



# moulton niguel water district

## FINANCE & INFORMATION TECHNOLOGY

### BOARD OF DIRECTORS' MEETING

#### MOULTON NIGUEL WATER DISTRICT

27500 La Paz Road, Laguna Niguel

February 14, 2018

8:30 AM

**Approximate Meeting Time: 3 Hours**

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE JANUARY 17, 2018 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 ITEMS**

5. Construction Contract Award for Vault Removals
6. Construction Contract Award for Rehabilitation of the Aliso Hills Reservoir

### **INFORMATION ITEMS**

7. 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 January 2018
- 8. Quarterly Capital Improvement Program Report
- 9. Quarterly Construction Progress Report
- 10. Quarterly Operations Report
- 11. Naturescape Update
- 12. Operations Center Consolidation Improvement Project Update
- 13. Water Usage Update
- 14. Future Agenda Items (Any items added under this section are for discussion at future meetings only)
- 15. 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]

### **CLOSED SESSION**

#### 16. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property: E/O Camino Capistrano and approximately 1,700 feet S/O Oso Parkway, Mission Viejo, APN 636-021-13, 636-012-17

Agency negotiator: Rod Woods, Director of Engineering

Negotiating party: Cal Trans

Under negotiation: price and terms of payment

#### 17. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property: W/O Wood Canyon Drive and approximately 100 feet North of the intersection of Wood Canyon Drive and Cottage Lane, Aliso Viejo, APN 639-021-12

Agency negotiator: Rod Woods, Director of Engineering

Negotiating party: Southern California Edison

Under negotiation: price and terms of payment

### **ADJOURNMENT**

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

Niguel Water District Secretary at least forty-eight (48) hours prior to the scheduled meeting.

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







# moulton niguel water district

DRAFT

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

January 17, 2018

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 January 17, 2018. There were present and participating:

**DIRECTORS**

Duane Cave	Director
Scott Colton	Vice President
Richard Fiore	Director
Donald Froelich	President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President/Chair (arrived at 8:44 a.m.)

Also present and participating were:

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

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

Mike Dunbar  
Steve Greyshock  
Jose Solorio

General Manager, Emerald Bay Service District  
GreyComm  
Nossaman, LLP

**1. CALL MEETING TO ORDER**

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

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

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

**3. PUBLIC COMMENTS**

*None.*

**DISCUSSION ITEMS**

**5. Rebate Application for Turf Removal**

*This item was taken first on the agenda. Lindsey Stuvick provided details on the turf removal rebate application. Staff recommends that the Board of Directors consider the rebate application for the identified project associated with Account No. 56827 without a limitation on the maximum allowable acreage and direct staff accordingly. Discussion ensued regarding the application.*

**INFORMATION ITEMS**

**6. Monthly Financial Report**

*This item was taken next on the agenda. Trevor Agrelius provided the Monthly Financial Report.*

*Brain Probolsky arrived at 8:44 a.m.*

**DISCUSSION ITEMS CONTINUED**

**4. Variance and Adjustment Policy Update**

*This item was taken after Item #6. Drew Atwater provided details on the policy update. Staff recommends that the Board of Directors approve the resolution entitled, "Adoption of the Water Budget Based Rate Structure (WBBRS) Water Budget Modification and Bill Adjustment Policy". Discussion ensued regarding the proposed changes to the policy.*

**7. Customer Portal Update**

*Drew Atwater provided an update on the customer portal.*

**8. Regional Urban Run-off Collaboration Update**

*Drew Atwater provided an update on the Regional Urban Run-off Collaboration.*

**9. Fiscal Year 2018-19 Budget Update**

*Johnathan Cruz provided an update on the fiscal year 2018-19 budget.*

**10. Water Usage Update**

*Lindsey Stuvick provided the water usage update.*

**11. Legislative Affairs Report**

*Jake Vollebregt and Jose Solorio from Nossaman LLC provided the legislative affairs report.*

**12. Communications and Outreach Update**

*Medha Patel provided a brief communications and outreach update.*

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

*None.*

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

*None.*

**#2.**

**ADJOURNMENT**

*The meeting was adjourned at 11:24 a.m.*

Respectfully submitted,

Tim Bonita  
Recording Secretary

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# Moulton Niguel Water District

Period Ending  
December 31, 2017



<b>SECTION 1</b>	<b>Consolidated Information</b>
<b>SECTION 2</b>	<b>Account Profile</b>
<b>SECTION 3</b>	<b>Portfolio Holdings</b>
<b>SECTION 4</b>	<b>Transactions</b>
<b>SECTION 5</b>	<b>Economic Update</b>

**SECTION 1**

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**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

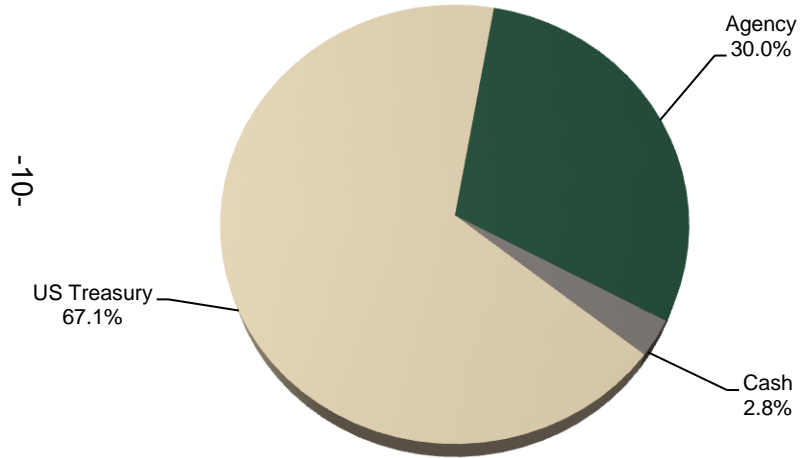
	12/31/2017	9/30/2017
	Portfolio	Portfolio
Average Maturity (yrs)	2.97	3.25
Modified Duration	2.86	3.13
Average Purchase Yield	1.31%	1.32%
Average Market Yield	1.98%	1.66%
Average Quality	AA+/Aaa	AA+/Aaa
Total Market Value	7,314,557	7,302,315

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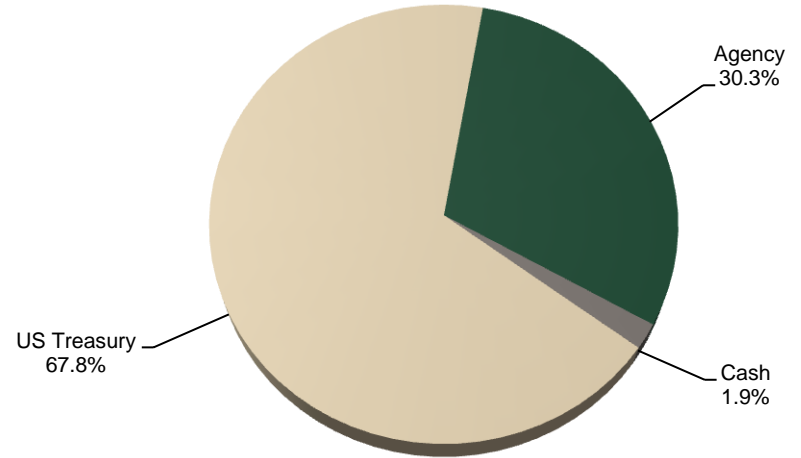


## Moulton Niguel Water District Bond Reserves

December 31, 2017



September 30, 2017





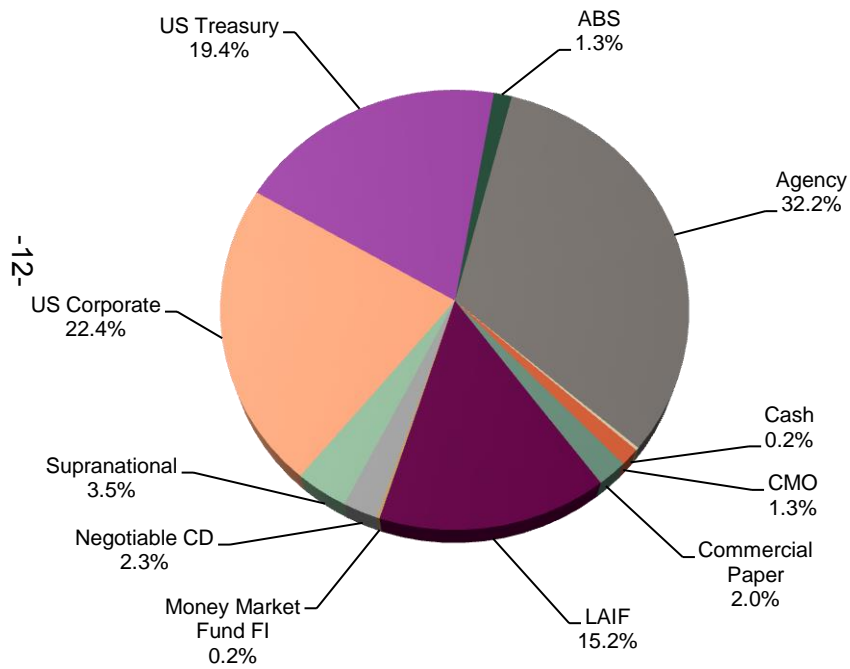
## Moulton Niguel Water District Consolidated

	12/31/2017	9/30/2017
	Portfolio	Portfolio
Average Maturity (yrs)	2.72	3.00
Modified Duration	2.52	2.80
Average Purchase Yield	1.93%	1.98%
Average Market Yield	1.98%	1.76%
Average Quality	AA/Aa1	AA/Aa1
Total Market Value	126,374,688	116,421,157

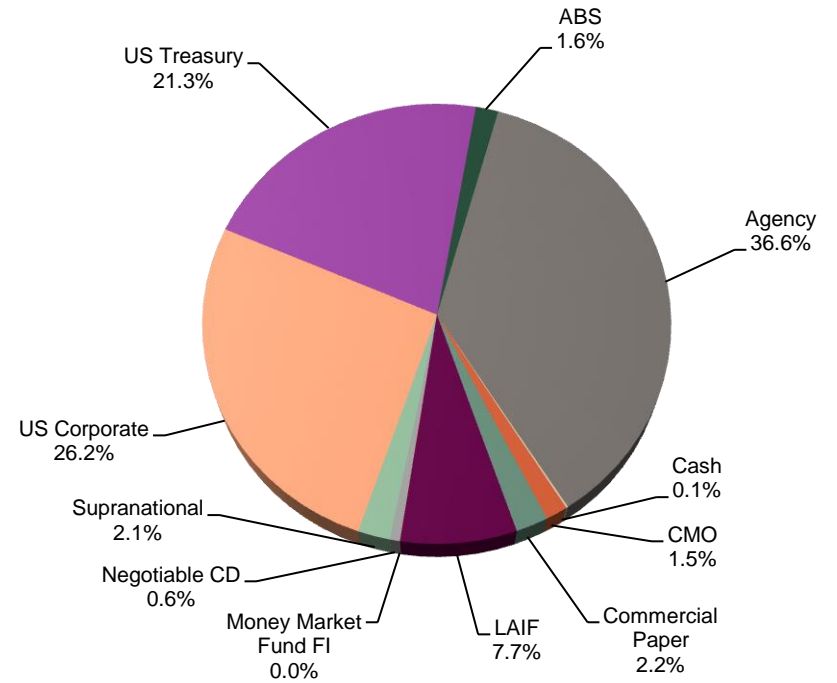


## Moulton Niguel Water District Consolidated

December 31, 2017



September 30, 2017



-12-

## Moulton Niguel Water District Consolidated – Account #43

As of 12/31/2017

Issue Name	Investment Type	Avg Mkt Yield	Avg Maturity	% Portfolio
Government of United States	US Treasury	2.12%	4.34	19.38%
Local Agency Investment Fund	LAIF	1.28%	0.00	15.18%
Federal Home Loan Bank	Agency	2.15%	3.89	11.95%
Federal National Mortgage Association	Agency	2.23%	4.79	10.36%
Federal Home Loan Mortgage Corp	Agency	2.09%	3.27	4.66%
Tennessee Valley Authority	Agency	2.15%	3.92	3.82%
Inter-American Dev Bank	Supranational	2.15%	3.42	2.51%
Charles Schwab Corp/The	US Corporate	2.07%	0.28	1.70%
HSBC USA Corp	US Corporate	1.96%	0.57	1.62%
Bank of Tokyo-Mit UFJ	Commercial Paper	1.47%	0.17	1.51%
Federal Farm Credit Bank	Agency	1.84%	1.61	1.43%
US Bancorp	US Corporate	2.11%	1.91	1.42%
Qualcomm Inc	US Corporate	2.39%	1.87	1.42%
Federal Home Loan Mortgage Corp	CMO	2.01%	0.65	1.33%
Bank of New York	US Corporate	2.13%	1.70	1.32%
Honda Motor Corporation	US Corporate	1.92%	0.78	1.27%
ChevronTexaco Corp	US Corporate	1.72%	0.39	1.11%
Oracle Corp	US Corporate	2.35%	3.71	1.06%
International Finance Corp	Supranational	1.81%	0.62	0.99%
State Street Bank	US Corporate	2.40%	3.38	0.98%
JP Morgan ABS	ABS	1.75%	2.29	0.98%
Exxon Mobil Corp	US Corporate	2.30%	3.17	0.98%
JP Morgan Chase & Co	US Corporate	2.16%	1.08	0.96%
Toyota Motor Corp	US Corporate	1.88%	1.05	0.96%
Cisco Systems	US Corporate	2.03%	1.16	0.96%
Deere & Company	US Corporate	2.00%	0.95	0.93%
Berkshire Hathaway	US Corporate	2.30%	3.21	0.83%
Apple Inc	US Corporate	2.52%	4.70	0.82%
Toronto Dominion Holdings	Negotiable CD	1.80%	0.65	0.80%
Pepsico Inc	US Corporate	2.22%	2.33	0.76%

**Moulton Niguel Water District Consolidated – Account #43**
**As of 12/31/2017**

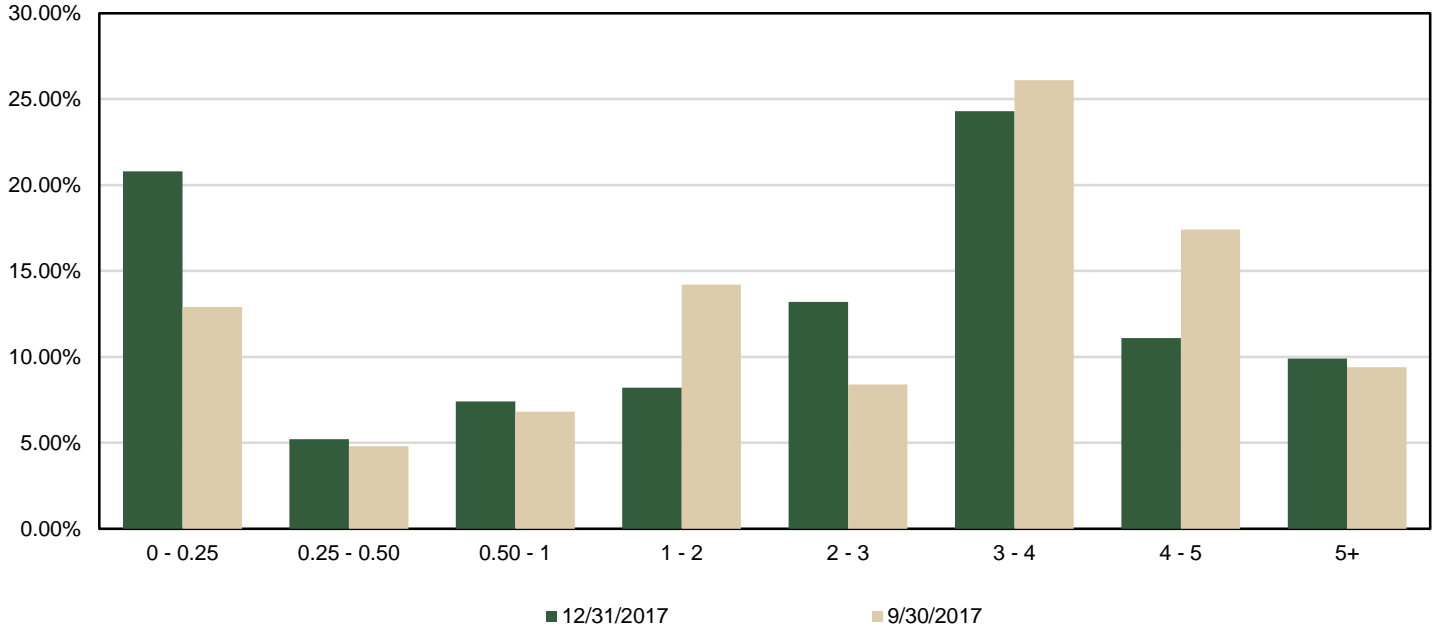
Issue Name	Investment Type	Avg Mkt Yield	Avg Maturity	% Portfolio
IBM Corp	US Corporate	2.67%	4.69	0.71%
Microsoft	US Corporate	2.31%	3.61	0.67%
PNC Financial Services Group	US Corporate	2.56%	4.13	0.65%
Paccar Financial	US Corporate	2.22%	2.45	0.62%
Bank of Nova Scotia Houston	Negotiable CD	1.65%	0.72	0.60%
Toyota Motor Corp	Commercial Paper	1.36%	0.02	0.51%
Cooperatieve Rabobank UA	Negotiable CD	1.75%	0.53	0.50%
Bank of Montreal Chicago	Negotiable CD	1.76%	0.85	0.41%
Wells Fargo Corp	US Corporate	1.74%	0.04	0.32%
General Electric Co	US Corporate	2.18%	1.04	0.30%
John Deere ABS	ABS	2.22%	3.79	0.27%
Wells Fargo Adv Govt Money Market Fund	Money Market Fund FI	1.00%	0.00	0.18%
Bank Cash Account	Cash	0.00%	0.00	0.16%
Honda ABS	ABS	1.84%	1.14	0.05%
Toyota ABS	ABS	1.64%	1.13	0.03%
<b>Total</b>		<b>1.98%</b>	<b>2.72</b>	<b>100%</b>



# Duration Distribution

## Moulton Niguel Water District Consolidated

December 31, 2017 vs. September 30, 2017



-15-

	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
12/31/17	20.8%	5.2%	7.4%	8.2%	13.2%	24.3%	11.1%	9.9%
09/30/17	12.9%	4.8%	6.8%	14.2%	8.4%	26.1%	17.4%	9.4%

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**SECTION 2**

**Account Profile**





## Bond Reserves

	Bond Reserves	
	12/31/2017	9/30/2017
Portfolio book value	\$7,444,324	\$7,755,804
Market value	\$7,314,557	\$7,681,860
Net Contribution/Withdrawal for the Period	\$50,000	--
Average book yield	1.31%	1.28%
Average maturity (yrs)	2.97	3.09
Modified duration	2.86	2.98
\$ change in value for 1% change in rates	\$208,884	\$229,043
% maturing within two years	13.3%	14.4%
Average credit quality	AA+/Aaa	AA+/Aaa

