | | | | | | | |
| Sale | 07/17/2017 | 3137EADG1 | 300,000.00 | FHLMC Note 1.75% Due: 05/30/2019 | 100.711 | 1.36% | 302,133.00 | 685.41 | 302,818.41 | 372.60 |
| Sale | 08/16/2017 | 3137EADG1 | 400,000.00 | FHLMC Note 1.75% Due: 05/30/2019 | 100.679 | 1.36% | 402,716.00 | 1,477.78 | 404,193.78 | 368.80 |
| Sale | 08/16/2017 | 3137EADK2 | 1,050,000.00 | FHLMC Note 1.25% Due: 08/01/2019 | 99.705 | 1.40% | 1,046,902.50 | 546.87 | 1,047,449.37 | 3412.50 |
| Sale | 08/16/2017 | 912828UB4 | 800,000.00 | US Treasury Note 1% Due: 11/30/2019 | 99.125 | 1.39% | 792,997.32 | 1,683.06 | 794,680.38 | 34087.87 |
| Sale | 09/14/2017 | 037833AJ9 | 1,250,000.00 | Apple Inc Note 1% Due: 05/03/2018 | 99.761 | 1.38% | 1,247,012.50 | 4,548.61 | 1,251,561.11 | 15045.00 |
| | Subtotal | | 3,800,000.00 | | | | 3,791,761.32 | 8,941.73 | 3,800,703.05 | 53,286.77 |

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Transaction Ledger

Moulton Niguel Water District Operating Reserve - Account #40

June 30, 2017 through September 30, 2017

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------|-----------------|-----------|---------------------|--|--------|----------------|---------------------|-------------------|---------------------|------------------|
| Maturity | 07/07/2017 | 06538BU76 | 610,000.00 | Bank of Tokyo Mitsubishi NY Discount CP 1.18% Due: 07/07/2017 | 99.600 | | 610,000.00 | 0.00 | 610,000.00 | 0.00 |
| | Subtotal | | 610,000.00 | | | | 610,000.00 | 0.00 | 610,000.00 | 0.00 |
| TOTAL DISPOSITIONS | | | 4,418,815.56 | | | | 4,410,576.88 | 20,166.54 | 4,430,743.42 | 53,016.10 |



Transaction Ledger

Moulton Niguel Water District 2009 COP Rsv Fund - Account #44

June 30, 2017 through September 30, 2017

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------|-----------------|-----------|-------------------|--|---------|----------------|-------------------|-------------------|-------------------|------------------|
| ACQUISITIONS | | | | | | | | | | |
| Purchase | 09/19/2017 | 912828L24 | 525,000.00 | US Treasury Note 1.875% Due: 08/31/2022 | 100.172 | 1.84% | 525,904.10 | 516.66 | 526,420.76 | 0.00 |
| | Subtotal | | 561,126.50 | | | | 562,030.60 | 516.66 | 562,547.26 | 0.00 |
| TOTAL ACQUISITIONS | | | 682,902.89 | | | | 683,806.99 | 516.66 | 684,323.65 | 0.00 |
| DISPOSITIONS | | | | | | | | | | |
| Sale | 09/19/2017 | 313378A43 | 530,000.00 | FHLB Note 1.375% Due: 03/09/2018 | 100.081 | 1.20% | 530,429.30 | 202.43 | 530,631.73 | -5172.80 |
| | Subtotal | | 530,000.00 | | | | 530,429.30 | 202.43 | 530,631.73 | -5,172.80 |
| TOTAL DISPOSITIONS | | | 646,159.14 | | | | 646,588.44 | 202.43 | 646,790.87 | -5,172.80 |

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Transaction Ledger

Moulton Niguel Water District 10 COP Reserve Fund - Account #45

June 30, 2017 through September 30, 2017

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------|-----------------|-----------|-------------------|--|---------|----------------|-------------------|-------------------|-------------------|---------------|
| DISPOSITIONS | | | | | | | | | | |
| Maturity | 08/31/2017 | 912828TM2 | 275,000.00 | US Treasury Note 0.625% Due: 08/31/2017 | 100.000 | | 275,000.00 | 0.00 | 275,000.00 | 235.41 |
| | Subtotal | | 275,000.00 | | | | 275,000.00 | 0.00 | 275,000.00 | 235.41 |
| TOTAL DISPOSITIONS | | | 655,052.75 | | | | 655,052.75 | 0.00 | 655,052.75 | 235.41 |



Transaction Ledger

Moulton Niguel Water District 2015 REV REF RSV - Account #46

June 30, 2017 through September 30, 2017

| Transaction Type | Settlement Date | CUSIP | Quantity | Security Description | Price | Acq/Disp Yield | Amount | Interest Pur/Sold | Total Amount | Gain/Loss |
|---------------------------|-----------------|-----------|-------------------|--|---------|----------------|-------------------|-------------------|-------------------|------------------|
| ACQUISITIONS | | | | | | | | | | |
| Purchase | 09/19/2017 | 912828L24 | 100,000.00 | US Treasury Note 1.875% Due: 08/31/2022 | 100.172 | 1.84% | 100,172.21 | 98.41 | 100,270.62 | 0.00 |
| | Subtotal | | 105,969.64 | | | | 106,141.85 | 98.41 | 106,240.26 | 0.00 |
| TOTAL ACQUISITIONS | | | 105,969.64 | | | | 106,141.85 | 98.41 | 106,240.26 | 0.00 |
| DISPOSITIONS | | | | | | | | | | |
| Sale | 09/19/2017 | 3135G0ZA4 | 95,000.00 | FNMA Note 1.875% Due: 02/19/2019 | 100.674 | 1.39% | 95,640.30 | 148.44 | 95,788.74 | -1904.75 |
| | Subtotal | | 99,481.88 | | | | 100,122.18 | 148.44 | 100,270.62 | -1,904.75 |
| TOTAL DISPOSITIONS | | | 99,481.88 | | | | 100,122.18 | 148.44 | 100,270.62 | -1,904.75 |



