



moulton niguel water district

MONTHLY NEWSLETTER
FEBRUARY 2017

Our Investments to Ensure **Water Reliability** for our Customers

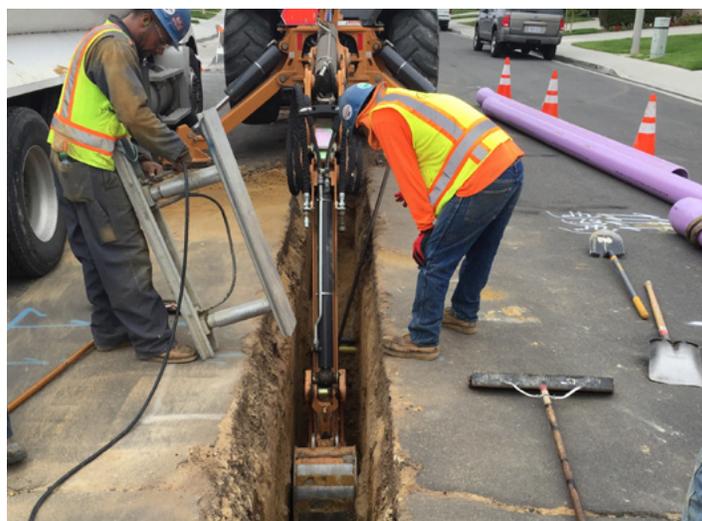
Moulton Niguel Water District is dedicated to providing reliable and cost-effective water, recycled water, and wastewater treatment services to our customers while protecting the infrastructure and systems that deliver, treat, and store this precious resource. Ensuring continued system reliability through reinvestment in the District's \$2 billion critical infrastructure has remained a priority.

We have invested approximately **\$75 million dollars** in reliability projects just in the last 10 years, forming partnerships throughout the region to enhance resiliency during drought and emergency conditions. Water reliability investments are critical to sustain water deliveries to our customers and have included projects that expand our water recycling systems, increase emergency storage, and make necessary infrastructure repairs, among others. In fact, on an annual basis, we have invested approximately \$6 million, on average, in our own District infrastructure projects to ensure our systems are operating efficiently.

For further reinforcement of our commitment, we have a water reliability policy that states our intention to develop adequate capacity and supplies through local facilities and regional projects - including both storage and water supply development - and to increase our emergency water supply capacity from a 24-day to a 31-day supply, to allow us to continue providing customers with water during both planned and unplanned service interruptions.

In a time when many utilities are being forced to have double digit rate increases or postpone necessary infrastructure investments as they adapt to this new environment, we are not. Rather, we are able to focus on conservation programs and new capital projects that improve both system and supply reliability.

The District enters the new year in a financially strong position with a 'AAA' rating from Fitch Ratings and 'AA+' from Standard and Poor's Ratings Services. These high ratings enable us to finance capital projects at lower interest rates, which will save customers millions of dollars as we look towards enhanced water reliability in the future.



MNWD's Recycled Water System Extension Project provided over 33 million gallons of recycled water a year to 12 new recycled water services in the Laguna Audubon HOA and 20 other recycled water services in the Cities of Aliso Viejo, Laguna Hills, and Laguna Niguel, as well as recycled water pipelines in Aliso Viejo, Laguna Hills, and Laguna Niguel.

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LIVE within your BUDGET

Managing Water Demand in a Dry Climate

Drought or no drought, our dry climate requires us to rethink the way we use and manage water. To help us prepare for that future and meet water reliability goals, we have implemented demand management strategies, which have been recognized by the State as innovative and effective strategies, that enable customers to achieve cost-effective, long-term water savings and enhanced water reliability. Our water budget-based rate structure is an example of an ongoing demand management strategy that empowers customer preference in how they maintain and live within their water budgets. Water budgets are calculated based on efficient indoor and outdoor water use for individual customer needs. In times of emergency, our Water Shortage Contingency Plan provides the groundwork for actions that reinforces the need for long-term conservation behavior and prompts customers to stay within their water budgets.

What's My Budget and How Is It Calculated?

Every customer has unique water needs, and businesses use water in a variety of different ways. As such, we provide each customer with a personalized water budget designed to meet their specific indoor and outdoor water needs. The goal of our budget-based rate structure is to incentivize customers to use water more efficiently by rewarding efficient water use and reducing water waste. Customers who use water efficiently and stay within their water budgets pay the lowest rates. Customers who are inefficient pay more for the increased costs associated with providing enhanced water reliability programs.

We all must do our part to help manage our region's limited water resources. Learn more about MNWD's budget-based rate structure and the various types of water budgets at www.mnwd.com/understandingwaterbudget.

For more information, visit www.mnwd.com

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HOUSEHOLD



WATER BUDGET

$$\begin{array}{ccccccc}
 \text{HOUSEHOLD} & = & \text{PERSONS PER HOUSEHOLD} & \times & 60 & \times & \# & \div & 748 \\
 \text{INDOOR} & & \text{Number of Permanent Residents} & & \text{Gallons per Person per Day} & & \text{Days in Billing Cycle (typically 28 to 35 days)} & & \text{Conversion Factor (one billing unit = 748 gallons of water)}
 \end{array}$$

$$\begin{array}{ccccccc}
 \text{HOUSEHOLD} & = & \text{IRRIGABLE AREA} & \times & \text{ET} & \times & 0.7 & \times & 0.62 & \div & 748 \\
 \text{OUTDOOR} & & \text{Square Footage} & & \text{Monthly Evapotranspiration Rate (the amount of water lost through plant leaves and to surface evaporation)} & & \text{Plant Factor (an indicator of a plant's water needs ranging from 0.0 to 1.0)} & & \text{Conversion Factor (from acre-inches to gallons)} & & \text{Conversion Factor (one billing unit = 748 gallons of water)}
 \end{array}$$