-17-



## Liquid Fund

	BAML 3-Month US Treasury Bill Index	Liquid Fund	
	12/31/2017	12/31/2017	9/30/2017
Portfolio book value	--	\$19,154,727	\$8,918,020
Market value	--	\$19,183,122	\$8,954,758
Net Contribution/Withdrawal for the Period	--	\$10,200,000	--
Average book yield	--	1.28%	1.12%
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	
	12/31/2017	12/31/2017	9/30/2017
Portfolio book value	--	\$17,393,285	\$17,357,326
Market value	--	\$17,220,508	\$17,189,886
Net Contribution/Withdrawal for the Period	--	(\$1,125)	--
Average book yield	--	1.80%	1.98%
Average maturity (yrs)	1.41	0.85	0.92
Modified duration	1.38	0.67	0.73
\$ change in value for 1% change in rates	--	\$115,377	\$125,486
% maturing within two years	69.2%	92.8%	92.7%
Average credit quality	AAA	AA+/Aa1	AA/Aa2

-19-



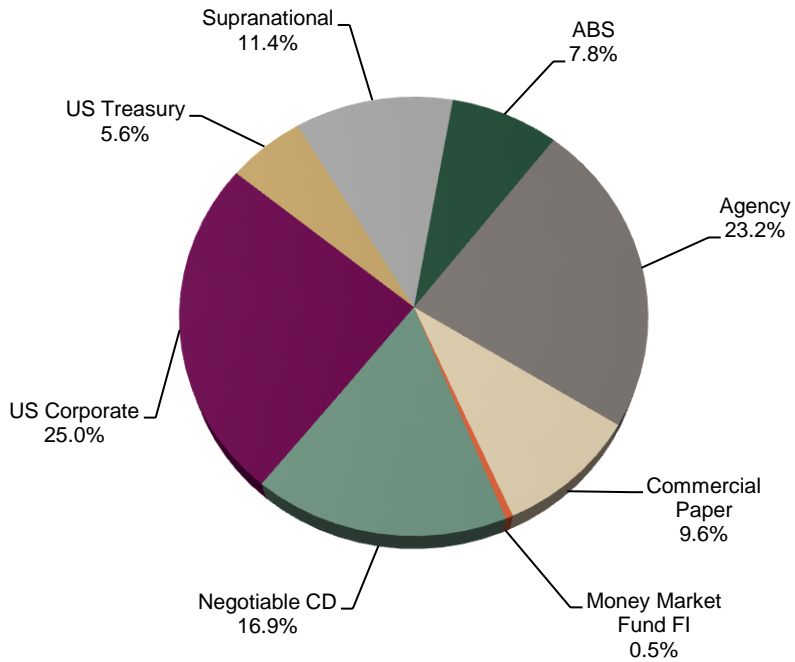
## Operating Reserve Fund

	BAML 1-10 Yr US Treasury/Agency Index	Operating Reserve Fund	
	12/31/2017	12/31/2017	9/30/2017
Portfolio book value	--	\$82,369,225	\$82,010,755
Market value	--	\$82,656,501	\$82,974,198
Net Contribution/Withdrawal for the Period	--	(\$750)	--
Average book yield	--	2.16%	2.13%
Average maturity (yrs)	3.88	3.71	3.74
Modified duration	3.64	3.46	3.50
\$ change in value for 1% change in rates	--	\$2,859,915	\$2,904,097
% maturing within two years	23.4%	18.0%	19.9%
Average credit quality	AAA	AA/Aa1	AA/Aa1

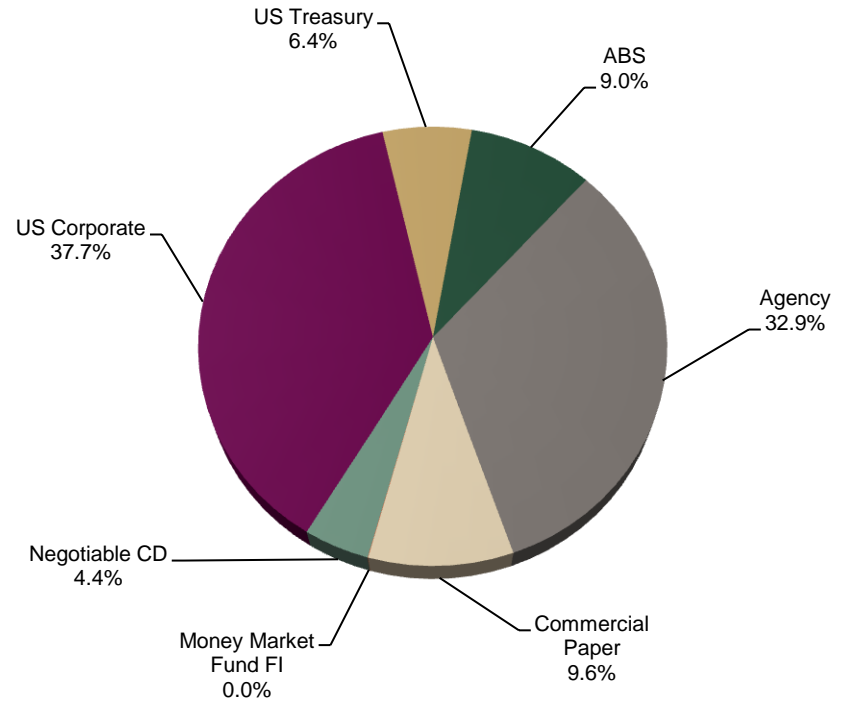


## Moulton Niguel Water District Limited Maturity

December 31, 2017



September 30, 2017



-21-

## Moulton Niguel Water District Limited Maturity – Account #42

As of 12/31/2017

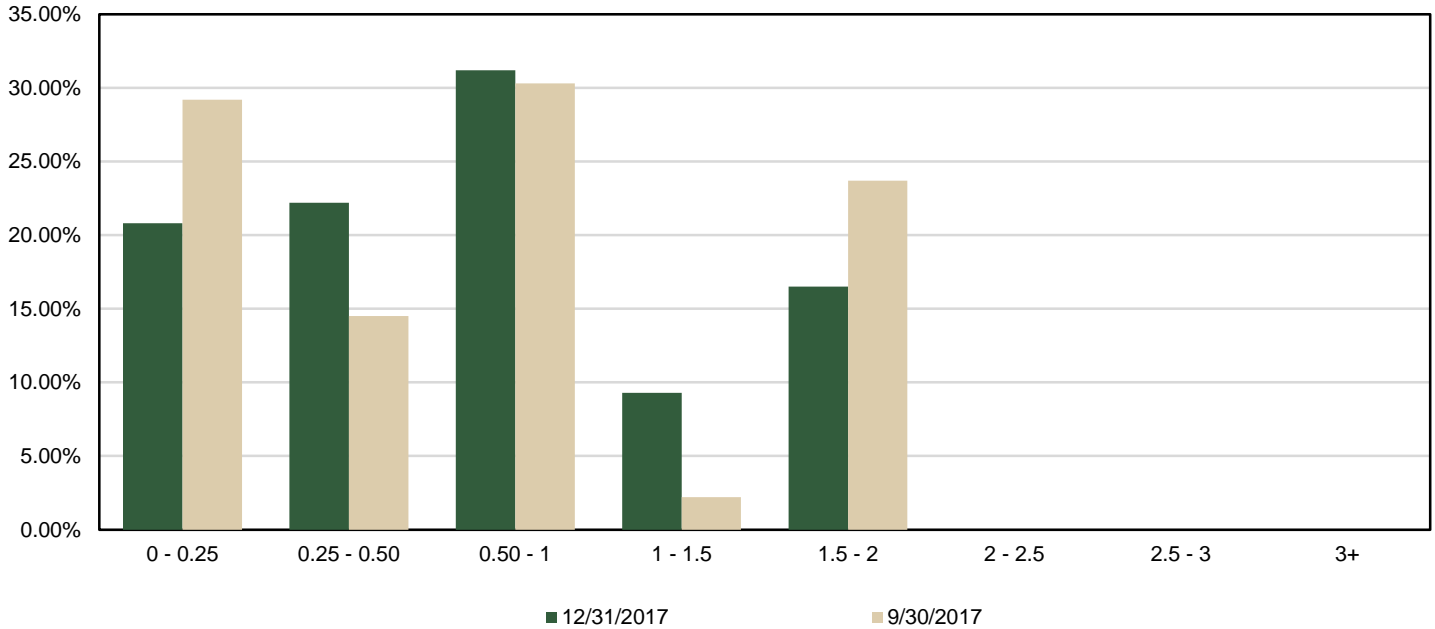
Issue Name	Investment Type	Avg Mkt Yield	Avg Maturity	% Portfolio
Federal Home Loan Bank	Agency	1.80%	1.33	15.98%
International Finance Corp	Supranational	1.81%	0.62	7.29%
HSBC USA Corp	US Corporate	2.07%	0.90	7.28%
JP Morgan ABS	ABS	1.75%	2.29	7.20%
Toronto Dominion Holdings	Negotiable CD	1.80%	0.65	5.84%
Bank of Tokyo-Mit UFJ	Commercial Paper	1.46%	0.15	5.79%
Government of United States	US Treasury	1.71%	0.98	5.65%
Charles Schwab Corp/The	US Corporate	2.01%	0.39	5.49%
Bank of Nova Scotia Houston	Negotiable CD	1.65%	0.72	4.38%
Inter-American Dev Bank	Supranational	1.78%	0.65	4.09%
Federal Farm Credit Bank	Agency	1.48%	0.29	3.84%
Toyota Motor Corp	Commercial Paper	1.36%	0.02	3.77%
Cooperatieve Rabobank UA	Negotiable CD	1.75%	0.53	3.65%
Bank of Montreal Chicago	Negotiable CD	1.76%	0.85	3.00%
Qualcomm Inc	US Corporate	1.81%	0.38	2.67%
Bank of New York	US Corporate	2.13%	1.70	2.64%
Wells Fargo Corp	US Corporate	1.74%	0.04	2.34%
ChevronTexaco Corp	US Corporate	1.75%	0.17	2.33%
General Electric Co	US Corporate	2.18%	1.04	2.23%
Federal National Mortgage Association	Agency	1.55%	0.39	1.97%
Federal Home Loan Mortgage Corp	Agency	1.88%	1.58	1.45%
Wells Fargo Adv Govt Money Market Fund	Money Market Fund FI	1.00%	0.00	0.52%
Honda ABS	ABS	1.84%	1.14	0.35%
Toyota ABS	ABS	1.64%	1.13	0.25%
<b>Total</b>		<b>1.77%</b>	<b>0.85</b>	<b>100%</b>



# Duration Distribution

## Moulton Niguel Water District Limited Maturity

December 31, 2017 vs. September 30, 2017



-23-

	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 1.5	1.5 - 2	2 - 2.5	2.5 - 3	3+
12/31/17	20.8%	22.2%	31.2%	9.3%	16.5%	0.0%	0.0%	0.0%
09/30/17	29.2%	14.5%	30.3%	2.2%	23.7%	0.0%	0.0%	0.0%



## Moulton Niguel Water District Limited Maturity

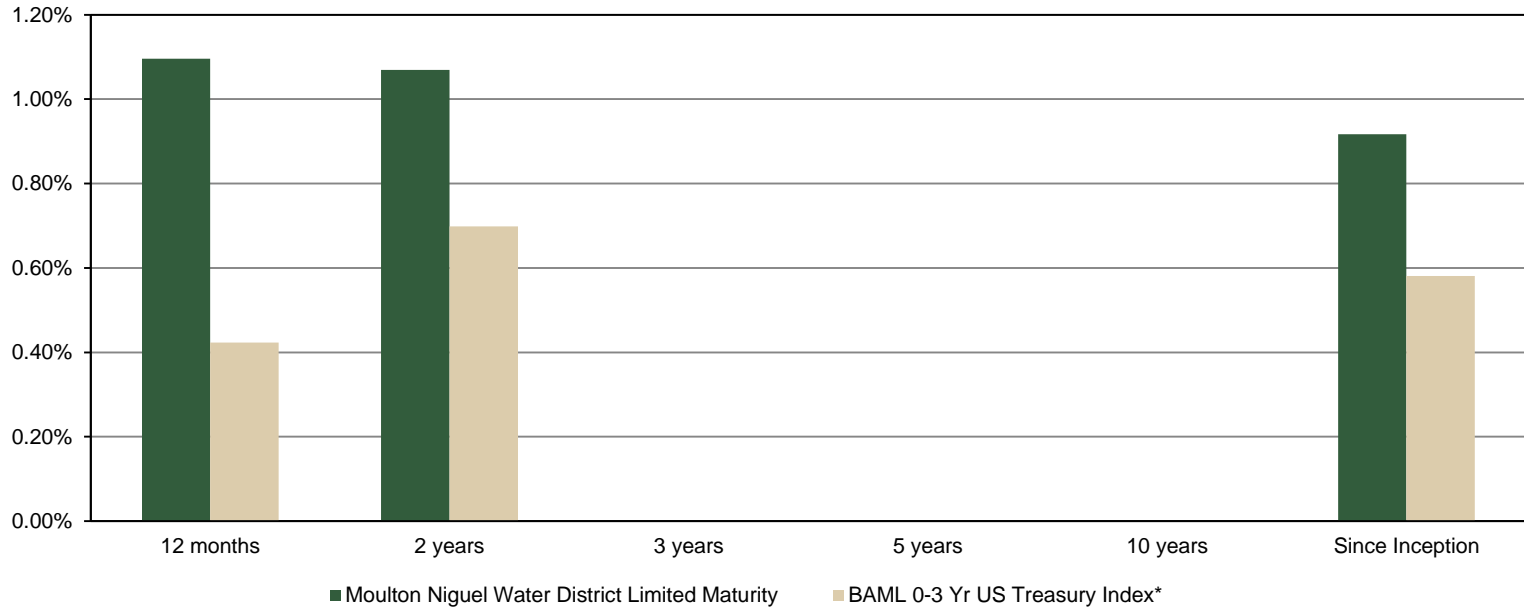
Period Ending

December 31, 2017

Total Rate of Return

Annualized Since Inception

February 28, 2015



-24-

	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Moulton Niguel Water District Limited Maturity	0.18%	1.10%	1.07%	N/A	N/A	N/A	0.92%
BAML 0-3 Yr US Treasury Index	-0.25%	0.42%	0.70%	N/A	N/A	N/A	0.58%

\*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.



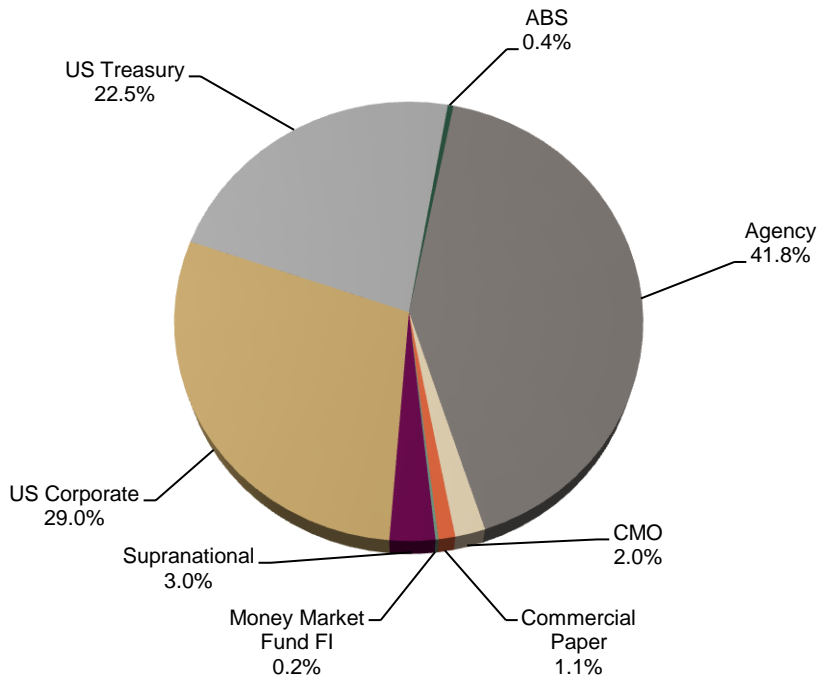


## 40 – Trading Activity – 9/30/2017-12/31/2017

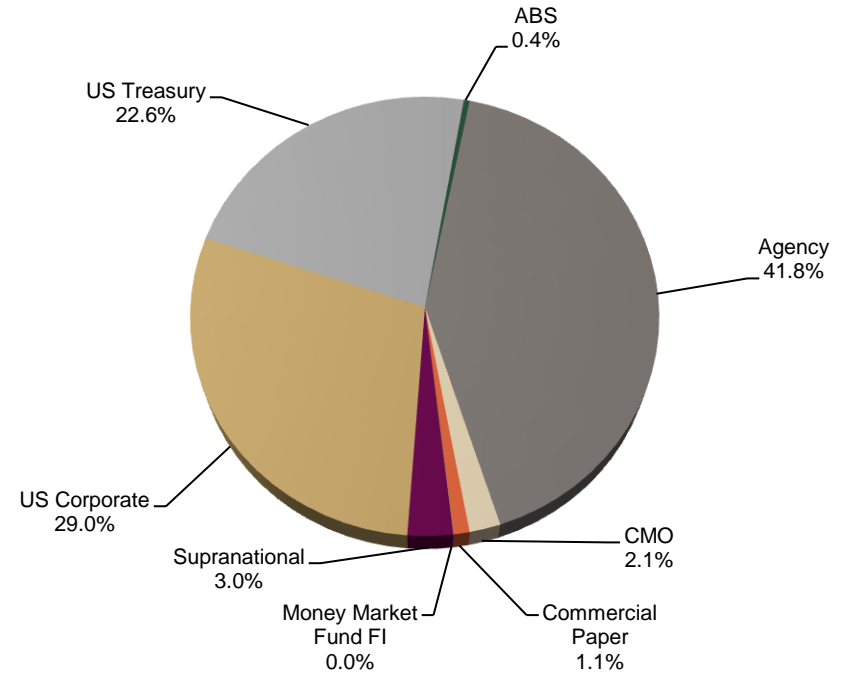
Settle Date	Description	Sector	Maturity Date	Amount	Book Value	Market Value	Gain/Loss	Duration	Yield
<b>Purchase</b>									
11/08/2017	Bank of Tokyo Mitsubishi NY	Commercial Paper	03/13/2018	\$910,000.00	\$905,418.40	\$905,418.40	\$0.00	0.340	1.478
11/21/2017	FHLB	Agency	09/10/2027	\$1,600,000.00	\$1,592,032.00	\$1,592,032.00	\$0.00	8.558	2.683
10/06/2017	FNMA	Agency	10/05/2022	\$900,000.00	\$899,406.00	\$899,406.00	\$0.00	4.733	2.014
12/01/2017	IBM Credit Corp	US Corporate	09/08/2022	\$915,000.00	\$899,518.20	\$899,518.20	\$0.00	4.471	2.579
				\$4,325,000.00	\$4,296,374.60	\$4,296,374.60	\$0.00		
<b>Sale</b>									
11/21/2017	FHLMC	Agency	10/02/2019	\$1,425,000.00	\$1,396,312.75	\$1,410,579.00	\$14,266.25	1.829	1.804
10/06/2017	FHLMC	Agency	08/01/2019	\$950,000.00	\$927,474.80	\$945,535.00	\$18,060.20	1.787	1.513
12/01/2017	Paccar Financial Corp	US Corporate	03/09/2018	\$850,000.00	\$849,201.00	\$849,702.50	\$501.50	0.271	1.574
				\$3,225,000.00	\$3,172,988.55	\$3,205,816.50	\$32,827.95		