SECTION 5

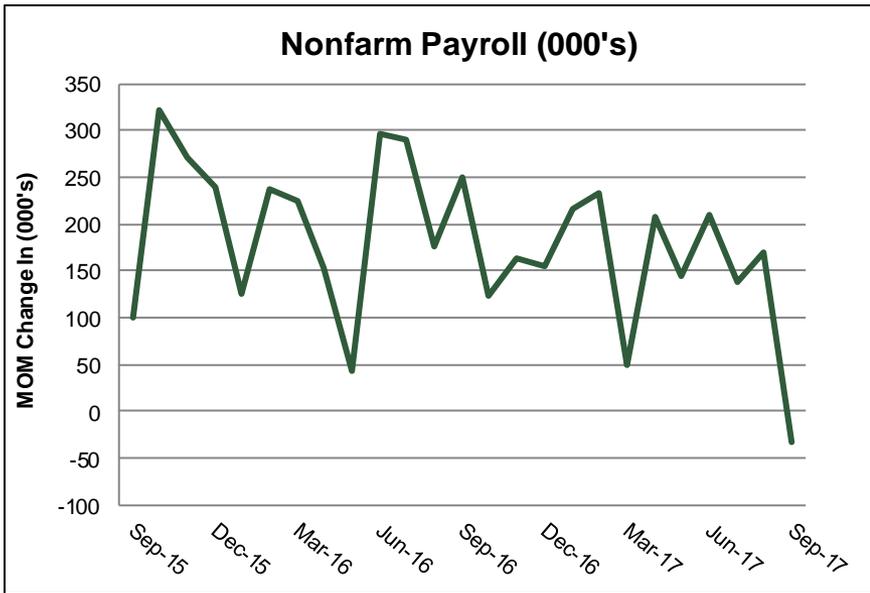
Economic Update



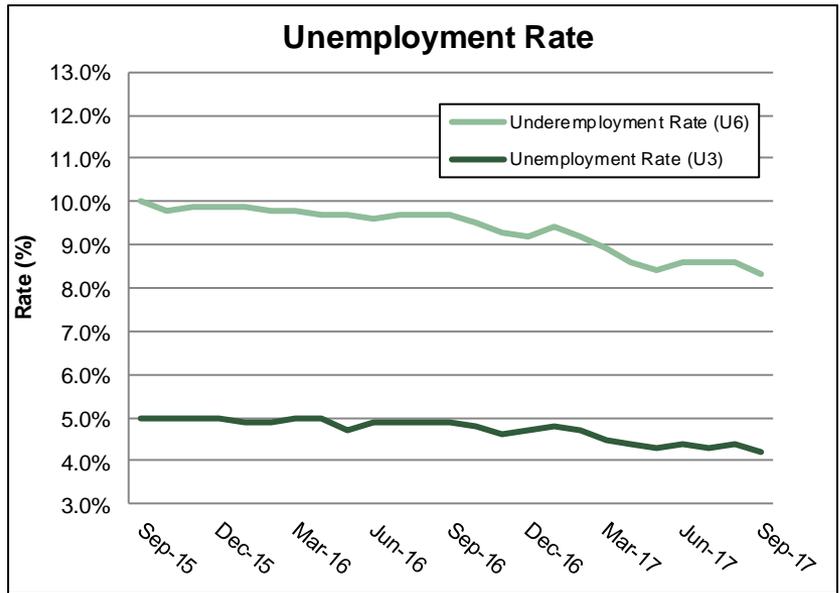
- The Federal Open Market Committee (FOMC) left the fed funds target rate unchanged at a range of 1.00%-1.25% at the September 19-20 meeting. As expected, the Committee announced plans to initiate the balance sheet normalization program in October. The process of unwinding the Fed's \$4.5 trillion balance sheet will begin gradually by allowing \$6 billion per month in Treasury securities and \$4 billion per month in mortgage-backed and agency securities to roll off the balance sheet. Over time, the amounts will slowly increase to \$30 billion per month in Treasury securities and \$20 billion per month in mortgage-backed and agency securities. The Fed's plans to unwind the balance sheet was widely telegraphed and the policy statement was generally in line with expectations. There were no dissenting votes among FOMC members in September. The Fed's updated economic projections still indicate one more rate hike before year-end is expected. However, the Fed lowered its median longer-run fed funds rate projection to 2.8% from 3.0%. The Fed's other economic projections were little changed, although the median 2018 inflation forecast was lowered slightly, suggesting that the Committee now thinks inflation may remain below the Fed's 2.0% target until 2019.

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- GDP grew by 3.1% in the second quarter, following growth of 1.2% in the first quarter. The consensus forecast currently calls for GDP growth of about 2.3% in the third quarter and 2.7% in the current quarter. Many economists have trimmed their estimates for third quarter GDP growth and boosted their estimates for fourth quarter growth, to reflect disruptions caused by the hurricanes. Tax reform or fiscal stimulus may ultimately help fuel stronger economic growth, but the timing and magnitude of such programs remains uncertain.
- The Treasury yield curve steepened in September, partially reversing some of the curve flattening that has happened year-to-date. The 2-year Treasury yield increased 16 basis points in September to 1.48% and the 10-year Treasury yield increased about 22 basis points to 2.33%. On a year-to-date basis, the 2-year Treasury yield increased 29 basis points and the 10-year Treasury yield declined 11 basis points. Since the beginning of this year, we believe market participants have grown skeptical that the Trump administration will deliver on many of their legislative objectives. However, the administration recently outlined a general framework for tax reform, sparking some renewed optimism that changes to the tax code may help boost economic growth.

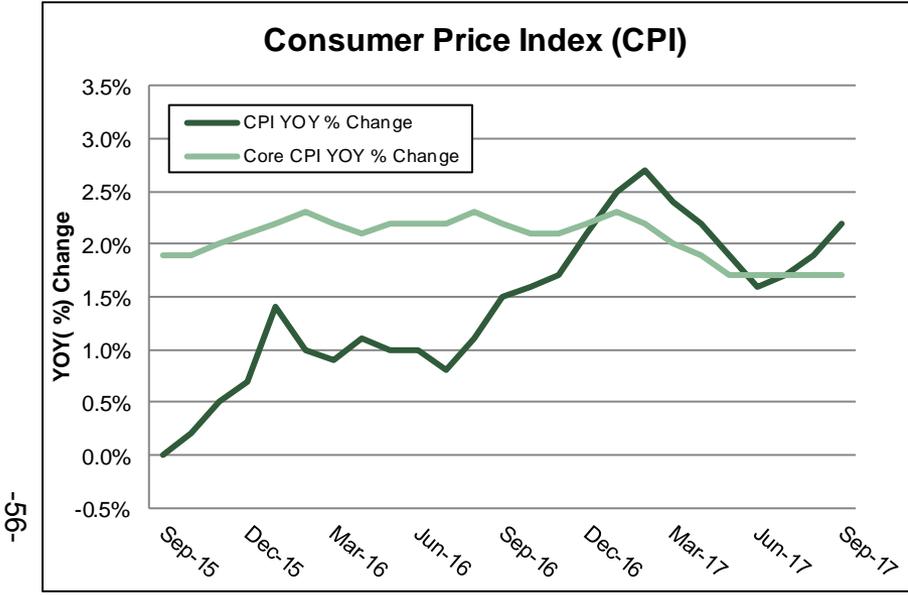


Source: US Department of Labor

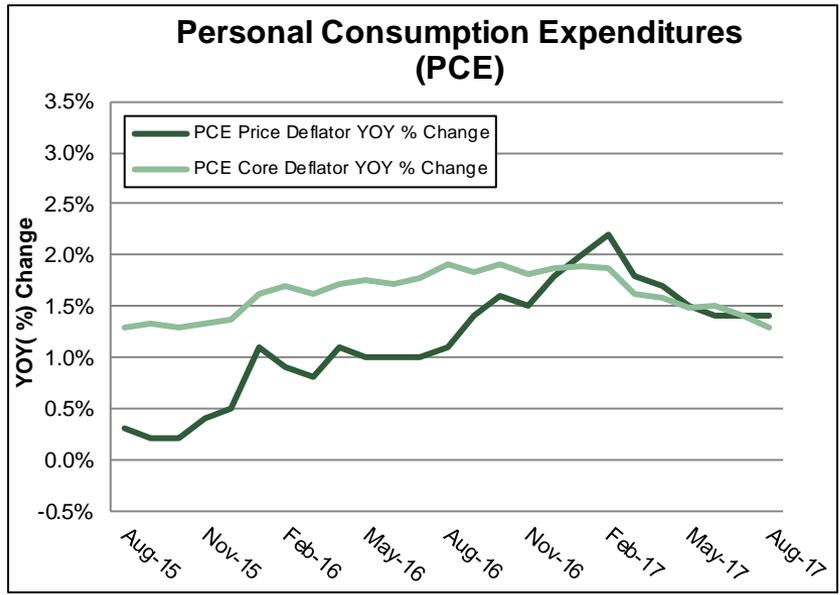


Source: US Department of Labor

U.S. payrolls declined 33,000 in September, well below the +80,000 consensus estimate. However, September payrolls were likely significantly distorted by the hurricanes. The unemployment rate decreased to 4.2% in September from 4.4% in August, and the labor participation rate increased to 63.1% from 62.9%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, declined to 8.3% from 8.6%. Wages jumped 0.5% in September. On a year-over-year basis wages were up 2.9% in September, versus up 2.7% year-over-year in August.



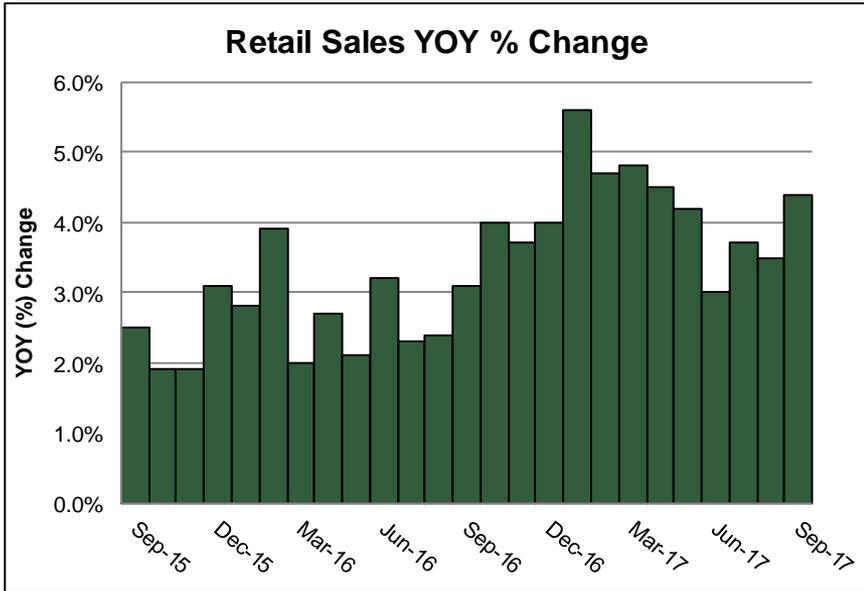
Source: US Department of Labor



Source: US Department of Labor

The Consumer Price Index (CPI) was up 2.2% year-over-year in September, versus up 1.9% year-over-year in August. Core CPI (CPI less food and energy) was up just 1.7% year-over-year in September, unchanged for the past five consecutive months. The increase in headline CPI inflation was driven in part by an increase in energy prices following the hurricanes. The Personal Consumption Expenditures (PCE) index was up 1.4% year-over-year in August, unchanged from June or July. Core PCE (excluding food and energy) was up just 1.3% year-over-year in August, versus up 1.4% year-over-year in July. Inflation remains below the Fed's 2.0% target.

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Source: US Department of Commerce

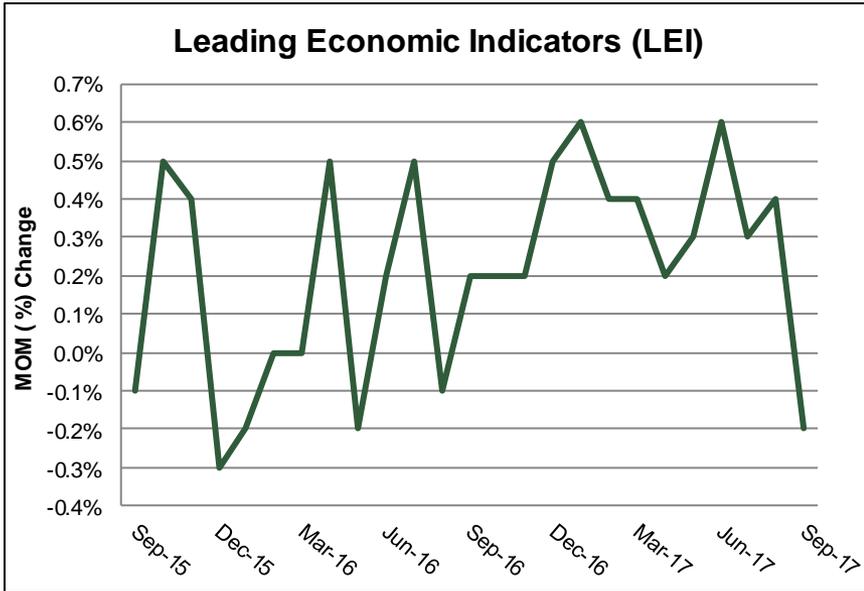


Source: Federal Reserve

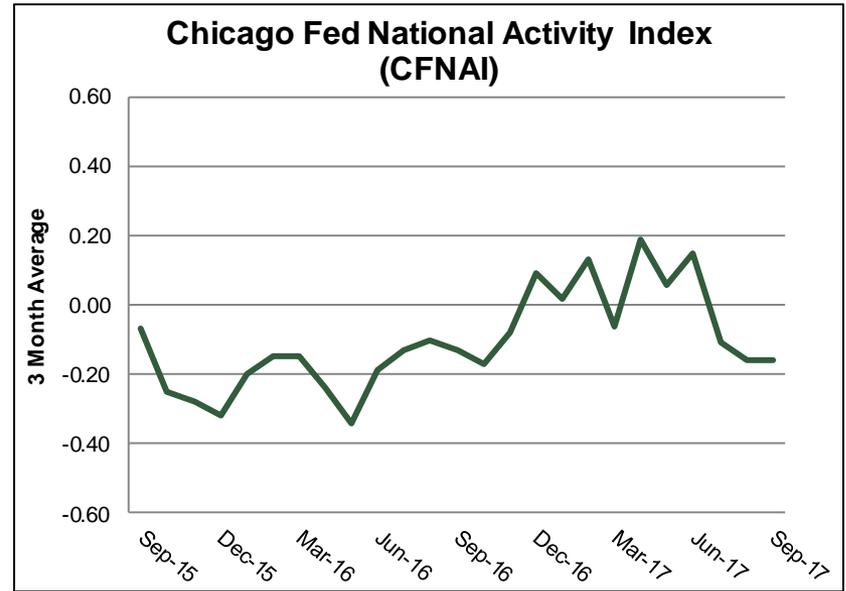
On a year-over-year basis, retail sales were up 4.4% in September, versus up 3.5% year-over-year in August. On a month-over-month basis, retail sales increased 1.6% in September, following a 0.1% decline in August. The increase in September retail sales was generally in line with expectations, and was driven in large part by a surge in hurricane-related replacement demand for vehicles as well as a spike in post-hurricane gasoline prices. However, excluding autos and gas, retail sales grew at a moderate pace, up 0.5% in September, month-over-month. Meanwhile, the consumer confidence index remained strong in September at 119.8 versus 120.4 in August, despite weakness in the hurricane states of Texas and Florida.



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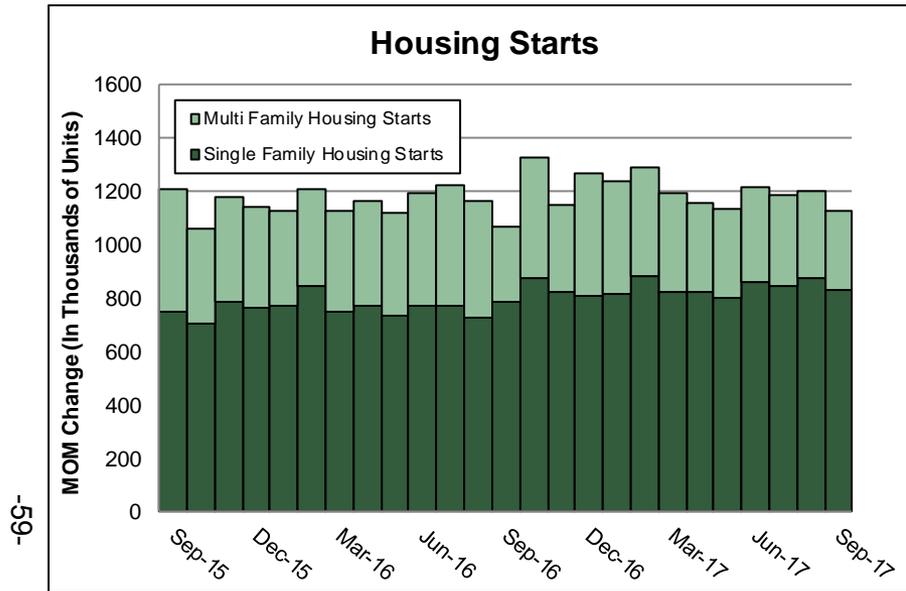


Source: The Conference Board

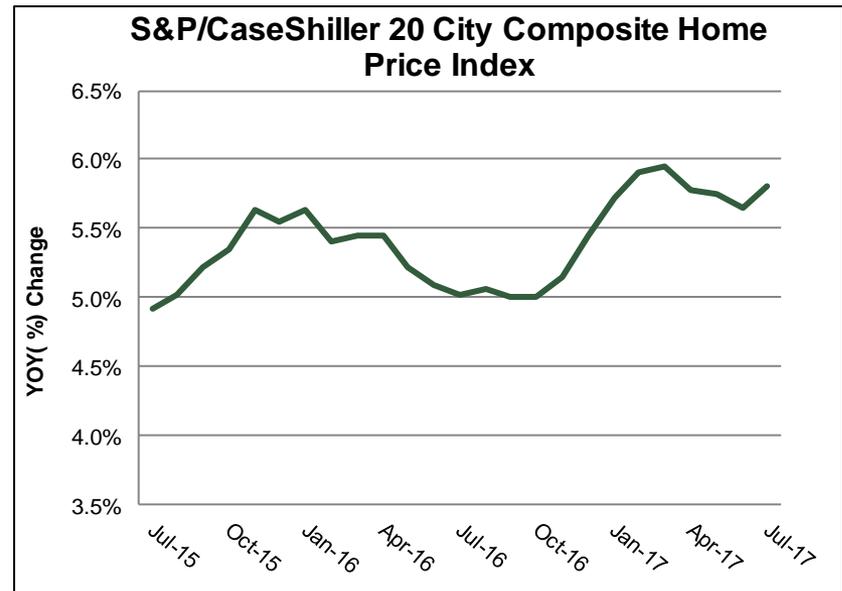


Source: Federal Reserve Bank of Chicago

The Index of Leading Economic Indicators (LEI) declined 0.2% in September, following a 0.4% increase in August and a 0.3% increase in July. It was the first monthly decline in more than a year. However, six of the ten index components made positive contributions, and those that made negative contributions were likely distorted by the hurricanes. On a year-over-year basis, the LEI was up 4.0% in September, versus up 4.4% in August. According to the Conference Board, “the trend in the US LEI remains consistent with continuing solid growth in the US economy for the second half of the year.” Meanwhile, the Chicago Fed National Activity Index (CFNAI) improved in September to 0.17 from -0.37 in August. However, on a 3-month moving average basis, the index held at -0.16 in September. The three month moving average, which smooths out some of the monthly volatility, points to subpar economic growth. Overall, we believe the economy remains on a slow growth trajectory.