## Moulton Niguel Water District Operating Reserve

December 31, 2017



September 30, 2017



-26-

## Moulton Niguel Water District Operating Reserve – Account #40

As of 12/31/2017

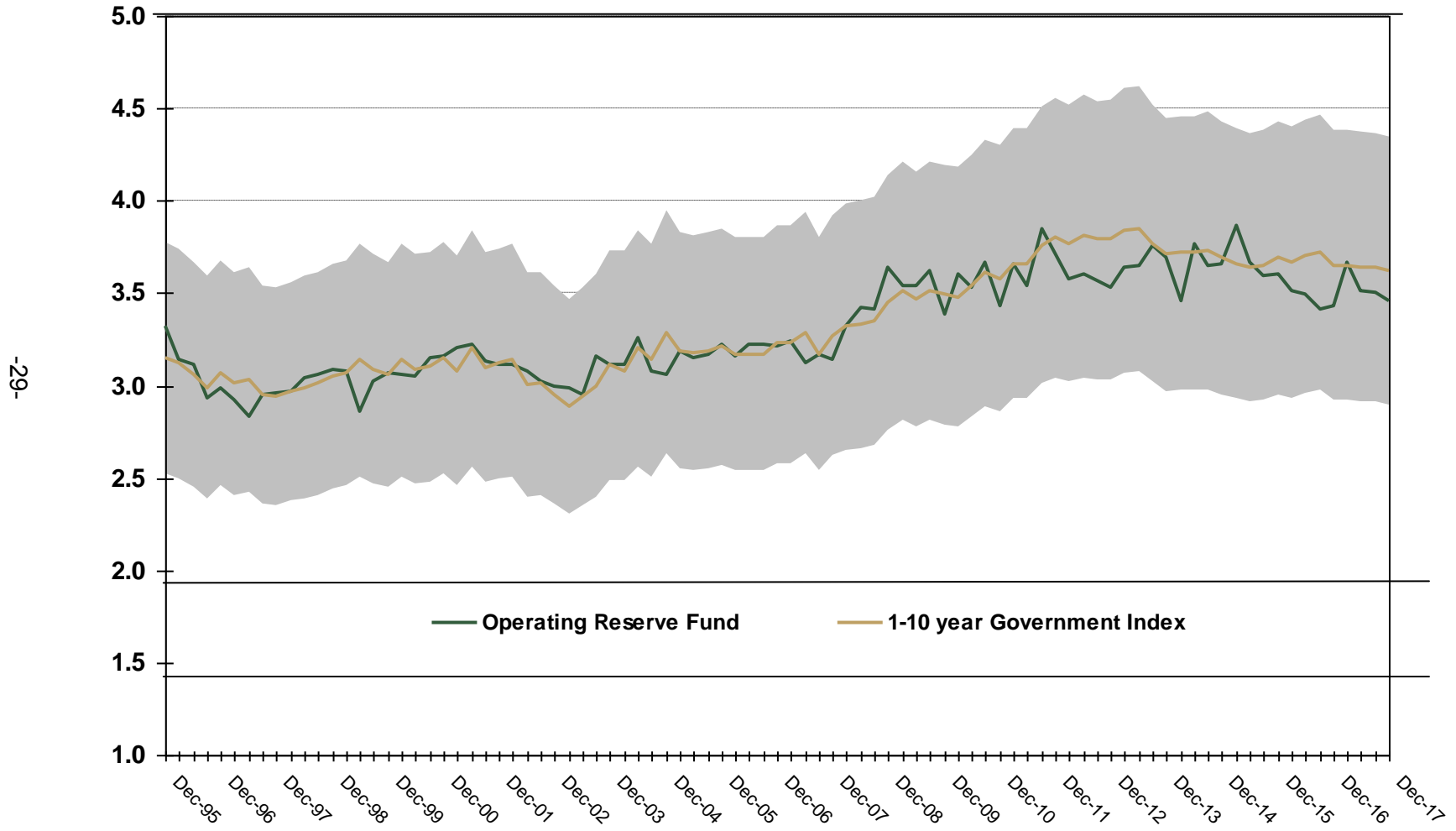
Issue Name	Investment Type	Avg Mkt Yield	Avg Maturity	% Portfolio
Government of United States	US Treasury	2.17%	4.83	22.51%
Federal National Mortgage Association	Agency	2.25%	4.95	15.10%
Federal Home Loan Bank	Agency	2.25%	4.71	12.86%
Federal Home Loan Mortgage Corp	Agency	2.11%	3.41	6.58%
Tennessee Valley Authority	Agency	2.15%	3.92	5.84%
Inter-American Dev Bank	Supranational	2.25%	4.21	2.99%
US Bancorp	US Corporate	2.11%	1.91	2.18%
Federal Home Loan Mortgage Corp	CMO	2.01%	0.65	2.04%
Honda Motor Corporation	US Corporate	1.92%	0.78	1.95%
Oracle Corp	US Corporate	2.35%	3.71	1.62%
Qualcomm Inc	US Corporate	2.58%	2.39	1.61%
State Street Bank	US Corporate	2.40%	3.38	1.50%
Exxon Mobil Corp	US Corporate	2.30%	3.17	1.50%
JP Morgan Chase & Co	US Corporate	2.16%	1.08	1.47%
Toyota Motor Corp	US Corporate	1.88%	1.05	1.47%
Bank of New York	US Corporate	2.13%	1.70	1.47%
Cisco Systems	US Corporate	2.03%	1.16	1.46%
Charles Schwab Corp/The	US Corporate	2.11%	0.19	1.46%
Deere & Company	US Corporate	2.00%	0.95	1.42%
Federal Farm Credit Bank	Agency	2.05%	2.37	1.39%
Berkshire Hathaway	US Corporate	2.30%	3.21	1.27%
Apple Inc	US Corporate	2.52%	4.70	1.25%
ChevronTexaco Corp	US Corporate	1.71%	0.48	1.21%
Pepsico Inc	US Corporate	2.22%	2.33	1.17%
Bank of Tokyo-Mit UFJ	Commercial Paper	1.48%	0.20	1.10%
IBM Corp	US Corporate	2.67%	4.69	1.09%
Microsoft	US Corporate	2.31%	3.61	1.03%
PNC Financial Services Group	US Corporate	2.56%	4.13	1.00%
HSBC USA Corp	US Corporate	1.79%	0.04	0.96%
Paccar Financial	US Corporate	2.22%	2.45	0.95%

**Moulton Niguel Water District Operating Reserve – Account #40**
**As of 12/31/2017**

Issue Name	Investment Type	Avg Mkt Yield	Avg Maturity	% Portfolio
John Deere ABS	ABS	2.22%	3.79	0.41%
Wells Fargo Adv Govt Money Market Fund	Money Market Fund FI	1.00%	0.00	0.17%
<b>Total</b>		<b>2.18%</b>	<b>3.71</b>	<b>100%</b>

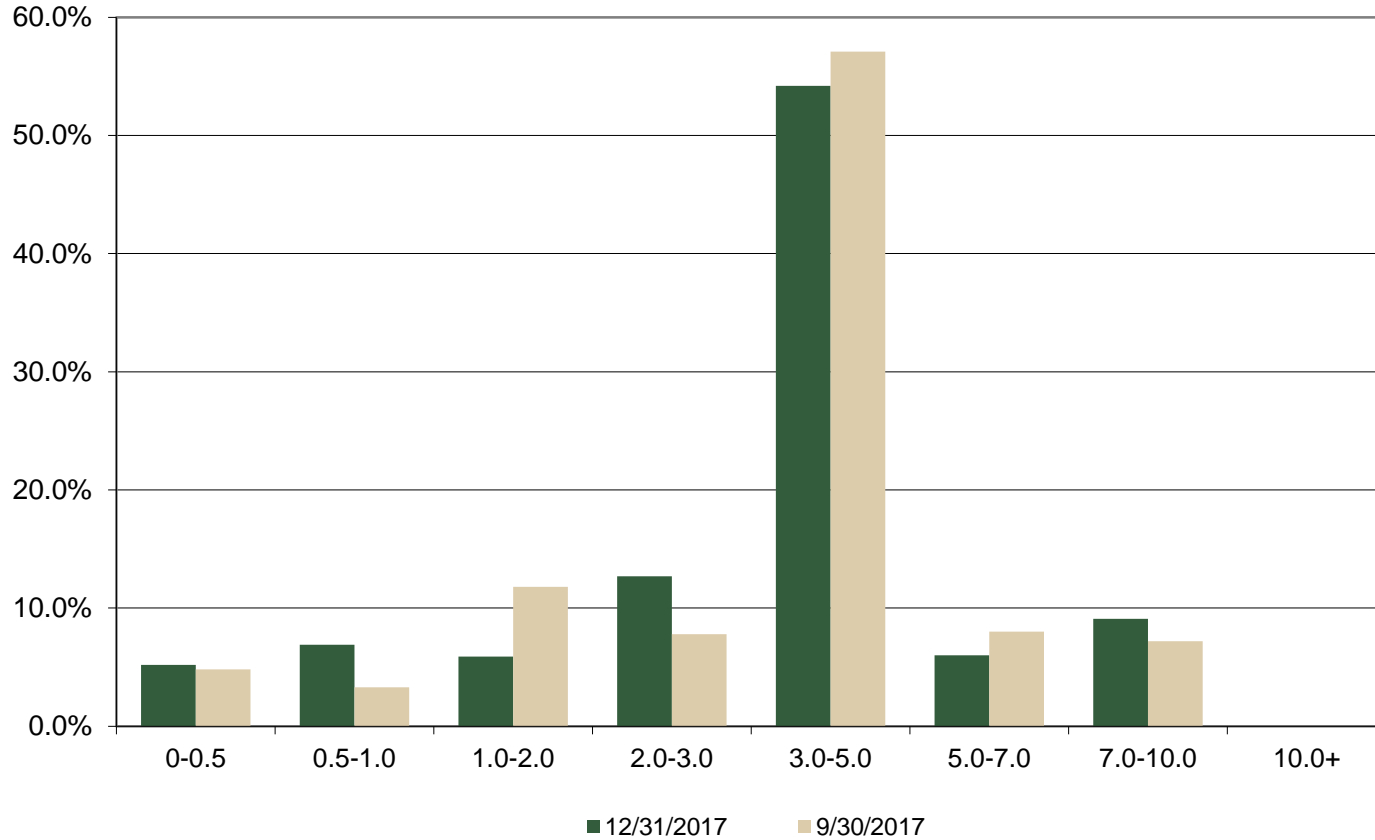


## Operating Reserve Fund Duration Compared to 1-10 Year Government Index Duration





## Operating Reserve Fund December 31, 2017 vs. September 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+
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12/31/2017	5.2%	6.9%	5.9%	12.7%	54.2%	6.0%	9.1%	0.0%
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9/30/2017	4.8%	3.3%	11.8%	7.8%	57.1%	8.0%	7.2%	0.0%
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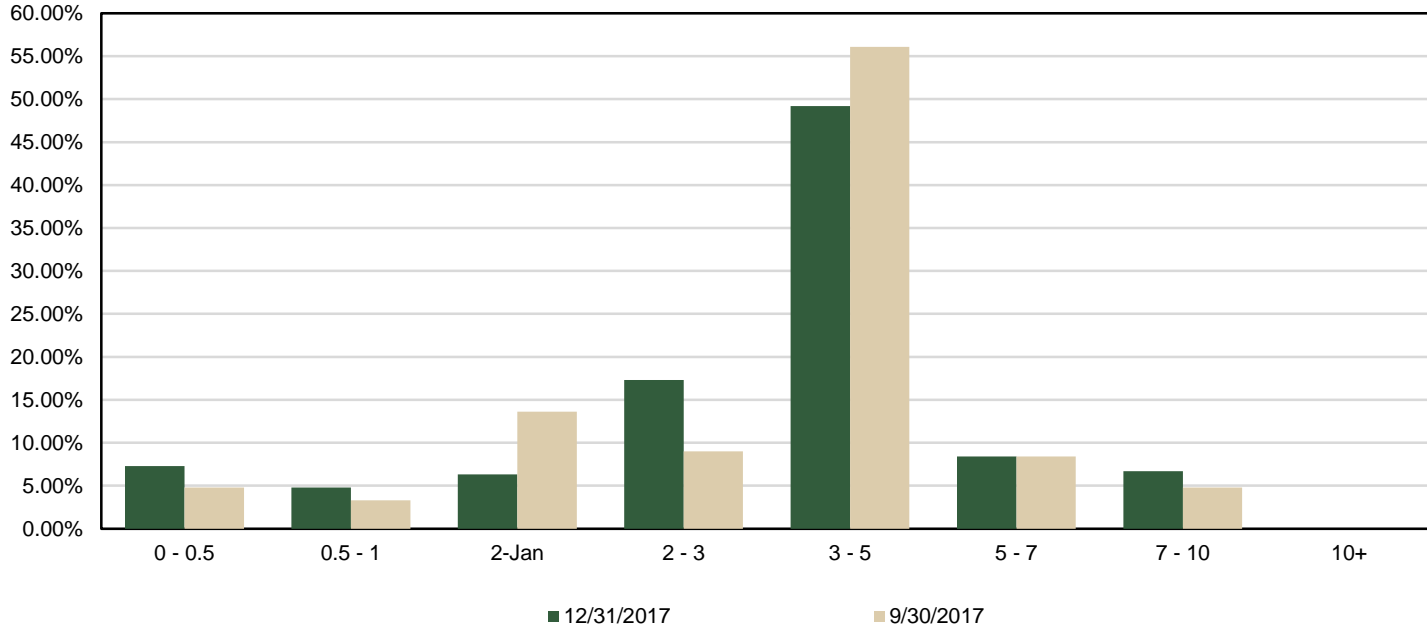
-30-



# Duration Distribution

## Moulton Niguel Water District Operating Reserve

December 31, 2017 vs. September 30, 2017



-31-

	0 - 0.5	0.5 - 1	1 - 2	2 - 3	3 - 5	5 - 7	7 - 10	10+
12/31/17	7.3%	4.8%	6.3%	17.3%	49.2%	8.4%	6.7%	0.0%
09/30/17	4.8%	3.3%	13.6%	9.0%	56.1%	8.4%	4.8%	0.0%



## Moulton Niguel Water District Operating Reserve

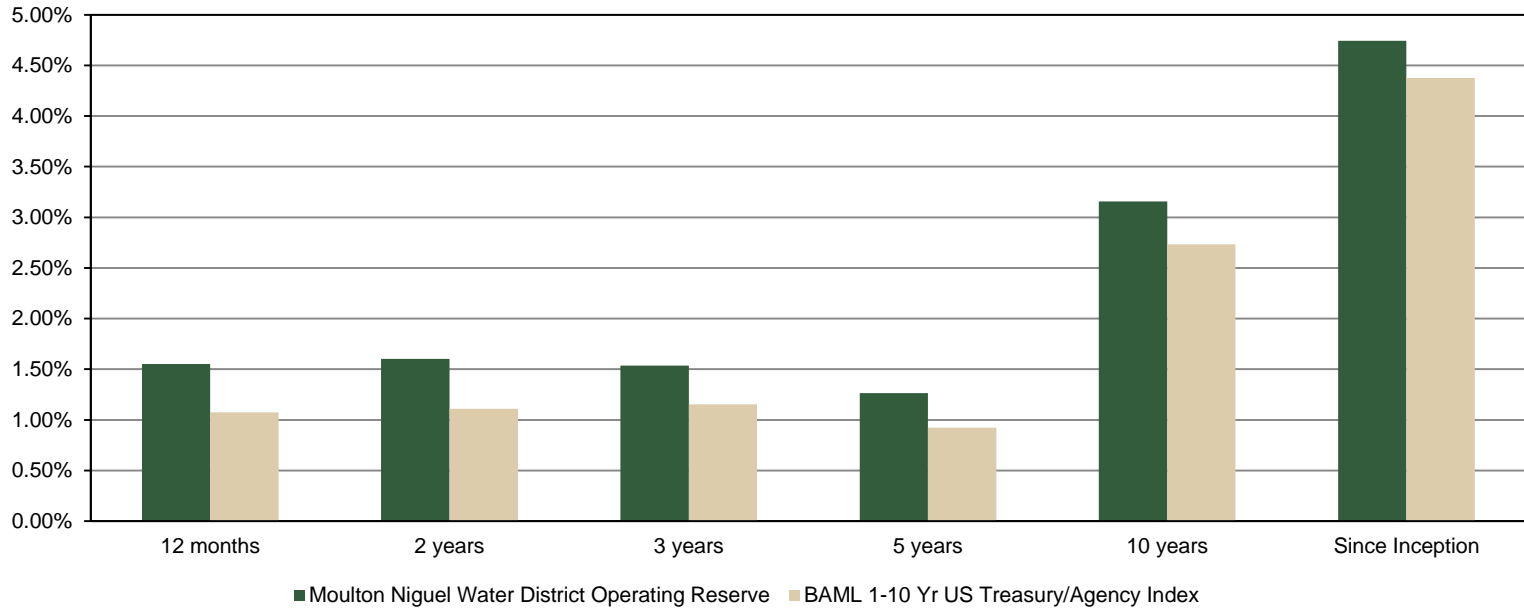
Period Ending

December 31, 2017

Total Rate of Return

Annualized Since Inception

September 30, 1995



-32-

	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Moulton Niguel Water District Operating Reserve	-0.38%	1.55%	1.60%	1.54%	1.26%	3.16%	4.74%
BAML 1-10 Yr US Treasury/Agency Index	-0.39%	1.08%	1.11%	1.15%	0.92%	2.73%	4.38%

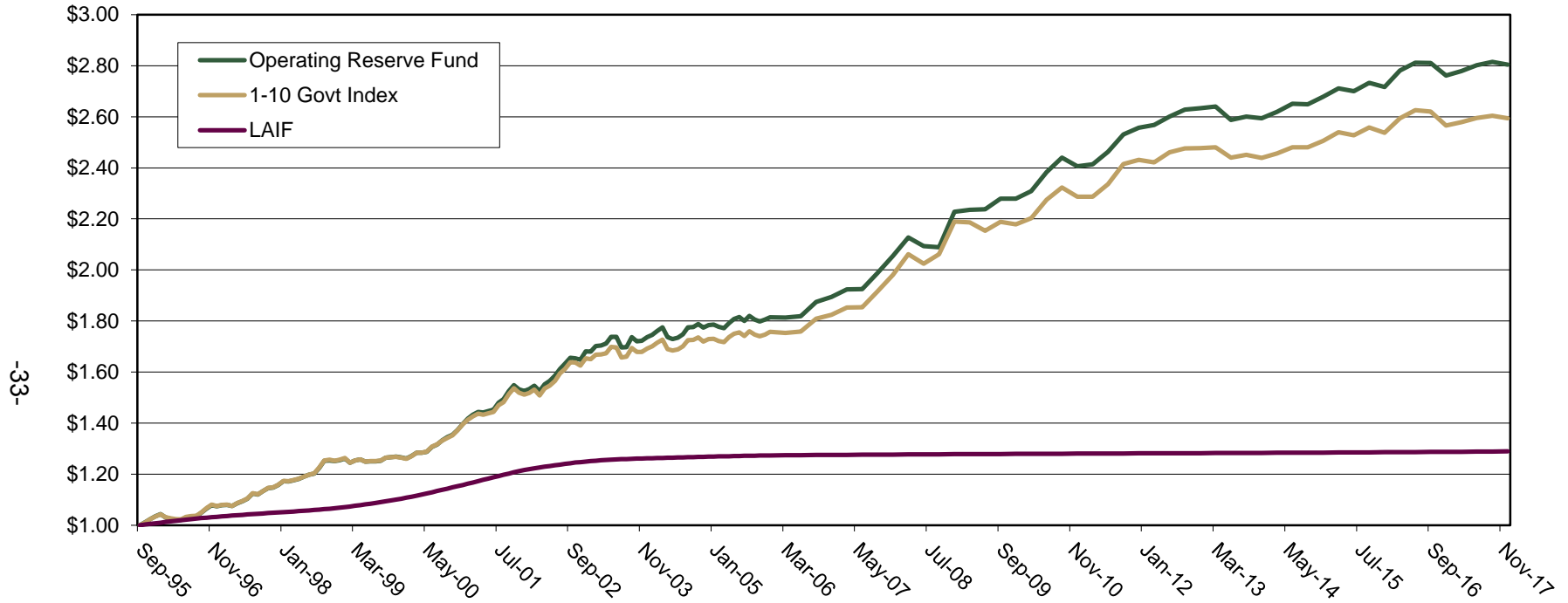
Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.