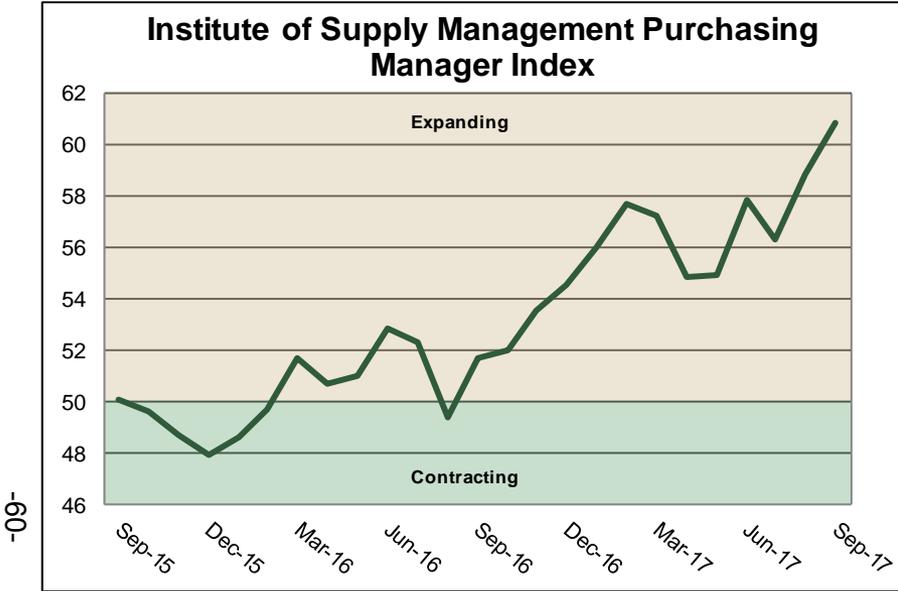


Source: US Census Bureau

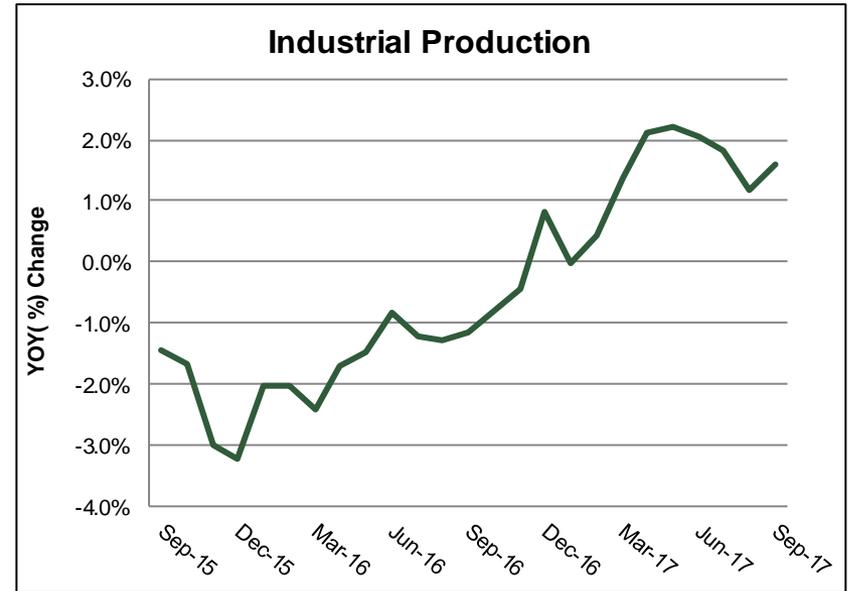


Source: S&P

Total housing starts were weaker than expected in September, down 4.7%. Single-family starts decreased 4.6% in September, while multi-family starts declined 5.1%. Permits were also slightly weaker than expected in September, down 4.5%, due to weakness in multi-family permits. Overall, September housing starts were soft, but activity may rebound in the fourth quarter as hurricane-related rebuilding efforts intensify. According to the Case-Shiller 20-City home price index, home prices were up 5.8% year-over-year in July, versus up 5.6% year-over-year in June.



Source: Institute for Supply Management



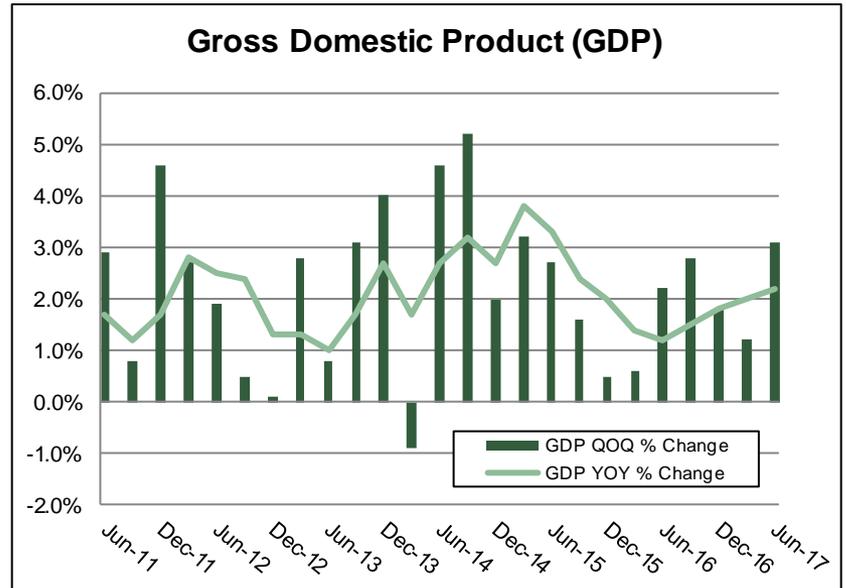
Source: Federal Reserve

The Institute for Supply Management (ISM) manufacturing index increased to 60.8 in September from 58.0 in August. A reading above 50.0 suggests the manufacturing sector is expanding. However, Industrial Production was up just 1.6% year-over-year in September versus up 1.2% year-over-year in August. Although the ISM Manufacturing index (which is based on a survey from a relatively small sample size of roughly 300 manufacturing firms) has been quite strong, Industrial Production has been lackluster.

GA | Gross Domestic Product (GDP)

| Components of GDP | 9/16 | 12/16 | 3/17 | 6/17 |
|--|-------------|-------------|-------------|-------------|
| Personal Consumption Expenditures | 1.9% | 2.0% | 1.3% | 2.2% |
| Gross Private Domestic Investment | 0.4% | 1.3% | -0.2% | 0.6% |
| Net Exports and Imports | 0.4% | -1.6% | 0.2% | 0.2% |
| Federal Government Expenditures | 0.1% | 0.0% | -0.2% | 0.1% |
| State and Local (Consumption and Gross Investment) | 0.0% | 0.1% | 0.1% | -0.2% |
| Total | 2.8% | 1.8% | 1.2% | 3.1% |

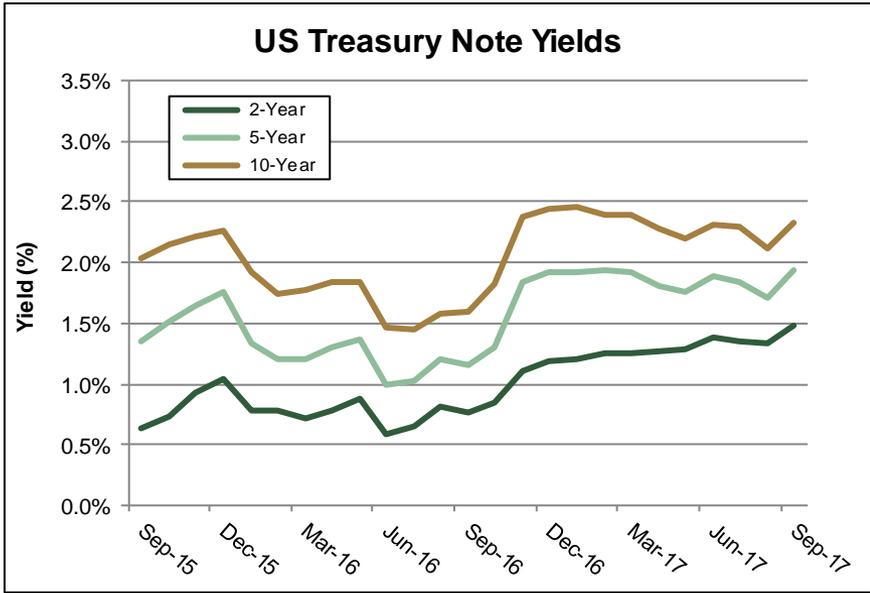
Source: US Department of Commerce



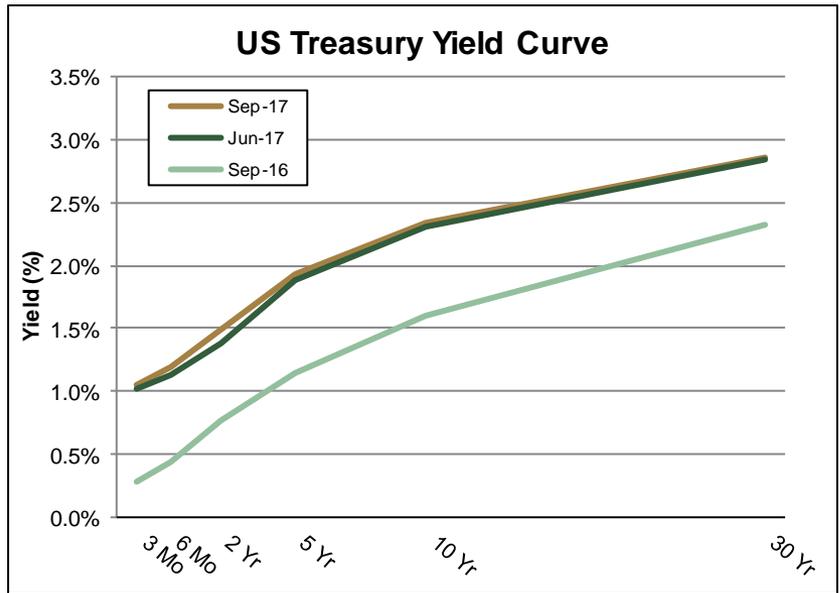
Source: US Department of Commerce

Second quarter GDP grew at an annualized pace of 3.1%, following growth of 1.2% in the first quarter. Second quarter GDP growth was revised up slightly from the second estimate of 3.0%, after being revised up from the advance estimate of 2.6%. Second quarter growth was driven by consumer spending and business investment. The consensus forecast currently calls for GDP growth of about 2.3% in the third quarter. Growth is expected to accelerate modestly in the current quarter, at a pace of about 2.7%, as post-hurricane rebuilding efforts intensify.

-62-



Source: Bloomberg



Source: Bloomberg

The yield curve has flattened meaningfully this year. The spread between 2-year and 10-year Treasury yields was just 85 basis points at the end of September, compared to 126 at the end of 2016. In the three months ending in September, the 2-year Treasury yield increased about ten basis points while the 10-year Treasury yield increased just three basis points. Immediately following the US Presidential election last fall, the Treasury yield curve steepened meaningfully, driven by heightened expectations for tax reform, fiscal stimulus, and above-trend economic growth under the Trump administration. However, market participants are skeptical the Trump administration will deliver on their legislative agenda.



Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

RESOLUTION NO. 17- __

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT
IN SUPPORT OF DIRECTOR STEVEN E. LAMAR’S CANDIDACY TO SERVE AS
VICE PRESIDENT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
FOR 2018-2019**

WHEREAS, Moulton Niguel Water District (“MNWD”) is a California Water District providing water, irrigation, and wastewater collection and treatment services to 170,000 residents in six cities in South Orange County; and

WHEREAS, MNWD is an active member of the Association of California Water Agencies (“ACWA”) and serves as a member of ACWA’s Board of Directors; and

WHEREAS, in addition to representing the public as a member of the Irvine Ranch Water District Board of Directors since 2009, Director Steven E. LaMar has led a variety of organizations across the spectrum of land use development, environmental protection, and water industries throughout his career; and

WHEREAS, in his service as a member of the ACWA Board of Directors, Director LaMar has distinguished himself as a consensus-builder, a capable advocate, and a credible ambassador among ACWA’s members and the California water industry at large;

NOW, THEREFORE, BE IT RESOLVED, Moulton Niguel Water District hereby endorses Director Steven LaMar in his candidacy for ACWA Vice President for the 2018-2019 ACWA Officers Election. Board members and staff are hereby authorized to take the appropriate steps to support Director LaMar’s candidacy on behalf of the District. The Board supports Director LaMar’s candidacy for this election, and we respectfully request the consideration and support of our fellow ACWA member agencies.

ADOPTED, SIGNED and APPROVED this 15th day of November, 2017.

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

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

MOULTON NIGUEL WATER DISTRICT
Summary of Financial Results
November 15, 2017

Unaudited results of operations for the three months ended September 30, 2017, are summarized below.

Total operating revenues were \$16.3 million for the three months ended, which came in at 27% of the budget. Total operating expenses ended at \$17.2 million, which amounted to 23% of the approved budget. Total Net Income (Loss) for the three months ended was (\$4.0) million.

The District typically receives the majority of its share of property taxes from the County during the months of December and April of each fiscal year. The property tax budget for Fiscal Year 2017-18 is \$27.6 million, or approximately 30% of total budgeted revenues. Thus far, the District has received \$0.7 million, or just 3% of the budget.

Investment income ended at \$0.5 million, including a mark down (unrealized) of (\$0.1) million due to the changes to the market value of securities held. Actual interest income received (realized) was \$0.6 million, up from \$0.2 million at this same point in the prior year.

The District currently has \$7.1 million available in the Water Efficiency Fund for new projects, rebate applications or additional programs. The remaining fund balance takes into account \$0.6 million in water efficiency program commitments already approved by the Board.

The District's Cash and Investments balance has decreased by \$8.3 million as compared to last year, primarily due to Debt Service payments and execution of the Capital Improvement Plan ("CIP") program. Through September 30th, the District has paid \$4.3 million related to Debt Service and \$1.6 million for CIP execution.

The District's prepaid expense balance of \$1.5 million is still trending 140% higher as compared to the unaudited balance at June 30, 2017, but \$0.2 million less than August. The District pays for a variety of annual services and memberships at the beginning each Fiscal Year, and recognizes the remainder of those expenses throughout the year. The \$0.2 million decrease from the prior month represents the amortization for the month of September.

The interest payable balance of \$0.4 million appears low as compared to the June 30, 2017, total of \$1.8 million, but that is due to the timing of when the Debt Service payments are made. The majority of the District debt payments are due in September, at which time the actual interest and principal payment is sent to the trustee, essentially eliminating the associated "interest payable" balance.

All District fiscal agent reserves are properly funded and meet the reserve requirements in the bond indentures. The portfolio maintains a very secure AA+ average credit rating. As the recent payment towards the 2010 Certificates of Participation was the final payment, the fiscal agent cash was used towards that payment and the reserve requirement was eliminated.

The Board has established a target reserve level of \$66.9 million, and as of September 30, 2017, the District held \$67.0 million in reserves, down from \$75.0 million as of June 30, 2017. This difference was projected by District staff, and is due to transfers made to the Capital Improvement Project Funds in accordance with the FY 2017-18 Adopted Budget.

Moulton Niguel Water District
All Funds - Budget Comparison Report
Three Months Ended September 30, 2017