# Growth Over Time

## Operating Reserve Fund Growth of \$1 Million



### Historical return on \$1 million invested in September 1995

	12/31/2017	Return
<b>Operating Reserve Fund</b>	\$2,761,251	4.90%
<b>1-10 Govt Index</b>	\$2,566,031	4.53%
<b>LAIF</b>	\$1,287,187	1.20%

**SECTION 3**

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**Portfolio Holdings**



# Holdings Report

## Moulton Niguel Water District Liquid Fund - Account #41

For the Month Ending 12/31/2017

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
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	19,154,726.59	Various 1.28%	19,154,726.59 19,154,726.59	1.00 1.28%	19,154,726.59 28,395.68	100.00% 0.00	NR / NR NR	0.00 0.00
<b>Total LAIF</b>		<b>19,154,726.59</b>	<b>1.28%</b>	<b>19,154,726.59</b>	<b>1.28%</b>	<b>28,395.68</b>	<b>0.00</b>	<b>NR</b>	<b>0.00</b>
<b>TOTAL PORTFOLIO</b>				<b>19,154,726.59</b>	<b>1.28%</b>	<b>28,395.68</b>	<b>0.00</b>	<b>NR</b>	<b>0.00</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>19,183,122.27</b>			



## Moulton Niguel Water District Limited Maturity - Account #42

For the Month Ending 12/31/2017

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
<b>ABS</b>									
89236WAC2	Toyota Auto Receivables Owner 2015-A 1.120% Due 02/15/2019	42,304.41	02/24/2015 1.13%	42,298.01 42,298.01	99.93 1.64%	42,272.83 21.06	0.25% (25.18)	Aaa / AAA NR	1.13 0.14
43813NAC0	Honda Auto Receivables 2015-2 A3 1.040% Due 02/21/2019	60,998.26	05/13/2015 1.05%	60,988.89 60,988.89	99.86 1.84%	60,915.26 17.62	0.35% (73.63)	NR / AAA AAA	1.14 0.17
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	99.89 1.75%	1,238,660.80 749.51	7.20% (1,120.71)	NR / AAA AAA	2.29 0.28
<b>Total ABS</b>		<b>1,343,302.67</b>	<b>1.35%</b>	<b>1,343,068.41</b>	<b>1.75%</b>	<b>1,341,848.89</b> <b>788.19</b>	<b>7.80%</b> <b>(1,219.52)</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.20</b> <b>0.27</b>

<b>Agency</b>									
31331YF21	FFCB Note 4.250% Due 04/16/2018	650,000.00	07/15/2010 2.98%	706,634.50 706,634.50	100.80 1.48%	655,208.45 5,755.21	3.84% (51,426.05)	Aaa / AA+ AAA	0.29 0.29
3130A4GJ5	FHLB Note 1.125% Due 04/25/2018	610,000.00	07/31/2015 0.94%	613,078.67 613,078.67	99.89 1.46%	609,349.13 1,258.13	3.55% (3,729.54)	Aaa / AA+ AAA	0.32 0.32
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 1.55%	339,107.50 330.56	1.97% (164.90)	Aaa / AA+ AAA	0.39 0.39
37EADK2	FHLMC Note 1.250% Due 08/01/2019	250,000.00	01/04/2013 1.35%	248,450.00 248,450.00	99.02 1.88%	247,554.75 1,302.08	1.45% (895.25)	Aaa / AA+ AAA	1.58 1.55
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	105.14 1.89%	2,102,778.00 38,722.22	12.44% (201,082.00)	Aaa / AA+ AAA	1.62 1.54
<b>Total Agency</b>		<b>3,850,000.00</b>	<b>2.41%</b>	<b>4,211,295.57</b>	<b>1.73%</b>	<b>3,953,997.83</b> <b>47,368.20</b>	<b>23.24%</b> <b>(257,297.74)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>1.10</b> <b>1.05</b>

<b>Commercial Paper</b>									
89233HA95	Toyota Motor Credit Discount CP 1.330% Due 01/09/2018	650,000.00	06/13/2017 1.36%	644,957.09 649,807.89	99.97 1.36%	649,807.89 0.00	3.77% 0.00	P-1 / A-1+ NR	0.02 0.02
06538CBP5	Bank of Tokyo Mitsubishi NY Discount CP 1.430% Due 02/23/2018	1,000,000.00	10/23/2017 1.46%	995,114.17 997,894.72	99.79 1.46%	997,894.72 0.00	5.79% 0.00	P-1 / A-1 NR	0.15 0.15
<b>Total Commercial Paper</b>		<b>1,650,000.00</b>	<b>1.42%</b>	<b>1,640,071.26</b> <b>1,647,702.61</b>	<b>1.42%</b>	<b>1,647,702.61</b> <b>0.00</b>	<b>9.57%</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>NR</b>	<b>0.10</b> <b>0.10</b>

<b>Money Market Fund FI</b>									
94975J466	Wells Fargo Advantage Government MMF	89,480.93	Various 1.00%	89,480.93 89,480.93	1.00 1.00%	89,480.93 0.00	0.52% 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>89,480.93</b>	<b>1.00%</b>	<b>89,480.93</b>	<b>1.00%</b>	<b>89,480.93</b> <b>0.00</b>	<b>0.52%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>

<b>Negotiable CD</b>									
21685VB40	Rabobank NY Yankee CD 1.520% Due 07/13/2018	625,000.00	12/14/2017 1.75%	624,125.03 624,125.03	99.86 1.75%	624,125.03 4,512.50	3.65% 0.00	P-1 / A-1 F-1+	0.53 0.53



# Holdings Report

## Moulton Niguel Water District Limited Maturity - Account #42

For the Month Ending 12/31/2017

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
89113W6Q4	Toronto Dominion NY Yankee CD 1.600% Due 08/24/2018	1,000,000.00	12/18/2017 1.80%	998,553.34 998,553.34	99.86 1.80%	998,553.34 7,155.56	5.84% 0.00	P-1 / A-1+ F-1+	0.65 0.64
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 3,492.92	4.38% 0.00	P-1 / A-1+ F-1+	0.72 0.72
06371ETT4	Bank of Motreal Chicago Yankee CD 1.760% Due 11/07/2018	515,000.00	11/06/2017 1.76%	515,000.00 515,000.00	100.00 1.76%	515,000.00 1,384.78	3.00% 0.00	P-1 / A-1 F-1+	0.85 0.84
<b>Total Negotiable CD</b>		<b>2,890,000.00</b>	<b>1.74%</b>	<b>2,887,749.15</b>	<b>1.74%</b>	<b>2,887,749.15</b>	<b>16.87%</b>	<b>Aaa / AAA</b>	<b>0.68</b>
				<b>2,887,749.15</b>		<b>16,545.76</b>	<b>0.00</b>	<b>Aaa</b>	<b>0.67</b>

### Supranational

45950KCC2	International Finance Corp Note 1.250% Due 07/16/2018	500,000.00	10/04/2017 1.43%	499,285.00 499,285.00	99.71 1.79%	498,563.00 2,864.58	2.91% (722.00)	Aaa / AAA NR	0.54 0.53
4581X0BR8	Inter-American Dev Bank Note 1.750% Due 08/24/2018	700,000.00	12/18/2017 1.71%	700,196.00 700,196.00	99.98 1.78%	699,859.30 4,321.53	4.09% (336.70)	Aaa / AAA AAA	0.65 0.64
45950KCA6	International Finance Corp Note 1.750% Due 09/04/2018	750,000.00	12/15/2017 1.71%	750,202.50 750,202.50	99.94 1.83%	749,586.00 4,265.63	4.38% (616.50)	Aaa / AAA NR	0.68 0.66
<b>Total Supranational</b>		<b>1,950,000.00</b>	<b>1.64%</b>	<b>1,949,683.50</b>	<b>1.80%</b>	<b>1,948,008.30</b>	<b>11.38%</b>	<b>Aaa / AAA</b>	<b>0.63</b>
				<b>1,949,683.50</b>		<b>11,451.74</b>	<b>(1,675.20)</b>	<b>Aaa</b>	<b>0.62</b>

### US Corporate

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	99.99 1.74%	399,957.20 2,750.00	2.34% (414.80)	A2 / A A+	0.04 0.04
40428HPH9	HSBC USA Inc Note 1.625% Due 01/16/2018	500,000.00	06/13/2017 1.59%	500,110.00 500,110.00	99.99 1.79%	499,963.00 3,723.96	2.92% (147.00)	A2 / A AA-	0.04 0.04
166764AV2	Chevron Corp Note 1.365% Due 03/02/2018	400,000.00	02/24/2015 1.37%	400,000.00 400,000.00	99.93 1.75%	399,732.00 1,804.83	2.33% (268.00)	Aa2 / AA- NR	0.17 0.17
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	99.93 2.11%	429,704.16 1,988.75	2.51% (487.04)	A2 / A A	0.19 0.10
747525AG8	Qualcomm Inc Note 1.400% Due 05/18/2018	460,000.00	Various 1.45%	459,275.60 459,275.60	99.84 1.81%	459,264.46 733.44	2.67% (11.14)	A1 / A NR	0.38 0.38
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	100.13 1.92%	509,658.14 4,852.47	2.99% (2,273.70)	A2 / A A	0.56 0.48
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	100.12 2.18%	380,473.48 4,054.39	2.23% (5,614.12)	A2 / A A+	1.04 1.01
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	99.99 2.25%	749,958.75 375.00	4.36% (3,873.75)	A2 / A AA-	1.48 1.44
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	100.26 2.13%	451,173.15 3,162.50	2.64% 156.15	A1 / A AA-	1.70 1.57
<b>Total US Corporate</b>		<b>4,279,000.00</b>	<b>1.70%</b>	<b>4,292,817.74</b>	<b>1.98%</b>	<b>4,279,884.34</b>	<b>24.99%</b>	<b>A1 / A</b>	<b>0.68</b>
				<b>4,292,817.74</b>		<b>23,445.34</b>	<b>(12,933.40)</b>	<b>A+</b>	<b>0.64</b>

37-



## Moulton Niguel Water District Limited Maturity - Account #42

For the Month Ending 12/31/2017

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
<b>US Treasury</b>									
912828XK1	US Treasury Note 0.875% Due 07/15/2018	175,000.00	07/31/2015 0.98%	174,446.88 174,446.88	99.64 1.54%	174,371.05 707.37	1.02% (75.83)	Aaa / AA+ AAA	0.54 0.53
912828VQ0	US Treasury Note 1.375% Due 07/31/2018	325,000.00	10/16/2017 1.36%	325,025.39 325,025.39	99.87 1.60%	324,568.40 1,870.07	1.90% (456.99)	Aaa / AA+ AAA	0.58 0.58
912828SX9	US Treasury Note 1.125% Due 05/31/2019	475,000.00	01/30/2013 1.23%	472,014.60 472,014.60	99.00 1.84%	470,250.00 469.78	2.73% (1,764.60)	Aaa / AA+ AAA	1.41 1.39
<b>Total US Treasury</b>		<b>975,000.00</b>	<b>1.23%</b>	<b>971,486.87</b>	<b>1.71%</b>	<b>969,189.45</b> <b>3,047.22</b>	<b>5.65%</b> <b>(2,297.42)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>0.98</b> <b>0.96</b>
<b>TOTAL PORTFOLIO</b>		<b>17,026,783.60</b>	<b>1.78%</b>	<b>17,385,653.43</b> <b>17,393,284.78</b>	<b>1.77%</b>	<b>17,117,861.50</b> <b>102,646.45</b>	<b>100.00%</b> <b>(275,423.28)</b>	<b>Aa1 / AA+</b> <b>Aaa</b>	<b>0.85</b> <b>0.67</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>17,220,507.95</b>			



# Holdings Report

## Moulton Niguel Water District Operating Reserve - Account #40

For the Month Ending 12/31/2017

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
<b>ABS</b>									
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	99.25 2.22%	337,462.92 275.02	0.41% (2,512.19)	Aaa / NR AAA	3.79 1.89
<b>Total ABS</b>		<b>340,000.00</b>	<b>1.83%</b>	<b>339,975.11</b>	<b>2.22%</b>	<b>275.02</b>	<b>(2,512.19)</b>	<b>Aaa / NR</b> <b>Aaa</b>	<b>3.79</b> <b>1.89</b>

<b>Agency</b>									
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	98.50 2.03%	1,551,452.18 3,609.38	1.88% 47,468.93	Aaa / AA+ AAA	2.33 2.28
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	98.56 2.05%	1,148,241.48 2,205.73	1.39% (320.37)	Aaa / AA+ AAA	2.37 2.31
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	98.53 2.02%	1,872,081.40 2,454.17	2.27% (21,382.60)	Aaa / AA+ AAA	2.92 2.83
3133XDVS7	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	109.01 2.08%	1,989,385.05 5,322.92	2.41% (83,960.95)	Aaa / AA+ AAA	2.95 2.74
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	99.46 2.06%	1,656,043.97 260.16	2.00% (8,806.18)	Aaa / AA+ AAA	2.99 2.89
0591EL2	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	105.47 2.06%	2,235,919.48 31,034.44	2.74% 114,308.28	Aaa / AA+ AAA	3.13 2.91
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	97.76 2.12%	1,544,656.98 8,026.18	1.88% (28,959.82)	Aaa / AA+ AAA	3.14 3.03
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	97.89 2.07%	1,762,108.20 8,593.75	2.14% (31,357.80)	Aaa / AA+ AAA	3.16 3.05
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	97.27 2.10%	1,799,406.20 3,532.99	2.18% (49,243.30)	Aaa / AA+ AAA	3.35 3.25
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	104.79 2.10%	3,065,236.20 43,225.00	3.76% 62,050.95	Aaa / AA+ AAA	3.58 3.32
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	96.53 2.13%	1,834,054.80 8,253.13	2.23% (47,800.20)	Aaa / AA+ AAA	3.62 3.50
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	100.90 2.14%	2,017,982.00 22,166.67	2.47% (48,678.00)	Aaa / AA+ AAA	4.04 3.79
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	100.55 2.24%	1,860,261.95 2,563.02	2.25% 2,510.45	Aaa / AA+ AAA	4.44 4.19
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	98.43 2.23%	2,544,459.45 18,310.42	3.10% (6,301.35)	Aaa / AA+ AAA	4.62 4.37
3135G0T78	FNMA Note 2.000% Due 10/05/2022	900,000.00	10/05/2017 2.01%	899,406.00 899,406.00	98.75 2.28%	888,762.60 4,250.00	1.08% (10,643.40)	Aaa / AA+ AAA	4.76 4.49
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	101.33 2.41%	1,418,641.00 11,739.58	1.73% 24,745.00	Aaa / AA+ AAA	6.69 6.05
3135G0K36	FNMA Note 2.125% Due 04/24/2026	1,900,000.00	Various 2.16%	1,893,849.00 1,893,849.00	96.50 2.60%	1,833,482.90 7,514.24	2.23% (60,366.10)	Aaa / AA+ AAA	8.32 7.52



## Moulton Niguel Water District Operating Reserve - Account #40

For the Month Ending 12/31/2017

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
3130A2VE3	FHLB Note 3.000% Due 09/11/2026	500,000.00	05/25/2017 2.61%	516,110.00 516,110.00	102.64 2.66%	513,202.00 4,583.33	0.63% (2,908.00)	Aaa / AA+ NR	8.70 7.57
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	94.26 2.61%	1,201,862.18 6,441.41	1.46% 44,672.18	Aaa / AA+ AAA	8.74 7.92
3130ACKB9	FHLB Note 2.625% Due 09/10/2027	1,600,000.00	11/20/2017 2.68%	1,592,032.00 1,592,032.00	98.76 2.77%	1,580,211.20 10,150.00	1.92% (11,820.80)	Aaa / AA+ NR	9.70 8.44
<b>Total Agency</b>		<b>34,315,000.00</b>	<b>2.28%</b>	<b>34,434,244.30</b>	<b>2.21%</b>	<b>34,317,451.22</b>	<b>41.77%</b> <b>(116,793.08)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>4.40</b> <b>4.09</b>

CMO									
3137AH6Q6	FHLMC K704 A2 2.412% Due 08/25/2018	1,684,031.40	03/06/2014 1.68%	1,735,736.43 1,735,736.43	100.04 2.01%	1,684,698.26 676.98	2.04% (51,038.17)	Aaa / NR AAA	0.65 0.48
<b>Total CMO</b>		<b>1,684,031.40</b>	<b>1.68%</b>	<b>1,735,736.43</b>	<b>2.01%</b>	<b>1,684,698.26</b>	<b>2.04%</b> <b>(51,038.17)</b>	<b>Aaa / NR</b> <b>Aaa</b>	<b>0.65</b> <b>0.48</b>