| | 1 | 2 | 3 | =3-1 | =1/3 |
|---|--------------------------------|--------------------------------------|---------------------------------|--------------------------------|---------------------------|
| Description | Fiscal Year to Date Actuals | Prior Fiscal Year to Date Actuals | Current Year Approved Budget | Current Year Budget Balance | % of Actuals to Budget |
| ALL FUNDS | | | | | |
| <u>Operating Revenues</u> | | | | | |
| Water Sales | \$ 8,218,067 | \$ 7,655,941 | \$ 29,909,274 | \$ 21,691,206 | 27% |
| Recycled Water Sales | 1,843,711 | 1,898,997 | 5,462,967 | 3,619,256 | 34% |
| Sewer Sales | 5,214,087 | 4,921,968 | 21,413,568 | 16,199,481 | 24% |
| Water Efficiency | 944,359 | 2,618,394 | 3,335,112 | 2,390,753 | 28% |
| Other Operating Income | 111,173 | 129,805 | 516,900 | 405,727 | 22% |
| A Total Operating Revenue | 16,331,397 | 17,225,104 | 60,637,821 | 44,306,424 | 27% |
| <u>Operating Expenses</u> | | | | | |
| Salaries | 3,199,938 | 2,849,574 | 13,181,187 | 9,981,250 | 24% |
| PERs Employer Contributions | 447,457 | 379,979 | 1,903,162 | 1,455,705 | 24% |
| Defined Contribution 401A | 50,565 | 41,869 | 230,127 | 179,562 | 22% |
| Educational Courses | 1,145 | 4,075 | 72,253 | 71,108 | 2% |
| Travel & Meetings | 29,657 | 51,539 | 329,651 | 299,994 | 9% |
| Recruitment & Employee Relations | 8,537 | 8,370 | 81,250 | 72,713 | 11% |
| General Services | 38,470 | 49,607 | 517,820 | 479,350 | 7% |
| Annual Audit | 5,050 | 163 | 50,000 | 44,950 | 10% |
| Member Agencies O&M | 89,418 | 175,854 | 793,341 | 703,923 | 11% |
| Dues & Memberships | 31,989 | 22,100 | 125,175 | 93,186 | 26% |
| Consulting Services | 465,891 | 421,985 | 2,525,400 | 2,059,509 | 18% |
| Equipment Rental | 13,831 | 3,400 | 62,000 | 48,169 | 22% |
| District Fuel | 36,678 | 47,739 | 270,000 | 233,322 | 14% |
| Insurance - District | 90,864 | 88,738 | 402,420 | 311,556 | 23% |
| Insurance - Personnel | 81,774 | 75,439 | 393,422 | 311,648 | 21% |
| Insurance - Benefits | 670,753 | 648,110 | 3,023,763 | 2,353,010 | 22% |
| Legal Services - Personnel | 175 | 9,550 | 50,000 | 49,825 | 0% |
| Legal Services - General | 213,791 | 24,267 | 350,000 | 136,209 | 61% |
| District Office Supplies | 95,048 | 89,414 | 725,151 | 630,103 | 13% |
| District Operating Supplies | 78,889 | 94,373 | 444,788 | 365,899 | 18% |
| Repairs & Maintenance - Equipment ¹ | 241,236 | 193,916 | 695,669 | 454,433 | 35% |
| Repairs & Maintenance - Facilities | 615,061 | 613,252 | 3,725,857 | 3,110,797 | 17% |
| Safety Program & Compliance Requirements | 56,381 | 51,026 | 282,165 | 225,784 | 20% |
| Wastewater Treatment ² | 2,232,384 | 2,085,311 | 10,752,352 | 8,519,968 | 21% |
| Special Outside Assessments | 26,419 | 25,186 | 251,641 | 225,223 | 10% |
| Utilities | 798,177 | 567,736 | 2,281,900 | 1,483,723 | 35% |
| Water Purchases | 7,444,349 | 7,452,140 | 26,710,799 | 19,266,450 | 28% |
| Meter / Vault Purchases | 104,954 | 1,775 | 440,000 | 335,046 | 24% |
| Water Efficiency | 48,745 | 43,712 | 2,885,000 | 2,836,255 | 2% |
| Other Operating Expenses | - | 345,410 | - | - | n/a |
| B Total Operating Expenses | 17,217,624 | 16,465,608 | 73,556,294 | 56,338,670 | 23% |
| A-B Operating Income (Loss) | (886,227) | 759,496 | (12,918,474) | (12,032,247) | 7% |
| <u>Non-Operating Revenues (Expenses)</u> | | | | | |
| Property Tax Revenue | 696,197 | 662,545 | 27,581,361 | 26,885,164 | 3% |
| Investment Income ³ | 505,960 | (106,477) | 2,354,217 | 1,848,257 | 21% |
| Property Lease Income | 454,162 | 441,245 | 1,723,533 | 1,269,371 | 26% |
| Interest Expense | (1,272,742) | (1,365,485) | (5,201,569) | (3,928,827) | 24% |
| Misc. Non-Operating Income (Expense) ⁴ | 863,837 | 1,156,150 | 3,004,247 | 2,140,410 | 29% |
| Capacity/Demand Offset Fees ⁵ | 244,999 | - | 390,198 | 145,199 | 63% |
| C Total Non-Operating Revenue (Expenses) | 1,492,413 | 787,978 | 29,461,788 | 27,969,375 | 5% |
| A-B+C Change in All Funds | \$ 606,186 | \$ 1,547,474 | \$ 16,543,314 | \$ 15,937,129 | |
| <u>Other Non Cash Expenses</u> | | | | | |
| Depreciation | 4,611,990 | 4,379,909 | - | (4,611,990) | n/a |
| D Total Change in Net Position | \$ (4,005,804) | \$ (2,832,435) | \$ 16,543,314 | \$ 20,549,118 | |

Note: Totals may not sum due to rounding.

- The District performed routine scheduled maintenance on multiple vehicles at the beginning of the Fiscal Year.
- The District paid its 1st Q bill for SOCWA, including PC 15 O&M, for July - September.
- Investment income is comprised of realized income of \$637,957 and unrealized income (loss) of (\$131,998).
- The District received \$665,670 related to the first semi-annual 2009 COPs Federal Subsidy payment.
- The District received over \$200k in Capacity fees related to several large projects, including the Broadstone North Getty Gateway project.

#6.b.

**Moulton Niguel Water District
All Funds - Budget Comparison Report
Three Months Ended September 30, 2017
Legal Services - General**

| Firm | Water Use | | Capital ⁷ | Total |
|-------------------------|----------------------|-------------------------|----------------------|-------------------|
| | General ⁶ | Efficiency ⁶ | | |
| Best Best & Krieger LLP | \$ 213,165 | \$ 626 | \$ 3,166 | \$ 216,957 |
| Budget Amount | 300,000 | 50,000 | - | 350,000 |
| Budget Balance | \$ 86,835 | \$ 49,374 | n/a | \$ 136,209 |

Note: Totals may not sum due to rounding.

6. Legal Services - General on the previous page is made up of the General balance of \$213,165 and the \$626 Water Use Efficiency balance, for a total of \$213,791.

7. Capital legal services represent legal services rendered during construction and are capitalized by the District as part of the project. Each project has a separate budget for legal expenses and those individual budgets are not included as part of this schedule.

Consulting Services - Grant Administration

| Firm | Spent YTD | Spent Overall | Grants Received |
|-----------------------------------|-----------|---------------|-----------------|
| Nossaman LLP ⁸ | \$ 8,250 | \$ 8,250 | - |
| West Yost Associates ⁹ | 17,832 | 17,832 | - |

8. Nossaman receives a fixed monthly retainer for general grant services, including identification, tracking, and administering of grants.

9. West Yost YTD compiled the AMI WaterSmart final closeout documents and prepared documents for an additional grant application.

Moulton Niguel Water District
General Fund - Budget Comparison Report
Three Months Ended September 30, 2017

| | 1 | 2 | =1-2 | =2/1 |
|---|----------------------|-----------------------------|----------------------|------------------------|
| Description | Approved Budget | Fiscal Year to Date Actuals | Budget Balance | % of Actuals to Budget |
| GENERAL FUND | | | | |
| <u>Operating Revenues</u> | | | | |
| Water Sales | \$ 29,909,274 | \$ 8,218,067 | \$ 21,691,207 | 27% |
| Recycled Water Sales | 5,462,967 | 1,843,711 | 3,619,256 | 34% |
| Sewer Sales | 21,413,568 | 5,214,087 | 16,199,481 | 24% |
| Other Operating Income | 516,900 | 111,173 | 405,727 | 22% |
| A Total Operating Revenue | 57,302,709 | 15,387,038 | 41,915,671 | 27% |
| <u>Operating Expenses</u> | | | | |
| Salaries | 12,205,909 | 3,001,266 | 9,204,644 | 25% |
| PERs Employer Contributions | 1,804,882 | 422,124 | 1,382,758 | 23% |
| Defined Contribution 401A | 213,638 | 47,302 | 166,336 | 22% |
| Educational Courses | 69,753 | 1,145 | 68,608 | 2% |
| Travel & Meetings | 304,451 | 28,183 | 276,268 | 9% |
| Employee Relations | 81,250 | 8,537 | 72,713 | 11% |
| General Services | 517,820 | 38,470 | 479,350 | 7% |
| Annual Audit | 50,000 | 5,050 | 44,950 | 10% |
| Member Agencies O&M | 793,341 | 89,418 | 703,923 | 11% |
| Dues & Memberships | 124,675 | 30,989 | 93,686 | 25% |
| Consulting Services | 1,425,400 | 248,042 | 1,177,358 | 17% |
| Equipment Rental | 62,000 | 13,831 | 48,169 | 22% |
| District Fuel | 270,000 | 36,678 | 233,322 | 14% |
| Insurance - District | 402,420 | 90,864 | 311,556 | 23% |
| Insurance - Personnel | 370,102 | 78,384 | 291,718 | 21% |
| Insurance - Benefits | 2,836,557 | 632,159 | 2,204,398 | 22% |
| Legal Services - Personnel | 50,000 | 175 | 49,825 | 0% |
| Legal Services - General | 300,000 | 213,165 | 86,835 | 71% |
| District Office Supplies | 446,951 | 72,910 | 374,041 | 16% |
| District Operating Supplies | 444,788 | 78,889 | 365,899 | 18% |
| Repairs & Maintenance - Equipment ¹ | 693,169 | 241,181 | 451,989 | 35% |
| Repairs & Maintenance - Facilities | 3,725,857 | 615,061 | 3,110,797 | 17% |
| Safety Program & Compliance Requirements | 280,415 | 55,532 | 224,883 | 20% |
| Wastewater Treatment ² | 10,752,352 | 2,232,384 | 8,519,968 | 21% |
| Special Outside Assessments | 251,641 | 26,419 | 225,223 | 10% |
| Utilities | 2,281,900 | 798,177 | 1,483,723 | 35% |
| Water Purchases | 26,336,456 | 7,444,349 | 18,892,107 | 28% |
| Meter / Vault Purchases | 440,000 | 104,954 | 335,046 | 24% |
| B Total Operating Expenses | 67,535,729 | 16,655,636 | 50,880,093 | 25% |
| A-B Operating Income (Loss) | (10,233,020) | (1,268,598) | (8,964,422) | 12% |
| <u>Non-Operating Revenues (Expenses)</u> | | | | |
| Property Tax Revenue | 27,581,361 | 696,197 | 26,885,164 | 3% |
| Investment Income | 2,256,279 | 158,791 | 2,097,488 | 7% |
| Property Lease Income | 1,723,533 | 454,162 | 1,269,371 | 26% |
| Misc. Non-Operating Income ³ | 3,004,247 | 786,917 | 2,217,330 | 26% |
| Capacity Fees ⁴ | 340,198 | 208,921 | 131,277 | 61% |
| C Total Non-Operating Revenue (Expenses) | 34,905,618 | 2,304,988 | 32,600,630 | 7% |
| A-B+C Change in General Fund | \$ 24,672,598 | \$ 1,036,390 | \$ 23,636,208 | 9% |
| <u>Other Non Cash Expenses</u> | | | | |
| Depreciation | - | 4,611,990 | (4,611,990) | n/a |
| D Total Change in Net Position | \$ 24,672,598 | \$ (3,575,600) | \$ 28,248,198 | |

Note: Totals may not sum due to rounding.

1. The District performed routine scheduled maintenance on multiple vehicles at the beginning of the Fiscal Year.

2. The District paid its 1st Q bill for SOCWA, including PC 15 O&M, for July - September.

3. The District received \$665,670 related to the first semi-annual 2009 COPs Federal Subsidy payment.

4. The District received over \$100k in Capacity fees related to the Broadstone North Getty Gateway project.

#6.b.

Moulton Niguel Water District
Water Efficiency Fund - Budget Comparison Report
Three Months Ended September 30, 2017

| | 1 | 2 | =1-2 | =2/1 | |
|--|--|-----------------------------|-------------------|------------------------|-------------|
| Description | Approved Budget | Fiscal Year to Date Actuals | Budget Balance | % of Actuals to Budget | |
| WATER EFFICIENCY FUND | | | | | |
| Projected Operating Revenue | | | | | |
| Water Efficiency | \$ 3,335,112 | \$ 944,359 | \$ 2,390,753 | 28% | |
| A | Projected Total Operating Revenue | 3,335,112 | 944,359 | 28% | |
| Projected Operating Expenses | | | | | |
| Labor | 1,300,574 | 269,252 | 1,031,322 | 21% | |
| Educational Courses | 2,500 | - | 2,500 | 0% | |
| Travel & Meetings | 25,200 | 1,474 | 23,726 | 6% | |
| Dues & Memberships ¹ | 500 | 1,000 | (500) | 200% | |
| Consulting Services | 1,100,000 | 217,849 | 882,151 | 20% | |
| Legal Services | 50,000 | 626 | 49,374 | 1% | |
| Conservation supplies | 278,200 | 22,138 | 256,062 | 8% | |
| Repairs and Maintenance - Equipment | 2,500 | 56 | 2,444 | 2% | |
| Water Efficiency | 2,885,000 | 48,745 | 2,836,255 | 2% | |
| B | Projected Total Operating Expenses | 5,644,474 | 5,083,335 | 10% | |
| A-B | Projected Operating Income (Loss) | (2,309,362) | 383,220 | (2,692,582) | -17% |
| Projected Non-Operating Revenue | | | | | |
| Demand offset fees | 50,000 | 36,078 | 13,922 | 72% | |
| Investment Income | 97,937 | 35,488 | 62,449 | 36% | |
| C | Projected Total Non-Operating Revenue | 147,937 | 71,566 | 76,371 | 48% |
| A-B+C | Projected Change in Water Efficiency Fund | \$ (2,161,424) | \$ 454,786 | \$ (2,616,211) | |

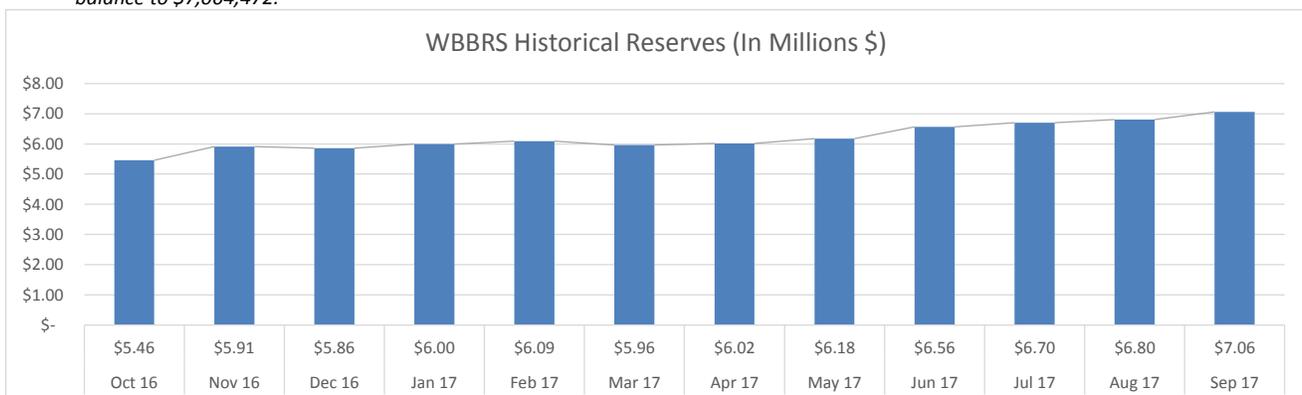
Note: Totals may not sum due to rounding.

1. The District participated in the Governmental membership for Sustain OC membership for FY 17-18 for \$1,000.

Water Efficiency Available Net Position ²

| Description | Approved Budget | Fiscal Year to Date Actuals | Budget Balance |
|---|---------------------|-----------------------------|----------------|
| Fund Net Position, Beginning of Year | \$ 7,258,366 | \$ 7,258,366 | \$ 7,258,366 |
| Projected Change in Water Efficiency Fund | (2,161,424) | 454,786 | (2,616,211) |
| Project Commitments | | (648,680) | |
| Fund Net Position, Three Months Ended September 30, 2017 | \$ 5,096,941 | \$ 7,064,472 | |

2. In addition to realized expenditures, there is approximately \$648,680 in project commitments, reducing the available WBBRS reserve balance to \$7,064,472.