Commercial Paper									
538CCD1	Bank of Tokyo Mitsubishi NY Discount CP 1.450% Due 03/13/2018	910,000.00	11/07/2017 1.48%	905,418.40 907,397.65	99.71 1.48%	907,397.65 0.00	1.10% 0.00	P-1 / A-1 NR	0.20 0.20
<b>Total Commercial Paper</b>		<b>910,000.00</b>	<b>1.48%</b>	<b>907,397.65</b>	<b>1.48%</b>	<b>907,397.65</b>	<b>1.10%</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>NR</b>	<b>0.20</b> <b>0.20</b>

Money Market Fund FI									
94975J466	Wells Fargo Advantage Government MMF	140,290.92	Various 1.00%	140,290.92 140,290.92	1.00 1.00%	140,290.92 0.00	0.17% 0.00	Aaa / AAA NR	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>140,290.92</b>	<b>1.00%</b>	<b>140,290.92</b>	<b>1.00%</b>	<b>140,290.92</b>	<b>0.17%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>

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	99.56 2.24%	1,861,717.77 17,992.26	2.27% (5,982.13)	Aaa / NR AAA	4.05 3.82
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	97.58 2.29%	585,496.80 3,120.83	0.71% (7,093.20)	NR / NR AAA	4.71 4.46
<b>Total Supranational</b>		<b>2,470,000.00</b>	<b>2.12%</b>	<b>2,460,289.90</b>	<b>2.25%</b>	<b>2,447,214.57</b>	<b>2.99%</b> <b>(13,075.33)</b>	<b>Aaa / NR</b> <b>Aaa</b>	<b>4.21</b> <b>3.97</b>

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	99.99 1.79%	789,941.54 5,883.85	0.96% 2,264.14	A2 / A AA-	0.04 0.04
69371RM45	Paccar Financial Corp Note 1.450% Due 03/09/2018	265,000.00	03/03/2015 1.48%	264,750.90 264,750.90	99.94 1.74%	264,849.22 1,195.44	0.32% 98.32	A1 / A+ NR	0.19 0.19
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	99.93 2.11%	1,199,174.40 5,550.00	1.46% (897.60)	A2 / A A	0.19 0.10





# Holdings Report

## Moulton Niguel Water District Operating Reserve - Account #40

For the Month Ending 12/31/2017

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	100.00 1.71%	999,998.00 334.06	1.21% (472.00)	Aa2 / AA- NR	0.48 0.40
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	100.16 1.92%	1,602,523.20 7,650.00	1.95% (6,708.80)	A2 / A+ NR	0.78 0.76
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	100.01 1.93%	1,210,119.80 3,014.91	1.47% (5,759.05)	A1 / A+ AA	0.87 0.78
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	99.96 2.00%	1,169,486.37 1,140.75	1.42% 2,342.47	A2 / A A	0.95 0.94
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	100.23 1.88%	1,202,749.20 11,480.00	1.47% (1,798.80)	Aa3 / AA- A	1.05 1.02
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	100.20 2.16%	1,202,359.20 11,985.00	1.47% 967.20	A3 / A- A+	1.08 1.05
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	100.11 2.03%	1,201,347.60 8,500.00	1.46% (4,392.90)	A1 / AA- NR	1.16 1.14
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	100.26 2.13%	1,203,128.40 8,433.33	1.47% 416.40	A1 / A AA-	1.70 1.57
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	99.19 2.22%	962,184.71 3,040.68	1.17% (7,262.39)	A1 / A+ A	2.33 2.18
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	99.23 2.58%	1,329,667.26 3,433.76	1.61% (10,634.84)	A1 / A NR	2.39 2.30
231GAV4	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	99.78 2.30%	1,227,247.26 9,110.20	1.50% (24,314.64)	Aaa / AA+ NR	3.17 3.02
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	99.69 2.30%	1,041,721.84 6,769.28	1.27% (1,062.76)	Aa2 / AA A+	3.21 3.02
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	98.56 2.40%	1,236,885.33 2,855.13	1.50% (13,671.97)	A1 / A AA-	3.38 3.24
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	97.37 2.31%	847,095.51 5,356.55	1.03% (21,870.99)	Aaa / AAA AA+	3.61 3.45
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	97.20 2.46%	515,168.48 3,400.83	0.63% (14,121.32)	A1 / A+ NR	3.61 3.45
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	98.42 2.35%	1,328,694.30 7,552.50	1.62% (19,294.20)	A1 / AA- A+	3.71 3.53
91159HHP8	US Bancorp Note 2.625% Due 01/24/2022	575,000.00	01/19/2017 2.66%	574,011.00 574,011.00	100.57 2.48%	578,301.65 6,582.55	0.71% 4,290.65	A1 / A+ AA	4.07 3.79
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	100.23 2.56%	816,847.61 7,963.23	1.00% (7,728.64)	A2 / A A+	4.13 3.78
44932HAC7	IBM Credit Corp Note 2.200% Due 09/08/2022	915,000.00	11/29/2017 2.58%	899,518.20 899,518.20	97.93 2.67%	896,043.03 6,318.58	1.09% (3,475.17)	A1 / A+ A+	4.69 4.39



## Moulton Niguel Water District Operating Reserve - Account #40

For the Month Ending 12/31/2017

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
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	98.12 2.52%	1,030,282.05 6,676.25	1.25% (13,344.45)	Aa1 / AA+ NR	4.70 4.41
<b>Total US Corporate</b>		<b>23,980,000.00</b>	<b>2.02%</b>	<b>24,002,247.30</b>	<b>2.19%</b>	<b>23,855,815.96</b> <b>134,226.88</b>	<b>29.02%</b> <b>(146,431.34)</b>	<b>A1 / A+</b> <b>A+</b>	<b>2.17</b> <b>2.05</b>
<b>US Treasury</b>									
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	104.87 2.01%	1,494,357.60 19,511.46	1.83% (11,305.32)	Aaa / AA+ AAA	3.13 2.92
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	100.14 2.08%	1,652,384.25 13,243.72	2.02% 14,430.39	Aaa / AA+ AAA	3.62 3.45
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	99.70 2.08%	1,994,062.00 5,193.37	2.42% (23,602.26)	Aaa / AA+ AAA	3.88 3.70
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	99.52 2.12%	2,015,348.85 15,297.55	2.46% 36,377.86	Aaa / AA+ AAA	4.13 3.91
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	98.39 2.14%	1,967,812.00 4,544.20	2.39% 71,866.50	Aaa / AA+ AAA	4.37 4.17
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	97.66 2.16%	1,953,282.00 12,275.81	2.38% 42,719.30	Aaa / AA+ AAA	4.62 4.40
2828TY6	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	97.45 2.18%	1,559,249.60 3,375.69	1.89% 49,930.70	Aaa / AA+ AAA	4.88 4.64
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	97.54 2.24%	1,755,633.60 4,089.78	2.13% 42,208.42	Aaa / AA+ AAA	5.37 5.08
912828B66	US Treasury Note 2.750% Due 02/15/2024	1,725,000.00	Various 1.97%	1,819,091.87 1,819,091.87	102.63 2.29%	1,770,281.25 17,917.97	2.16% (48,810.62)	Aaa / AA+ AAA	6.13 5.57
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	97.75 2.34%	1,955,078.00 15,108.70	2.38% (24,851.88)	Aaa / AA+ AAA	7.13 6.54
912828R36	US Treasury Note 1.625% Due 05/15/2026	400,000.00	08/15/2017 2.24%	380,517.22 380,517.22	94.19 2.40%	376,750.00 843.92	0.46% (3,767.22)	Aaa / AA+ AAA	8.38 7.73
<b>Total US Treasury</b>		<b>18,625,000.00</b>	<b>2.27%</b>	<b>18,349,043.28</b>	<b>2.17%</b>	<b>18,494,239.15</b> <b>111,402.17</b>	<b>22.51%</b> <b>145,195.87</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>4.83</b> <b>4.53</b>
<b>TOTAL PORTFOLIO</b>		<b>82,464,322.32</b>	<b>2.17%</b>	<b>82,367,245.64</b> <b>82,369,224.89</b>	<b>2.18%</b>	<b>82,184,570.65</b> <b>471,930.66</b>	<b>100.00%</b> <b>(184,654.24)</b>	<b>Aa1 / AA</b> <b>Aaa</b>	<b>3.71</b> <b>3.46</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>82,656,501.31</b>			

-4-



# Holdings Report

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

For the Month Ending 12/31/2017

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
<b>Agency</b>									
313378J77	FHLB Note 1.875% Due 03/13/2020	520,000.00	04/19/2016 1.20%	533,405.60 533,405.60	99.56 2.08%	517,698.48 2,925.00	8.59% (15,707.12)	Aaa / AA+ NR	2.20 2.13
3130A7CV5	FHLB Note 1.375% Due 02/18/2021	535,000.00	04/12/2016 1.34%	535,963.00 535,963.00	97.76 2.12%	523,032.59 2,717.73	8.67% (12,930.41)	Aaa / AA+ AAA	3.14 3.03
3130A8QS5	FHLB Note 1.125% Due 07/14/2021	500,000.00	10/27/2016 1.41%	493,510.00 493,510.00	96.68 2.10%	483,388.50 2,609.38	8.02% (10,121.50)	Aaa / AA+ AAA	3.54 3.42
<b>Total Agency</b>		<b>1,555,000.00</b>	<b>1.31%</b>	<b>1,562,878.60</b>	<b>2.10%</b>	<b>1,524,119.57</b>	<b>25.28%</b> <b>(38,759.03)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.95</b> <b>2.85</b>
<b>Cash</b>									
90CASH\$00	Cash Custodial Cash Account	180,519.47	Various 0.00%	180,519.47 180,519.47	1.00 0.00%	180,519.47 0.00	2.98% 0.00	NR / NR NR	0.00 0.00
<b>Total Cash</b>		<b>180,519.47</b>	<b>0.00%</b>	<b>180,519.47</b>	<b>0.00%</b>	<b>180,519.47</b>	<b>2.98%</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>US Treasury</b>									
912828TH3	US Treasury Note 0.875% Due 07/31/2019	475,000.00	04/14/2016 0.98%	473,461.55 473,461.55	98.49 1.84%	467,837.95 1,739.30	7.75% (5,623.60)	Aaa / AA+ AAA	1.58 1.56
912828UQ1	US Treasury Note 1.250% Due 02/29/2020	475,000.00	04/14/2016 1.10%	477,766.24 477,766.24	98.64 1.90%	468,524.33 2,017.44	7.76% (9,241.91)	Aaa / AA+ AAA	2.16 2.11
912828UV0	US Treasury Note 1.125% Due 03/31/2020	475,000.00	04/14/2016 1.10%	475,502.57 475,502.57	98.29 1.90%	466,891.75 1,365.30	7.73% (8,610.82)	Aaa / AA+ AAA	2.25 2.20
912828WC0	US Treasury Note 1.750% Due 10/31/2020	475,000.00	04/14/2016 1.21%	486,319.95 486,319.95	99.43 1.96%	472,309.60 1,423.69	7.82% (14,010.35)	Aaa / AA+ AAA	2.84 2.74
912828B90	US Treasury Note 2.000% Due 02/28/2021	475,000.00	04/14/2016 1.26%	491,515.27 491,515.27	99.94 2.02%	474,721.65 3,227.90	7.89% (16,793.62)	Aaa / AA+ AAA	3.16 3.03
912828WN6	US Treasury Note 2.000% Due 05/31/2021	500,000.00	07/11/2016 1.01%	523,439.18 523,439.18	99.83 2.05%	499,140.50 879.12	8.25% (24,298.68)	Aaa / AA+ AAA	3.42 3.28
912828G53	US Treasury Note 1.875% Due 11/30/2021	475,000.00	01/18/2017 1.89%	474,649.05 474,649.05	99.19 2.09%	471,140.63 782.97	7.79% (3,508.42)	Aaa / AA+ AAA	3.92 3.75
912828J43	US Treasury Note 1.750% Due 02/28/2022	500,000.00	04/24/2017 1.84%	498,029.02 498,029.02	98.47 2.14%	492,344.00 2,973.07	8.17% (5,685.02)	Aaa / AA+ AAA	4.16 3.97
912828L24	US Treasury Note 1.875% Due 08/31/2022	525,000.00	09/18/2017 1.84%	525,904.10 525,904.10	98.59 2.19%	517,617.45 3,344.70	8.60% (8,286.65)	Aaa / AA+ AAA	4.67 4.41
<b>Total US Treasury</b>		<b>4,375,000.00</b>	<b>1.36%</b>	<b>4,426,586.93</b>	<b>2.01%</b>	<b>4,330,527.86</b>	<b>71.74%</b> <b>(96,059.07)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>3.16</b> <b>3.03</b>
<b>TOTAL PORTFOLIO</b>		<b>6,110,519.47</b>	<b>1.31%</b>	<b>6,169,985.00</b>	<b>1.98%</b>	<b>6,035,166.90</b>	<b>100.00%</b> <b>(134,818.10)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>3.01</b> <b>2.89</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>6,061,172.50</b>			



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

For the Month Ending 12/31/2017

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
<b>Agency</b>									
3137EADK2	FHLMC Note 1.250% Due 08/01/2019	100,000.00	04/12/2016 1.01%	100,782.00 100,782.00	99.02 1.88%	99,021.90 520.83	7.94% (1,760.10)	Aaa / AA+ AAA	1.58 1.55
3135G0ZG1	FNMA Note 1.750% Due 09/12/2019	95,000.00	04/12/2016 0.99%	97,408.25 97,408.25	99.72 1.92%	94,730.96 503.37	7.60% (2,677.29)	Aaa / AA+ AAA	1.70 1.66
3137EADM8	FHLMC Note 1.250% Due 10/02/2019	100,000.00	04/11/2016 1.02%	100,791.00 100,791.00	98.81 1.94%	98,809.10 309.03	7.91% (1,981.90)	Aaa / AA+ AAA	1.75 1.72
313378J77	FHLB Note 1.875% Due 03/13/2020	95,000.00	04/19/2016 1.20%	97,449.10 97,449.10	99.56 2.08%	94,579.53 534.38	7.59% (2,869.57)	Aaa / AA+ NR	2.20 2.13
3130A7CV5	FHLB Note 1.375% Due 02/18/2021	95,000.00	04/12/2016 1.34%	95,171.00 95,171.00	97.76 2.12%	92,874.95 482.59	7.45% (2,296.05)	Aaa / AA+ AAA	3.14 3.03
3135G0Q89	FNMA Note 1.375% Due 10/07/2021	95,000.00	Various 1.61%	94,023.65 94,023.65	97.25 2.14%	92,389.59 304.79	7.40% (1,634.06)	Aaa / AA+ AAA	3.77 3.63
3135G0S38	FNMA Note 2.000% Due 01/05/2022	90,000.00	04/24/2017 1.92%	90,320.40 90,320.40	99.34 2.17%	89,407.17 880.00	7.20% (913.23)	Aaa / AA+ AAA	4.02 3.80
<b>Total Agency</b>		<b>670,000.00</b>	<b>1.29%</b>	<b>675,945.40</b>	<b>2.03%</b>	<b>661,813.20</b>	<b>53.08%</b> <b>(14,132.20)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.57</b> <b>2.48</b>
<b>Cash</b>									
90CASH\$00	Cash Custodial Cash Account	27,061.44	Various 0.00%	27,061.44 27,061.44	1.00 0.00%	27,061.44 0.00	2.16% 0.00	NR / NR NR	0.00 0.00
<b>Total Cash</b>		<b>27,061.44</b>	<b>0.00%</b>	<b>27,061.44</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00</b>	<b>NR</b>	<b>0.00</b>
<b>US Treasury</b>									
912828UQ1	US Treasury Note 1.250% Due 02/29/2020	100,000.00	04/14/2016 1.10%	100,582.37 100,582.37	98.64 1.90%	98,636.70 424.72	7.90% (1,945.67)	Aaa / AA+ AAA	2.16 2.11
912828UV0	US Treasury Note 1.125% Due 03/31/2020	100,000.00	04/14/2016 1.10%	100,105.80 100,105.80	98.29 1.90%	98,293.00 287.43	7.87% (1,812.80)	Aaa / AA+ AAA	2.25 2.20
912828WC0	US Treasury Note 1.750% Due 10/31/2020	95,000.00	04/14/2016 1.21%	97,263.99 97,263.99	99.43 1.96%	94,461.92 284.74	7.56% (2,802.07)	Aaa / AA+ AAA	2.84 2.74
912828WN6	US Treasury Note 2.000% Due 05/31/2021	70,000.00	07/11/2016 1.01%	73,281.48 73,281.48	99.83 2.05%	69,879.67 123.08	5.59% (3,401.81)	Aaa / AA+ AAA	3.42 3.28
912828G53	US Treasury Note 1.875% Due 11/30/2021	100,000.00	01/18/2017 1.89%	99,926.12 99,926.12	99.19 2.09%	99,187.50 164.84	7.93% (738.62)	Aaa / AA+ AAA	3.92 3.75



# Holdings Report

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

For the Month Ending 12/31/2017

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	98.59 2.19%	98,593.80 637.09	7.92% (1,578.41)	Aaa / AA+ AAA	4.67 4.41
<b>Total US Treasury</b>		<b>565,000.00</b>	<b>1.38%</b>	<b>571,331.97</b> <b>571,331.97</b>	<b>2.01%</b>	<b>559,052.59</b> <b>1,921.90</b>	<b>44.76%</b> <b>(12,279.38)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>3.20</b> <b>3.07</b>
<b>TOTAL PORTFOLIO</b>		<b>1,262,061.44</b>	<b>1.30%</b>	<b>1,274,338.81</b> <b>1,274,338.81</b>	<b>1.98%</b>	<b>1,247,927.23</b> <b>5,456.89</b>	<b>100.00%</b> <b>(26,411.58)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.80</b> <b>2.69</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>1,253,384.12</b>			

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## SECTION 4

# Transactions



# Transaction Ledger

## Moulton Niguel Water District Liquid Fund - Account #41

September 30, 2017 through December 31, 2017

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	10/15/2017	90LAIF\$00	36,706.34	Local Agency Investment Fund State Pool	1.000	1.12%	36,706.34	0.00	36,706.34	0.00
	<b>Subtotal</b>		<b>36,706.34</b>				<b>36,706.34</b>	<b>0.00</b>	<b>36,706.34</b>	<b>0.00</b>
Security Contribution	10/03/2017	90LAIF\$00	650,000.00	Local Agency Investment Fund State Pool	1.000		650,000.00	0.00	650,000.00	0.00
Security Contribution	11/08/2017	90LAIF\$00	950,000.00	Local Agency Investment Fund State Pool	1.000		950,000.00	0.00	950,000.00	0.00
Security Contribution	11/13/2017	90LAIF\$00	2,800,000.00	Local Agency Investment Fund State Pool	1.000		2,800,000.00	0.00	2,800,000.00	0.00
Security Contribution	11/27/2017	90LAIF\$00	950,000.00	Local Agency Investment Fund State Pool	1.000		950,000.00	0.00	950,000.00	0.00
Security Contribution	11/30/2017	90LAIF\$00	2,350,000.00	Local Agency Investment Fund State Pool	1.000		2,350,000.00	0.00	2,350,000.00	0.00
Security Contribution	12/21/2017	90LAIF\$00	9,600,000.00	Local Agency Investment Fund State Pool	1.000		9,600,000.00	0.00	9,600,000.00	0.00
	<b>Subtotal</b>		<b>17,300,000.00</b>				<b>17,300,000.00</b>	<b>0.00</b>	<b>17,300,000.00</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>17,336,706.34</b>				<b>17,336,706.34</b>	<b>0.00</b>	<b>17,336,706.34</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Security Withdrawal	10/12/2017	90LAIF\$00	2,100,000.00	Local Agency Investment Fund State Pool	1.000		2,100,000.00	0.00	2,100,000.00	0.00
Security Withdrawal	10/27/2017	90LAIF\$00	2,000,000.00	Local Agency Investment Fund State Pool	1.000		2,000,000.00	0.00	2,000,000.00	0.00
Security Withdrawal	11/14/2017	90LAIF\$00	2,200,000.00	Local Agency Investment Fund State Pool	1.000		2,200,000.00	0.00	2,200,000.00	0.00
Security Withdrawal	12/13/2017	90LAIF\$00	800,000.00	Local Agency Investment Fund State Pool	1.000		800,000.00	0.00	800,000.00	0.00
	<b>Subtotal</b>		<b>7,100,000.00</b>				<b>7,100,000.00</b>	<b>0.00</b>	<b>7,100,000.00</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>7,100,000.00</b>				<b>7,100,000.00</b>	<b>0.00</b>	<b>7,100,000.00</b>	<b>0.00</b>

-47-



# Transaction Ledger

## Moulton Niguel Water District Limited Maturity - Account #42

September 30, 2017 through December 31, 2017

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	10/06/2017	45950KCC2	500,000.00	International Finance Corp Note 1.25% Due: 07/16/2018	99.857	1.43%	499,285.00	1,388.89	500,673.89	0.00
Purchase	10/17/2017	912828VQ0	325,000.00	US Treasury Note 1.375% Due: 07/31/2018	100.008	1.36%	325,025.39	947.18	325,972.57	0.00
Purchase	10/23/2017	06538CBP5	1,000,000.00	Bank of Tokyo Mitsubishi NY Discount CP 1.43% Due: 02/23/2018	99.511	1.46%	995,114.17	0.00	995,114.17	0.00
Purchase	11/07/2017	06371ETT4	515,000.00	Bank of Motreal Chicago Yankee CD 1.76% Due: 11/07/2018	100.000	1.76%	515,000.00	0.00	515,000.00	0.00
Purchase	12/14/2017	21685VB40	625,000.00	Rabobank NY Yankee CD 1.52% Due: 07/13/2018	99.860	1.75%	624,125.03	4,037.50	628,162.53	0.00
Purchase	12/18/2017	89113W6Q4	1,000,000.00	Toronto Dominion NY Yankee CD 1.6% Due: 08/24/2018	99.855	1.80%	998,553.34	6,533.33	1,005,086.67	0.00
Purchase	12/19/2017	45950KCA6	750,000.00	International Finance Corp Note 1.75% Due: 09/04/2018	100.027	1.71%	750,202.50	3,828.13	754,030.63	0.00
Purchase	12/20/2017	4581X0BR8	700,000.00	Inter-American Dev Bank Note 1.75% Due: 08/24/2018	100.028	1.71%	700,196.00	3,947.22	704,143.22	0.00
	<b>Subtotal</b>		<b>5,415,000.00</b>				<b>5,407,501.43</b>	<b>20,682.25</b>	<b>5,428,183.68</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>5,415,000.00</b>				<b>5,407,501.43</b>	<b>20,682.25</b>	<b>5,428,183.68</b>	<b>0.00</b>

<b>DISPOSITIONS</b>										
Sale	11/07/2017	912828XK1	450,000.00	US Treasury Note 0.875% Due: 07/15/2018	99.641	1.40%	448,382.81	1,230.47	449,613.28	-194.87
	<b>Subtotal</b>		<b>450,000.00</b>				<b>448,382.81</b>	<b>1,230.47</b>	<b>449,613.28</b>	<b>-194.87</b>
Maturity	10/02/2017	073902PR3	500,000.00	Bear Stearns Note 6.4% Due: 10/02/2017	100.000		500,000.00	0.00	500,000.00	-7200.00
Maturity	10/15/2017	009158AS5	300,000.00	Air Products & Chemicals Note 1.2% Due: 10/15/2017	100.000		300,000.00	0.00	300,000.00	621.00
Maturity	10/23/2017	06538BXP3	1,000,000.00	Bank of Tokyo Mitsubishi NY Discount CP 1.334% Due: 10/23/2017	99.556		1,000,000.00	0.00	1,000,000.00	0.00

-48-





# Transaction Ledger

## Moulton Niguel Water District Limited Maturity - Account #42

September 30, 2017 through December 31, 2017

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	12/05/2017	166764AA8	535,000.00	Chevron Corp Callable Note Cont 11/5/17 1.104% Due: 12/05/2017	100.000		535,000.00	0.00	535,000.00	1791.25
Maturity	12/15/2017	458140AL4	820,000.00	Intel Corp Note 1.35% Due: 12/15/2017	100.000		820,000.00	0.00	820,000.00	-1763.85
Maturity	12/15/2017	880591CU4	1,590,000.00	Tennessee Valley Authority Note 6.25% Due: 12/15/2017	100.000		1,590,000.00	0.00	1,590,000.00	-237006.80
	<b>Subtotal</b>		<b>4,745,000.00</b>				<b>4,745,000.00</b>	<b>0.00</b>	<b>4,745,000.00</b>	<b>-243,558.40</b>
<b>TOTAL DISPOSITIONS</b>			<b>5,399,345.55</b>				<b>5,397,728.36</b>	<b>6,081.03</b>	<b>5,403,809.39</b>	<b>-243,709.14</b>



# Transaction Ledger

## Moulton Niguel Water District Operating Reserve - Account #40

September 30, 2017 through December 31, 2017

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	10/06/2017	3135G0T78	900,000.00	FNMA Note 2% Due: 10/05/2022	99.934	2.01%	899,406.00	0.00	899,406.00	0.00
Purchase	11/08/2017	06538CCD1	910,000.00	Bank of Tokyo Mitsubishi NY Discount CP 1.45% Due: 03/13/2018	99.497	1.48%	905,418.40	0.00	905,418.40	0.00
Purchase	11/21/2017	3130ACKB9	1,600,000.00	FHLB Note 2.625% Due: 09/10/2027	99.502	2.68%	1,592,032.00	5,483.33	1,597,515.33	0.00
Purchase	12/01/2017	44932HAC7	915,000.00	IBM Credit Corp Note 2.2% Due: 09/08/2022	98.308	2.58%	899,518.20	4,641.08	904,159.28	0.00
	<b>Subtotal</b>		<b>4,325,000.00</b>				<b>4,296,374.60</b>	<b>10,124.41</b>	<b>4,306,499.01</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>4,325,000.00</b>				<b>4,296,374.60</b>	<b>10,124.41</b>	<b>4,306,499.01</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	10/06/2017	3137EADK2	950,000.00	FHLMC Note 1.25% Due: 08/01/2019	99.530	1.51%	945,535.00	2,144.10	947,679.10	18060.20
Sale	11/21/2017	3137EADM8	1,425,000.00	FHLMC Note 1.25% Due: 10/02/2019	98.988	1.80%	1,410,579.00	2,424.48	1,413,003.48	14266.25
Sale	12/01/2017	69371RM45	850,000.00	Paccar Financial Corp Note 1.45% Due: 03/09/2018	99.965	1.57%	849,702.50	2,807.36	852,509.86	501.50
	<b>Subtotal</b>		<b>3,225,000.00</b>				<b>3,205,816.50</b>	<b>7,375.94</b>	<b>3,213,192.44</b>	<b>32,827.95</b>
Maturity	11/08/2017	06538BY80	870,000.00	Bank of Tokyo Mitsubishi NY Discount CP 1.33% Due: 11/08/2017	99.542		870,000.00	0.00	870,000.00	0.00
	<b>Subtotal</b>		<b>870,000.00</b>				<b>870,000.00</b>	<b>0.00</b>	<b>870,000.00</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>4,104,180.79</b>				<b>4,084,997.29</b>	<b>19,114.62</b>	<b>4,104,111.91</b>	<b>32,546.07</b>

-50-

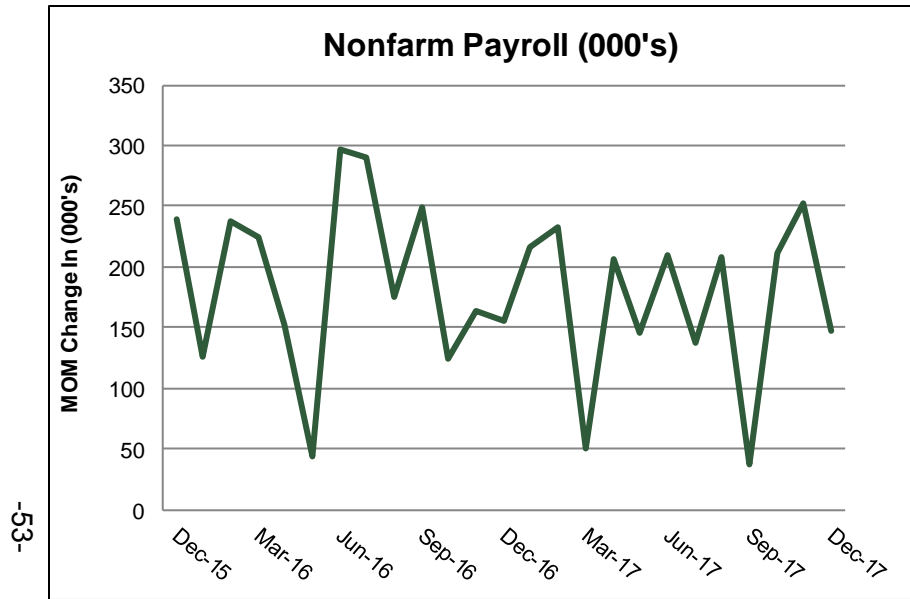
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**SECTION 5**

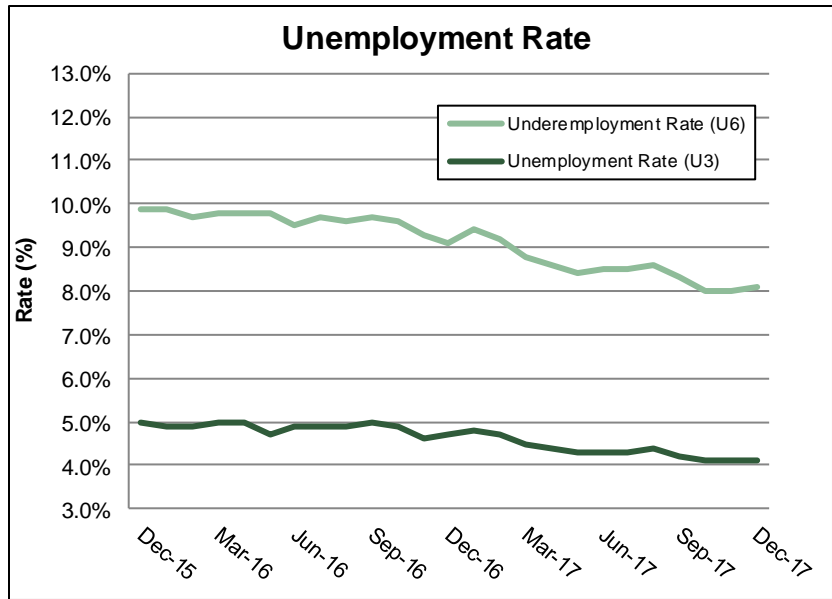
**Economic Update**



- The Federal Open Market Committee (FOMC) raised the fed funds target rate by 25 basis points to a range of 1.25%-1.50% at the December 13 meeting. The Federal Open Market Committee's (FOMC) economic projections indicate the Fed plans to hike the fed funds rate three times this year to a median level of 2.1%. We believe the rotation of new voting members into the FOMC this year, as well as a new Fed Chairman, may make for a more hawkish FOMC this year. Assuming inflation remains contained below 2.0% and the US dollar does not materially appreciate, we think three rate hikes are likely this year. While we expect the Fed to remain on a path toward monetary policy normalization, we continue to believe that the Fed's terminal rate forecast of 2.8% is too high, and believe the long-run rate is probably closer to 2.5%. As such, we see little room for additional rate hikes beyond this year, unless there is a significant pick-up in economic growth and inflation.
- We are forecasting GDP growth of about 2.5% in 2018, which is in line with the Fed's forecast and the market consensus. This would equate to a slight increase over the 2017 GDP growth consensus estimate of 2.3%. Overall, economic data was quite favorable heading into 2018, with the exception of still-sluggish inflation readings. The economy is at or near full employment, consumer confidence is strong, and leading indicators suggest the economy will continue to grow modestly.
- The Treasury yield curve continued to flatten in December. The 2-year Treasury yield increased about ten basis points in December to 1.88% and the 10-year Treasury yield was essentially unchanged. On a year-over-year basis, the 2-year Treasury yield increased nearly 70 basis points in 2017 and the 10-year Treasury yield declined slightly. All else being equal, we believe the Fed's plan to normalize the balance sheet could help promote a steeper yield curve over an intermediate time horizon. Tax reform may also be stimulative to the economy and drive yields at the long end of the curve higher.



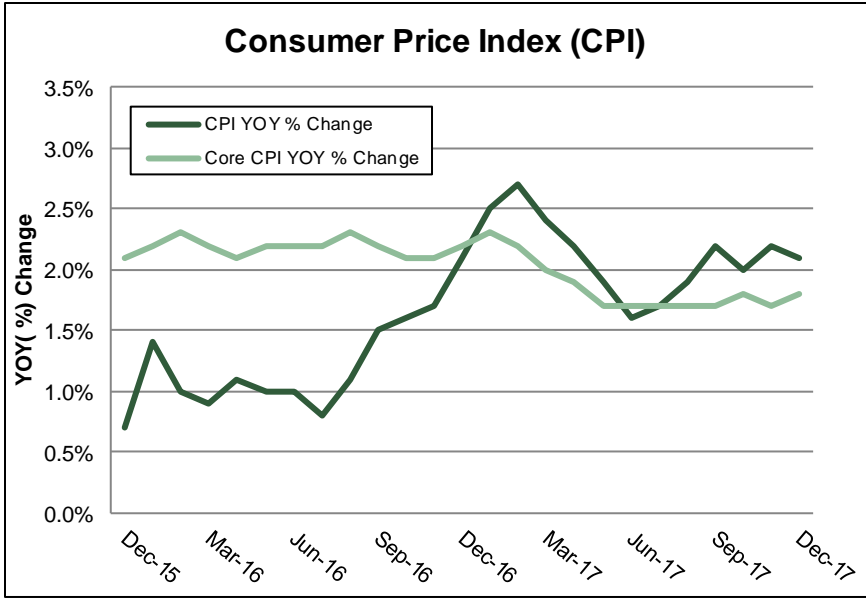
Source: US Department of Labor



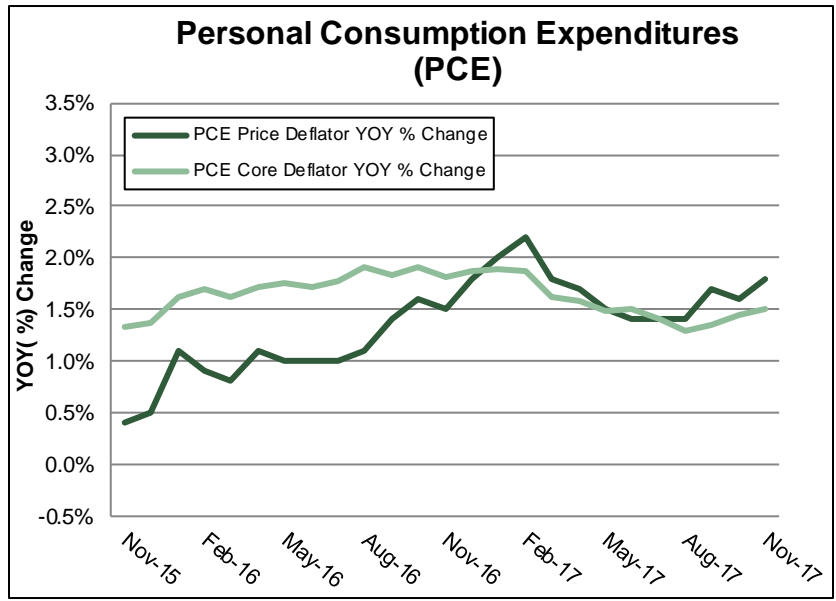
Source: US Department of Labor

U.S. nonfarm payrolls rose by 148,000 in December, below the consensus forecast of 191,000 but still enough to absorb new entrants into the labor market. October and November payrolls were revised down by a net total of 9,000. Nevertheless, on a trailing 3-month and 6-month basis, payrolls increased by an average of 204,000 and 166,000 per month, respectively. The unemployment rate and the labor participation rate were unchanged in December at 4.1% and 62.7%, respectively. 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, edged up to 8.1% in December from 8.0% in November and 7.9% in October. Wages rose 0.3% in December, following a downwardly revised 0.1% increase in November. Wages were up 2.5% on a year-over-year basis in December, in line with expectations.

-54-

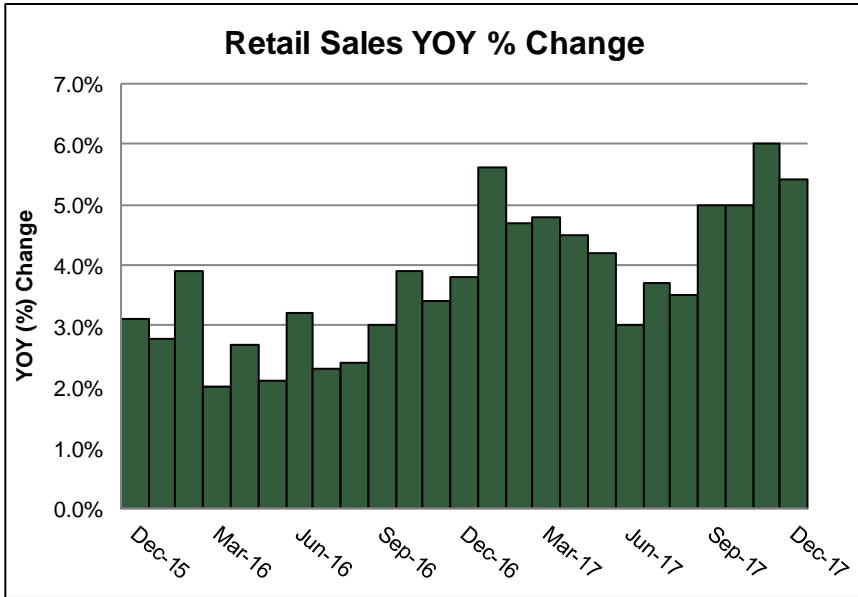


Source: US Department of Labor



Source: US Department of Labor

The Consumer Price Index (CPI) was up 2.1% year-over-year in December, versus up 2.2% year-over-year in November. Core CPI (CPI less food and energy) was up 1.8% year-over-year in December, versus up 1.7% year-over-year in November. Core CPI remains soft but did move higher. The Personal Consumption Expenditures (PCE) index was up 1.8% year-over-year in November, versus up 1.6% year-over-year in October. However, Core PCE (excluding food and energy) was up just 1.5% on a year-over-year basis in November. PCE inflation remains well below the Fed's 2.0% target.