MOULTON NIGUEL WATER DISTRICT
STATEMENT OF NET POSITION

| | (Unaudited) September 30, 2017 | (Unaudited) June 30, 2017 |
|---|---|--|
| CURRENT ASSETS: | | |
| Cash and investments | \$ 27,428,534 | \$ 34,380,673 |
| Restricted cash and investments with fiscal agent | 7,278,944 | 7,886,334 |
| Accounts receivables: | | |
| Water and sanitation charges | 4,205,428 | 3,742,510 |
| Property taxes | - | 333,100 |
| Grant Reimbursements | 179,628 | 179,628 |
| Other accounts receivable | 379,450 | 331,365 |
| Interest receivable | 542,124 | 634,134 |
| Inventory | 981,824 | 975,276 |
| Prepaid expenses | 1,524,141 | 626,833 |
| | 42,520,073 | 49,089,853 |
| NONCURRENT ASSETS: | | |
| Investments | 82,549,737 | 83,860,499 |
| Retrofit loans receivable | 531,343 | 539,940 |
| Capital assets, net of accumulated depreciation | 345,350,261 | 349,641,085 |
| Capital assets not being depreciated: | | |
| Land | 1,091,910 | 1,091,910 |
| Construction in progress | 46,176,535 | 44,848,592 |
| | 475,699,786 | 479,982,026 |
| | 518,219,859 | 529,071,879 |
| DEFERRED OUTFLOW OF RESOURCES: | | |
| Deferred Charges on Refunding | 612,768 | 658,585 |
| Deferred Items related to Pension | 4,610,581 | 4,610,581 |
| | 5,223,349 | 5,269,166 |
| TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES | \$ 523,443,207 | \$ 534,341,045 |

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

| | (Unaudited) September 30, 2017 | (Unaudited) June 30, 2017 |
|--|---|--------------------------------------|
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 6,191,403 | \$ 7,504,051 |
| Interest payable | 422,957 | 1,760,661 |
| Compensated absences | 865,368 | 751,852 |
| Current portion of long-term debt: | | |
| Bonds payable | 1,365,000 | 1,275,000 |
| Loans Payable | 2,050,902 | 2,032,109 |
| Certificates of participation | 1,805,000 | 1,925,000 |
| | 12,700,630 | 15,248,673 |
| TOTAL CURRENT LIABILITIES | | |
| LONG-TERM LIABILITIES | | |
| Compensated absences | 288,456 | 250,617 |
| Long-term debt: | | |
| Bonds payable | 11,925,000 | 15,095,000 |
| Loans payable | 5,575,363 | 6,660,907 |
| Certificates of participation | 60,000,000 | 60,000,000 |
| Net Pension Liability | 17,581,392 | 17,581,392 |
| | 95,370,211 | 99,587,916 |
| TOTAL LONG-TERM LIABILITIES | | |
| Bond Discount/Premium | 1,852,915 | 1,979,199 |
| | 109,923,756 | 116,815,787 |
| TOTAL LIABILITIES | | |
| DEFERRED INFLOW OF RESOURCES: | | |
| Deferred Items related to Pension | 2,447,949 | 2,447,949 |
| | 2,447,949 | 2,447,949 |
| TOTAL DEFERRED INFLOW OF RESOURCES | | |
| NET POSITION: | | |
| Net investment in capital assets | 308,657,294 | 307,272,958 |
| Restricted for capital projects | 234,475 | 291,818 |
| Unrestricted | 102,179,736 | 107,512,533 |
| | 411,071,505 | 415,077,309 |
| TOTAL NET POSITION | | |
| TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION | \$ 523,443,210 | \$ 534,341,045 |

Note: Totals may not sum due to rounding.

**MOULTON NIGUEL WATER DISTRICT
RESTRICTED CASH AND INVESTMENTS WITH FISCAL AGENT
As of September 30, 2017**

| | Reserve Requirement | (Unaudited) Balance 9/30/2017 | Over (Under) Requirement | (Unaudited) Balance 6/30/2017 |
|--|------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| <u>Restricted Cash and Investments:</u> | | | | |
| 2009 COPS Trust Reserve | \$ 6,000,000 | \$ 6,024,543 | \$ 24,543 | \$ 6,116,159 |
| 2009 COPS Installment | - | 112 | 112 | 59 |
| 2010 Installment Payment | - | - | - | 141,006 |
| 2010 COPS Trust Reserves | - | - | - | 378,971 |
| 2014 Consolidated Ref Bonds | - | 52 | 52 | 2 |
| 2015 Refunding Bonds | - | 12 | 12 | 9 |
| 2015 Refunding Reserve | 1,226,500 | 1,254,225 | 27,725 | 1,250,127 |
| Total Restricted Trust Accounts | \$ 7,226,500 | \$ 7,278,944 | \$ 52,444 | \$ 7,886,334 |

Note: Totals may not sum due to rounding.

MOULTON NIGUEL WATER DISTRICT

NET POSITION

As of September 30, 2017

| | Reserve Target | (Unaudited) | | (Unaudited) Balance 6/30/2017 |
|--|---|-----------------------|-----------------------|-------------------------------------|
| | | Balance 9/30/2017 | Net Change | |
| Adopted Reserve Targets ¹ | | | | |
| Designated for Self Insurance Reserve | \$ 250,000 | \$ 249,630 | \$ 9,649 | \$ 239,981 |
| Designated for Rate Stabilization | 14,500,430 | 14,569,064 | 821,576 | 13,747,488 |
| Designated for Emergency Reserves | 35,300,000 | 35,300,000 | (210,000) | 35,510,000 |
| Designated for Operating Reserves ² | 16,883,932 | 16,884,302 | (8,629,319) | 25,513,621 |
| Total Adopted Reserve Targets | \$ 66,934,362 | \$ 67,002,996 | \$ (8,008,094) | \$ 75,011,090 |
| | | | | |
| | FY Capital Budget ⁴ | | | |
| Designated for Capital Projects ³ | | | | |
| Designated for Replacement and Refurbishment | \$ 25,140,108 | \$ 16,337,403 | \$ 3,224,458 | \$ 13,112,946 |
| Designated for Water Supply Reliability | 350,000 | 351,657 | (3,484,617) | 3,836,274 |
| Designated for Planning and Construction | 18,957,000 | 10,774,529 | 2,480,671 | 8,293,858 |
| Total Designated for Capital Projects | \$ 44,447,108 | \$ 27,463,589 | \$ 2,220,511 | \$ 25,243,078 |
| | | | | |
| Other amounts | | | | |
| Designated for Water Efficiency (WBBRS) ⁵ | | \$ 7,713,152 | \$ 454,786 | \$ 7,258,366 |
| Restricted for Capital Facilities (Projects) | | 234,475 | (57,342) | 291,818 |
| Net Investment in Capital Assets ⁶ | | 308,657,294 | 1,384,336 | 307,272,958 |
| Total Other amounts | | \$ 316,604,920 | \$ 1,781,779 | \$ 314,823,141 |
| | | | | |
| Total Net Position | | \$ 411,071,505 | \$ (4,005,804) | \$ 415,077,309 |

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 \$23,681,204.

3. Balances in the Capital Project Funds represent available and designated cash to fund identified CIP projects.

4. FY 17-18 Budget also includes \$50,000 for capital expenses in Fund 6, bringing the total CIP budget to \$44,497,108.

5. In addition to realized expenditures, there is approximately \$648,680 in project commitments, reducing the available WBBRS reserve balance to \$7,064,472.

6. Net Investment in Capital Assets calculated as follows:

| | |
|---|-----------------------|
| Total capital assets | \$ 392,618,706 |
| Less capital related debt | (84,574,180) |
| Add deferred charges related to debt | 612,768 |
| Total Net Investment in Capital Assets | \$ 308,657,294 |

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

Summary of Disbursements in October 2017:

| | | |
|--|---------|----------------------|
| General Fund Disbursements | | 7,877,889 |
| <u>Restricted Fund Disbursements:</u> | | |
| Self Insurance Fund | 778 | |
| Water Efficiency Fund | 406,717 | |
| Replacement & Refurbishment Fund | 938,274 | |
| Planning & Construction Fund | 108,696 | |
| 1998 SRF Loan | 816,563 | 2,271,028 |
| Total Disbursements for all Funds | | \$ 10,148,917 |

Detail of Major Expenditures in October 2017:

| | | |
|---|-----------|-----------|
| 1. South Orange County Wastewater Authority (SOCWA) | | |
| Q2 17/18 O&M Budget Deposits | 2,232,384 | |
| Q2 17/18 Capital Project Billings | 550,698 | 2,783,082 |
| 2. Municipal Water District of Orange County (MWDOC) | | |
| August Water Purchases 2706.9 AF | 2,437,340 | |
| August Readiness To Serve | 108,075 | |
| August Capacity Charge | 30,934 | |
| August 2017 Turf, Nozzles, and Smart Timer Rebates | 14,539 | |
| August SCP Operation Surcharge | 6,967 | |
| August SAC Operation Surcharge | 951 | |
| July Reclaimed Rebate 298.4 AF | (45,954) | 2,552,853 |
| 3. Santa Margarita Water District (SMWD) | | |
| Q4 16/17 Plant 3A O&M Charges | | 435,187 |
| 4. City of Laguna Niguel | | |
| Commercial Turf Rebate | 275,998 | |
| Replenish Prepaid Permit Account | 5,000 | 280,998 |
| 5. South Coast Water District (SCWD)/Joint Regional Water Supply System (JRWSS) | | |
| Q2 17/18 O&M Charges | 115,553 | |
| July & August 17/18 Capital Project Costs | 35,035 | 150,588 |
| 6. Iflow Energy Solutions, Inc. | | |
| 200 Stainless Steel Ultrasonic meters with sensus protocol | | 127,361 |