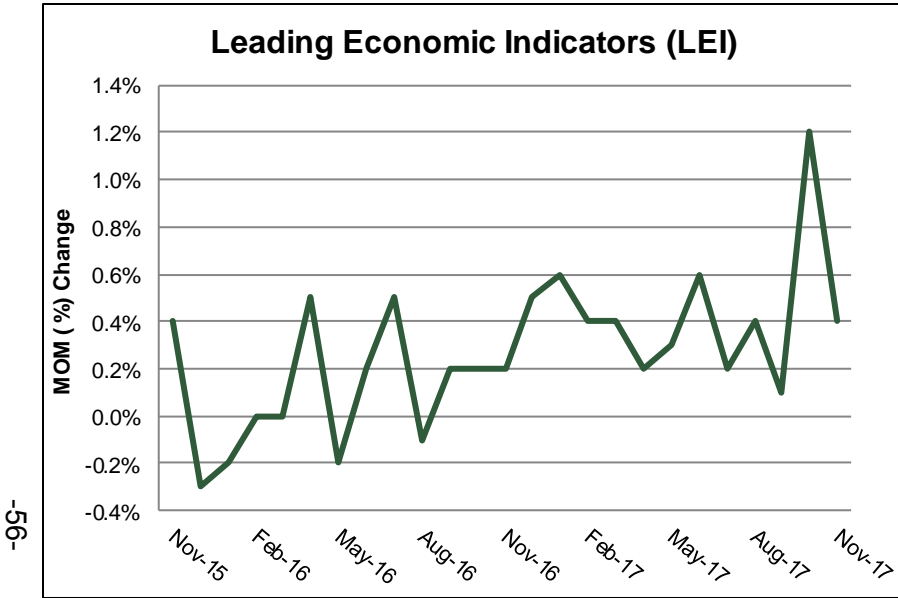


Source: US Department of Commerce

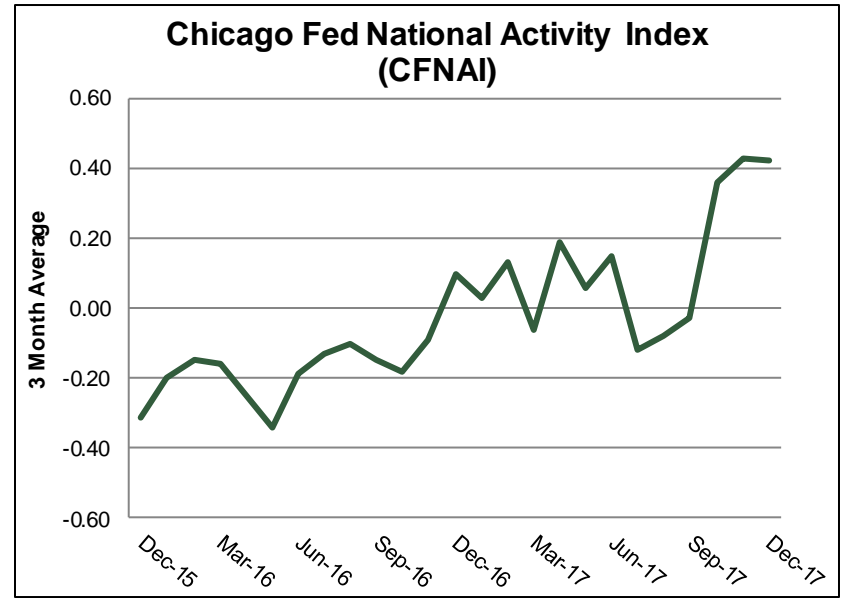


Source: The Conference Board

On a year-over-year basis, retail sales were up 5.4% in December, versus up 6.0% year-over-year in November. On a month-over-month basis, retail sales increased 0.4% in December (slightly below expectations), following a strong 0.9% increase in November. Excluding autos and gas, the month-over-month figure was up 0.4% in December as well. Overall, retail sales for the last two months of the year combined are indicative of solid consumer spending trends. The Consumer Confidence Index eased slightly but remained strong in December at 122.1 down from 128.6 in November.



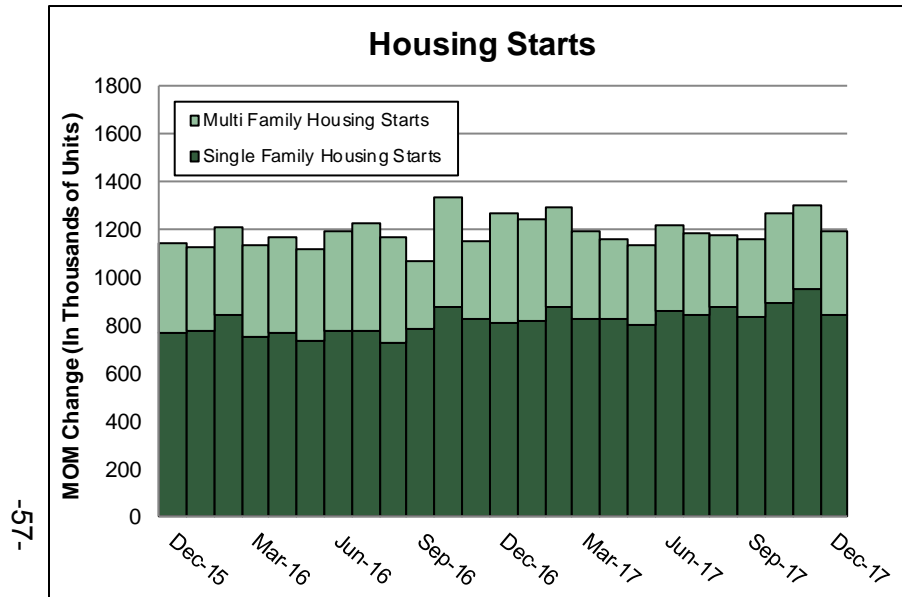
Source: The Conference Board



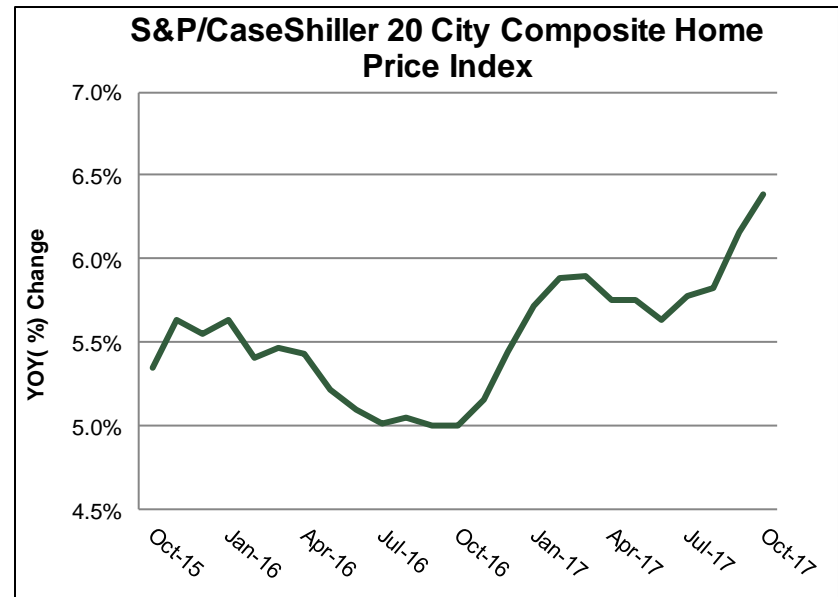
Source: Federal Reserve Bank of Chicago

The Index of Leading Economic Indicators (LEI) rose 0.4% in November, exceeding expectations, following a 1.2% increase in October. The index swung sharply higher in October, driven by a hurricane-related rebound, but returned to a steady pace of growth in November. According to the Conference Board, the growth of the LEI suggests that solid economic growth in the US economy will continue into the first half of 2018. The Chicago Fed National Activity Index (CFNAI) was little changed in December at 0.42 versus 0.43 in November, on a 3-month moving average basis. The index suggests that the economy is growing at a solid pace.



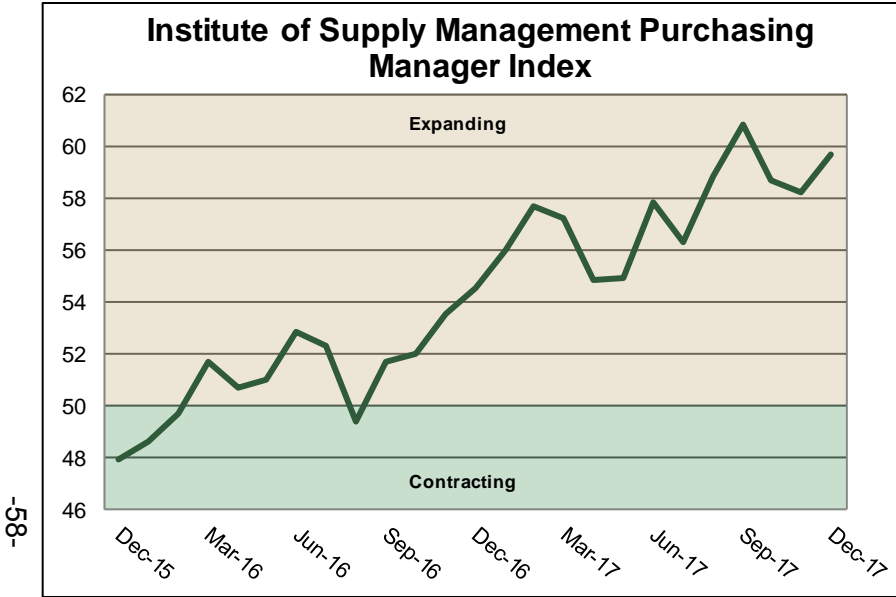


Source: US Census Bureau



Source: S&P

Total housing starts were weaker than expected in December, down 8.2%. Single-family starts fell 11.8% in December, while multi-family starts increased just 1.4%. Winter weather may have been a factor for the overall decline. Permits remained strong and were in line with expectations. According to the Case-Shiller 20-City home price index, home prices were up 6.4% year-over-year in October, versus up 6.2% year-over-year in September. Pricing remains firm, helped by an acceleration in demand and lack of supply.



Source: Institute for Supply Management



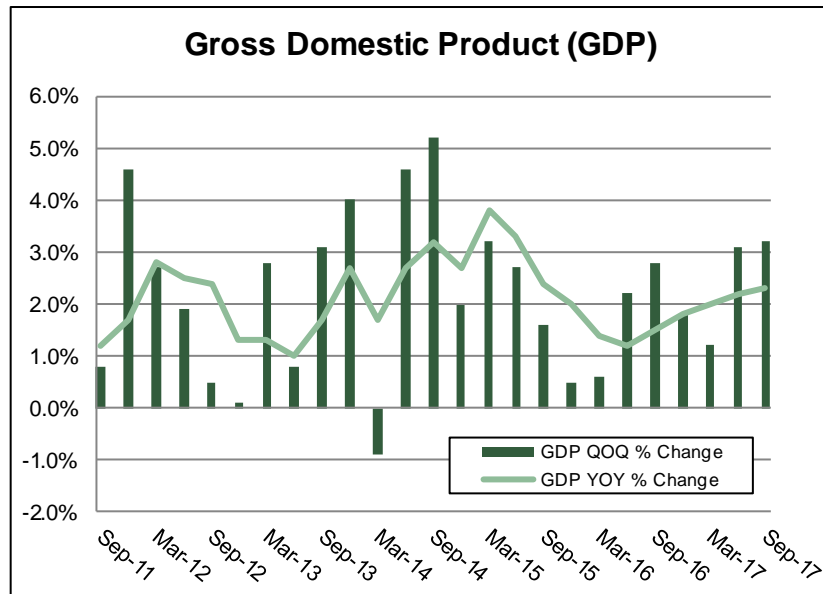
Source: Federal Reserve

The Institute for Supply Management (ISM) manufacturing index rose to 59.7 in December from 58.2 in November. The index remains indicative of strength in the manufacturing sector. A reading above 50.0 suggests the manufacturing sector is expanding. The Industrial Production index was up 3.6% year-over-year in December versus up 3.5% year-over-year in November. The index suggests that activity in the factory sector is growing modestly. With Capacity Utilization at just 77.9% in December, there is still excess capacity for growth.

# GM | Gross Domestic Product (GDP)

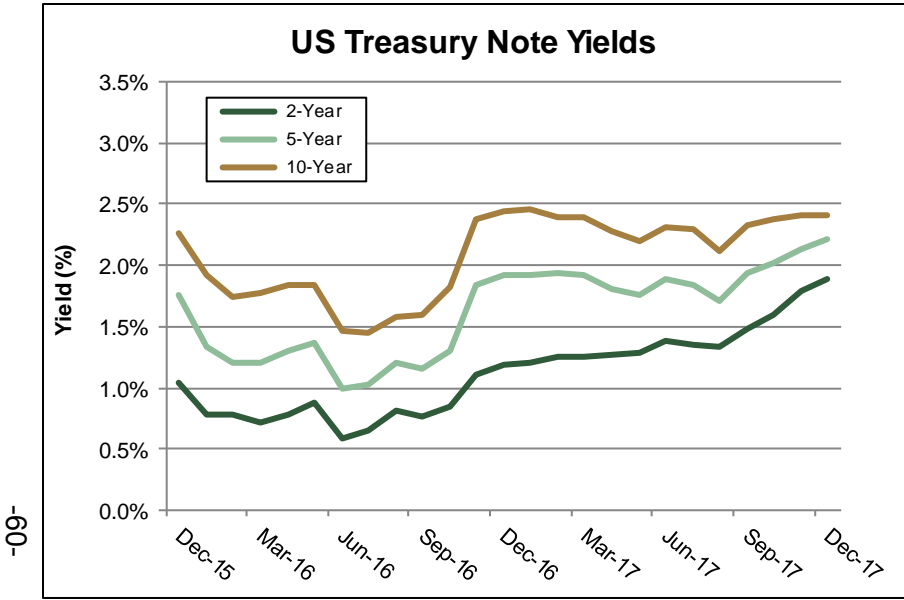
Components of GDP	12/16	3/17	6/17	9/17
Personal Consumption Expenditures	2.0%	1.3%	2.2%	1.5%
Gross Private Domestic Investment	1.3%	-0.2%	0.6%	1.2%
Net Exports and Imports	-1.6%	0.2%	0.2%	0.4%
Federal Government Expenditures	0.0%	-0.2%	0.1%	0.1%
State and Local (Consumption and Gross Investment)	0.1%	0.1%	-0.2%	0.0%
<b>Total</b>	<b>1.8%</b>	<b>1.2%</b>	<b>3.1%</b>	<b>3.2%</b>

Source: US Department of Commerce

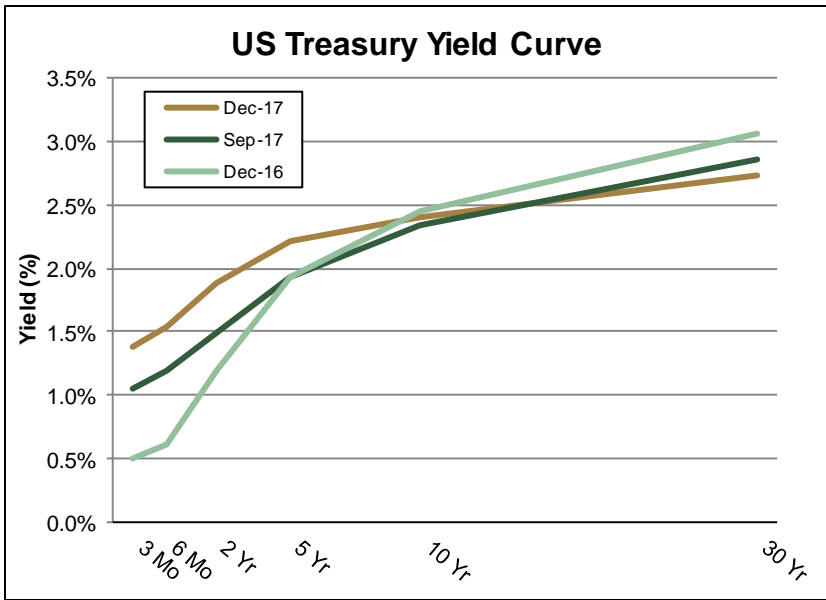


Source: US Department of Commerce

Third quarter GDP grew at an annualized rate of 3.2%, following growth of 3.1% in the second quarter. Third quarter economic growth got a boost from nonresidential fixed investment, along with a build in inventories which may have reversed in the fourth quarter. Nevertheless, the third quarter GDP report was solid.



Source: Bloomberg



Source: Bloomberg

The yield curve flattened meaningfully in 2017, with the 2-year/10-year Treasury yield spread narrowing from 126 basis points the end of 2016 to as low as 52 basis points at the end of December, the tightest spread since October 2007. In December, the 2-year Treasury yield increased about ten basis points to 1.88% and the 10-year Treasury yield was essentially unchanged. During 2017, the Federal Reserve raised the fed funds rate three times by a total of 75 basis points, which largely fueled the increase in shorter rates. However, inflation expectations were muted, which kept a lid on longer-term rates. All else being equal, we believe the Fed's ongoing efforts to normalize the balance sheet should help promote a steeper yield curve, but we don't expect the impact of this to be reflected in the market until later this year. We also believe tax reform is likely to provide a tailwind to economic growth and help drive yields at the long end of the curve higher. Global demand for Treasuries will also continue to influence yields.



*2018 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.*

*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.*

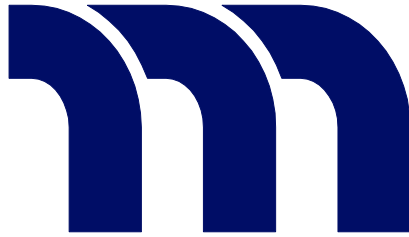
*Performance results are presented gross-of-fees and represent the client's Total Return. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.*

*Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.*

*This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.*

*Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.*





# moulton niguel water district

## STAFF REPORT

**TO:** Board of Directors                      **MEETING DATE:** February 14, 2018

**FROM:** Rod Woods, Director of Engineering  
Alex Thomas, Senior Engineer

**SUBJECT:** Construction Contract Award for Vault Removals

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### SUMMARY:

Issue: Board action is required for the Notice Inviting Sealed Proposals (Bids) for the Vault Removals, Project No. 2016.021.

Recommendation: It is recommended that the Board of Directors award the construction services contract to Paulus Engineering, Inc. in the amount of \$973,000; authorize the General Manager or Assistant General Manager to execute the contract; and to approve change orders up to 10% of the contract value.

Fiscal Impact: Project No. 2016.021 is budgeted in Fund 7, Rehabilitation and Replacement with a current project budget of \$750,000. The proposed project budget is \$1,150,300. The additional funds required are available from anticipated project savings in Fund 7; the overall Fiscal Year 2017-18 CIP budget will not be impacted.

Reviewed by Legal: Yes

### BACKGROUND:

The proposed Vault Removals project will abandon twelve vaults within the potable water distribution system and two vaults within the recycled water distribution system. These vaults were initially used to meter flow or regulate pressure throughout the distribution system. The vaults are located at various locations within the Cities of Laguna Niguel and Laguna Hills. District staff determined that the flow meters and pressure regulating valves within the vaults are no longer required for system operation. However, the piping and appurtenances within the vaults are necessary and due for replacement.

## #5.

### Construction Contract Award for Vault Removals

February 14, 2018

Page 2 of 3

The proposed work for the Vault Removals project includes: removing the flow meters and pressure regulating valves within the vaults, replacing the piping and appurtenances within the vaults, installing new isolation valves at locations identified by District staff, abandoning the vaults, and removing all electrical equipment.

#### **DISCUSSION:**

A request for bids was issued to six qualified construction contractors. The District received five sealed bids for the subject contract on January 23, 2018. The table below summarizes the bids received:

<b>Firm</b>	<b>Bid</b>
Paulus Engineering, Inc.	\$973,000
Ferreira Construction Co., Inc.	\$1,090,318
T.E. Roberts, Inc.	\$1,129,100
Shoffeitt Pipeline, Inc.	\$1,263,345
GCI Construction, Inc.	Bid Withdrawn*
<b>Engineer's Estimate</b>	<b>\$676,000</b>

\*The apparent low bidder, GCI Construction, Inc. submitted a request for withdrawal of bid on January 24, 2018. GCI stated that they made a mistake in filling out the bid that made the bid materially different than they intended. California Public Contract Code Section 5103 allows for withdrawal of bid if the request is made within five working days of the bid opening and is material in nature. Staff and legal counsel reviewed GCI's request and substantiating detail and determined that it meets the requirements of California Public Contract Code Section 5103.

Staff recommends that the Board award the construction services contract to the second lowest bidder, as allowed by California Public Contract Code Section 5106. Staff has determined that the bid received from Paulus Engineering, Inc. was responsible and responsive. Staff has completed its review of the contract documents and has determined that they are in order. Paulus has performed quality work for the District in the past and is well-qualified to perform this type of work.



Construction Contract Award for Vault Removals

February 14, 2018

Page 3 of 3

SUMMARY OF PROJECT BUDGET:

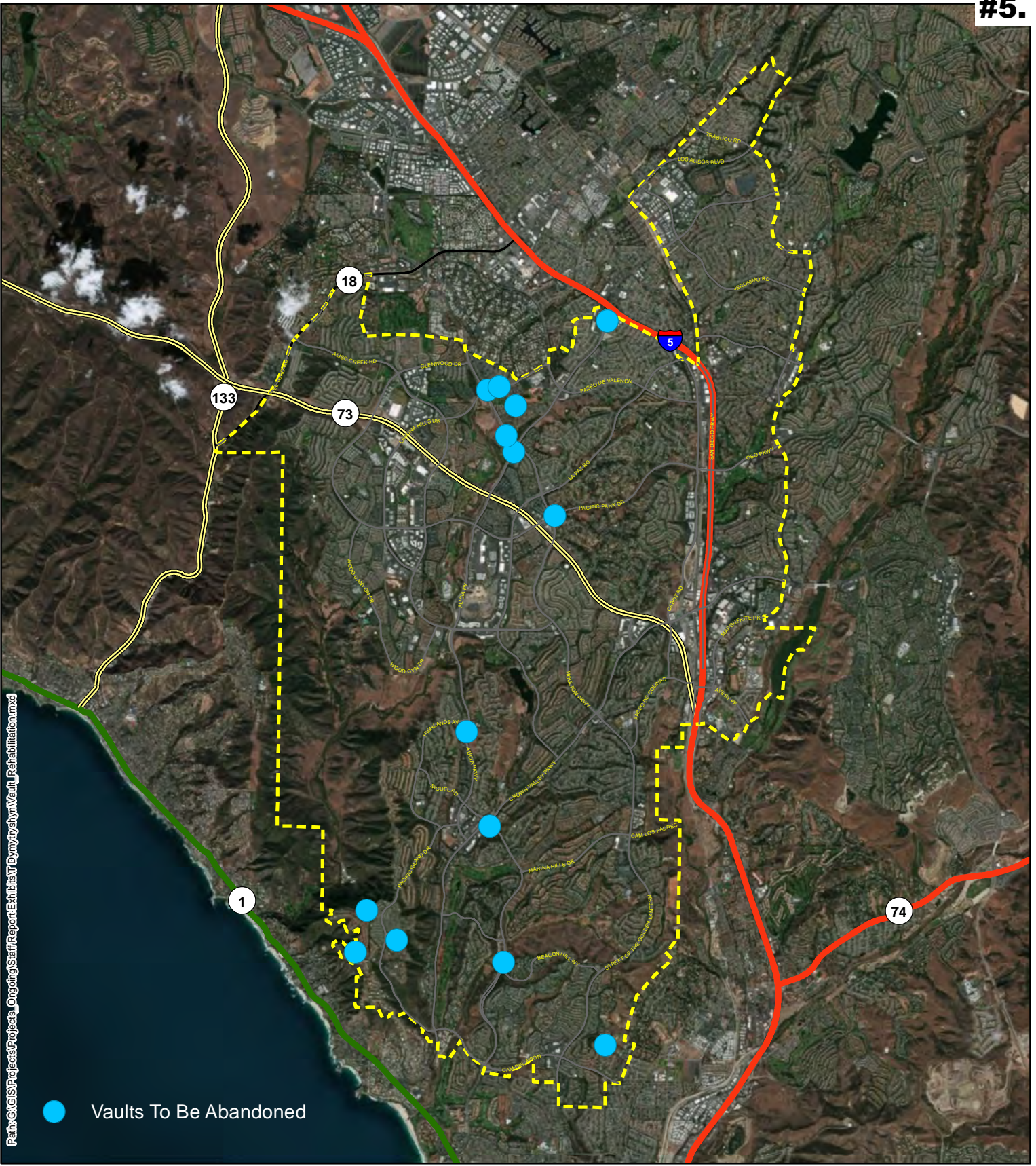
	<b>Project Budget</b>	<b>Proposed / Approved Contract</b>	<b>Proposed / Authorized Contingency</b>	<b>Total Proposed / Authorized Amount</b>
<b>Project Items</b>				
Engineering*	\$75,000	\$75,000	\$0	\$75,000
Construction	\$670,000	\$973,000	\$97,300	\$1,070,300
Legal, Permits, District Labor	\$5,000	\$5,000	\$0	\$5,000
<b>Totals</b>	\$750,000	\$1,053,000	\$97,300	\$1,150,300

\*\$49,564 has been expended to date.

 Currently Proposed Amount

Attachment: Exhibit A – Location Map





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● Vaults To Be Abandoned

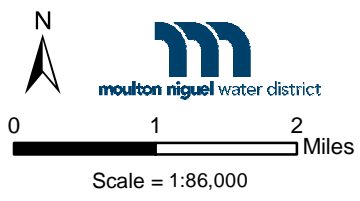


Exhibit "A" Location Map  
Vault Removals  
Contract No. 2016.021







# moulton niguel water district

## STAFF REPORT

**TO:** Board of Directors                      **MEETING DATE:** February 14, 2018

**FROM:** Rod Woods, Director of Engineering  
Alex Thomas, Senior Engineer

**SUBJECT:** Construction Contract Award for Rehabilitation of the Aliso Hills Reservoir

### SUMMARY:

Issue: Board action is required for the Notice Inviting Sealed Proposals (Bids) for the Rehabilitation of the Aliso Hills Reservoir, Project No. 2017.011.

Recommendation: It is recommended that the Board of Directors award the construction services contract to West Coast Industrial Coatings, Inc. in the amount of \$660,050; authorize the General Manager or Assistant General Manager to execute the contract; and to approve change orders up to 10% of the contract value.

Fiscal Impact: Project No. 2017.011 is budgeted in Fund 7, Rehabilitation and Replacement with a current project budget of \$700,000. The proposed project budget is \$826,055. The additional funds required are available from anticipated project savings in Fund 7; the overall Fiscal Year 2017-18 CIP budget will not be impacted.

Reviewed by Legal: Yes

### BACKGROUND:

The Aliso Hills Reservoir is a welded steel potable water reservoir located in the City of Laguna Hills (as shown in Exhibit A). The reservoir was constructed in 1981. The reservoir has a capacity of 1.75 million gallons (MG) and serves the 450 pressure zone.

The District’s steel reservoirs are coated to protect the steel shell, floor, and roof. The District inspects all reservoirs every 5 to 10 years to determine if and when repairs to the coating or steel surfaces are necessary or if a complete re-coating is appropriate. The Aliso Hills Reservoir was last re-coated in 2000.

# #6.

## Construction Contract Award for Rehabilitation of the Aliso Hills Reservoir

February 14, 2018

Page 2 of 2

The proposed work at the Aliso Hills Reservoir includes structural and corrosion repairs, tank operation and safety improvements (including spiral stairways and full perimeter guardrails), installation of a cathodic protection system, and re-coating of the interior and exterior of the reservoir.

### **DISCUSSION:**

A request for bids was issued to eight qualified construction contractors. The District received four sealed bids for the subject contract on January 23, 2018. The table below summarizes the bids received:

<b>Firm</b>	<b>Bid</b>
West Coast Industrial Coatings, Inc.	\$660,050
Advanced Industrial Services, Inc.	\$703,400
AMP United LLC	\$742,424
J. Colon Coatings, Inc.	\$942,565
<b>Engineer's Estimate</b>	<b>\$692,750</b>

Staff has determined that the lowest responsible and responsive bidder was West Coast Industrial Coatings, Inc. Staff has completed its review of the contract documents and has determined that they are in order. West Coast Industrial Coatings has performed quality work for the District in the past and is well-qualified to perform this type of work.

Staff intends to procure specialty inspection services related to the coating and improvements under the existing On-Call Construction Management and Inspection Services Agreements. These services are anticipated to be approximately \$70,000.

### **SUMMARY OF PROJECT BUDGET:**

	<b>Project Budget</b>	<b>Proposed / Approved Contract</b>	<b>Proposed / Authorized Contingency</b>	<b>Total Proposed / Authorized Amount</b>
<b>Project Items</b>				
Engineering*	\$25,000	\$25,000	\$0	\$25,000
Construction	\$600,000	\$660,050	\$66,005	\$726,055
Specialty Inspection	\$70,000	\$70,000	\$0	\$70,000
Legal, Permits, District Labor	\$5,000	\$5,000	\$0	\$5,000
<b>Totals</b>	<b>\$700,000</b>	<b>\$760,050</b>	<b>\$66,005</b>	<b>\$826,055</b>

\*\$3,119 has been expended to date.

Currently Proposed Amount

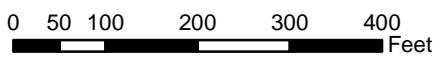
Attachment: Exhibit A – Location Map





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Project Area



Scale = 1:2,500

**Exhibit "A" Location Map**  
**Rehabilitation of the Aliso Hills Reservoir**  
**Contract No. 2017.011**







**MOULTON NIGUEL WATER DISTRICT**  
**Summary of Financial Results**  
**February 14, 2018**

Unaudited results of operations for the six months ended December 31, 2017, are summarized below.

Total operating revenues were \$31.7 million for the six months ended, which came in at 52% of the budget. Total operating expenses ended at \$34.2 million, which amounted to 46% of the approved budget. Total Net Income (Loss) for the six months ended was \$3.6 million.

The District has received \$15.0 million in property taxes thus far. That represents 54% of the \$27.6 million property tax budget for the year. The \$15.0 million received is \$1.0 million more than at this point in the prior year.

Investment income ended at \$0.2 million, as the District's total unrealized loss for the fiscal year is (\$0.8) million. Actual interest income received (realized) was \$1.0 million, up \$0.2 million than at this same point in the prior year.

The District has received \$0.6 million in capacity fees and demand offset fees, primarily driven by two large developments in Laguna Niguel (the Broadstone apartments and the Laguna Niguel-Crown Valley Acquisition, LLC, project).

The District currently has \$6.8 million available in the Water Efficiency Fund for new projects, rebate applications or additional programs. The remaining fund balance takes into account \$0.9 million in water efficiency program commitments already approved by the Board.

The District's Cash and Investments balance has increased by \$1.7 million as compared to June 30, 2017, primarily due to the timing of property tax receipts. This is in line with the District's Long Range Financial Plan. As part of that plan, the District intends to spend down its reserves, primarily on both capital projects and debt service payments. Through December 31, 2017, the District has reduced its total outstanding debt balance by \$5.1 million, and spent an additional \$3.5 million on capital projects.

All District fiscal agent reserves are monitored closely by District staff. As of December 31, 2017, the reserves were fully funded. The portfolio continues to maintain a very secure AA+ average credit rating.

The Board has established a target reserve level of \$66.9 million, and as of December 31, 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**  
**Six Months Ended December 31, 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
<b>ALL FUNDS</b>					
<b>Operating Revenues</b>					
Water Sales	\$ 15,899,012	\$ 14,152,266	\$ 29,909,274	\$ 14,010,261	53%
Recycled Water Sales	3,198,483	2,983,966	5,462,967	2,264,484	59%
Sewer Sales	10,430,497	9,843,733	21,413,568	10,983,071	49%
Water Efficiency	1,921,418	4,506,050	3,335,112	1,413,694	58%
Other Operating Income	237,314	206,838	516,900	279,586	46%
<b>A Total Operating Revenue</b>	<b>31,686,724</b>	<b>31,692,853</b>	<b>60,637,821</b>	<b>28,951,096</b>	<b>52%</b>
<b>Operating Expenses</b>					
Salaries	6,117,128	5,578,269	13,181,187	7,064,059	46%
PERs Employer Contributions	893,753	764,652	1,903,162	1,009,409	47%
Defined Contribution 401A	102,159	84,401	230,127	127,969	44%
Educational Courses	9,215	12,552	72,253	63,038	13%
Travel & Meetings	91,578	99,326	329,651	238,073	28%
Recruitment & Employee Relations	13,615	14,109	81,250	67,635	17%
General Services	152,750	163,386	517,820	365,070	29%
Annual Audit	23,450	18,423	50,000	26,550	47%
Member Agencies O&M	81,490	196,884	773,341	691,851	11%
Dues & Memberships	69,351	41,384	125,175	55,824	55%
Consulting Services	794,450	840,936	2,095,400	1,300,950	38%
Equipment Rental	26,333	6,817	62,000	35,667	42%
District Fuel	117,622	99,908	220,000	102,378	53%
Insurance - District	202,373	182,597	402,420	200,047	50%
Insurance - Personnel	169,923	156,390	394,324	224,401	43%
Insurance - Benefits	1,541,788	1,211,155	3,023,763	1,481,975	51%
Legal Services - Personnel	1,533	12,945	50,000	48,467	3%
Legal Services - General	582,984	88,376	850,000	267,016	69%
District Office Supplies	280,867	266,247	725,151	444,284	39%
District Operating Supplies	185,047	204,340	444,788	259,741	42%
Repairs & Maintenance - Equipment <sup>1</sup>	436,851	331,927	695,669	258,818	63%
Repairs & Maintenance - Facilities	1,507,869	1,402,496	3,725,857	2,217,989	40%
Safety Program & Compliance Requirements	123,221	133,266	282,165	158,944	44%
Wastewater Treatment <sup>2</sup>	4,464,768	4,570,970	10,752,352	6,287,584	42%
Special Outside Assessments	26,473	25,276	251,641	225,168	11%
Utilities <sup>3</sup>	1,364,348	1,048,842	2,281,900	917,552	60%
Water Purchases	14,125,933	13,278,598	26,710,799	12,584,866	53%
Meter / Vault Purchases	150,905	51,909	440,000	289,095	34%
Water Efficiency	510,231	739,521	2,885,000	2,374,769	18%
Other Operating Expenses	-	350,343	-	-	n/a
<b>B Total Operating Expenses</b>	<b>34,168,009</b>	<b>31,976,245</b>	<b>73,557,197</b>	<b>39,389,188</b>	<b>46%</b>
<b>A-B Operating Income (Loss)</b>	<b>(2,481,285)</b>	<b>(283,392)</b>	<b>(12,919,377)</b>	<b>(10,438,091)</b>	<b>19%</b>
<b>Non-Operating Revenues (Expenses)</b>					
Property Tax Revenue	14,962,677	14,002,496	27,581,361	12,618,683	54%
Investment Income <sup>4</sup>	230,123	(1,899,161)	2,354,217	2,124,094	10%
Property Lease Income	936,898	879,678	1,723,533	786,634	54%
Interest Expense	(2,513,236)	(2,645,901)	(5,201,569)	(2,688,333)	48%
Misc. Non-Operating Income (Expense)	1,473,043	2,761,038	3,004,247	1,531,204	49%
Capacity/Demand Offset Fees <sup>5</sup>	608,705	204,012	390,198	(218,507)	156%
<b>C Total Non-Operating Revenue (Expenses)</b>	<b>15,698,211</b>	<b>13,302,161</b>	<b>29,461,788</b>	<b>13,763,577</b>	<b>53%</b>
<b>A-B+C Change in All Funds</b>	<b>\$ 13,216,926</b>	<b>\$ 13,018,769</b>	<b>\$ 16,542,412</b>	<b>\$ 3,325,486</b>	
<b>Other Non Cash Expenses</b>					
Depreciation	9,595,738	8,750,895	-	(9,595,738)	n/a
<b>D Total Change in Net Position</b>	<b>\$ 3,621,188</b>	<b>\$ 4,267,874</b>	<b>\$ 16,542,412</b>	<b>\$ 12,921,224</b>	

Note: Totals may not sum due to rounding.

- Approximately half of these expenses relate to maintenance of the District fleet vehicles.
- The District paid each of the first 2 quarterly bills for SOCWA, including PC 15 O&M, for July - December.
- The District received two invoices from SDG&E related to prior year invoices. Actual current year usage is within expectations.
- Investment income is comprised of realized income of \$1,035,964 and unrealized income (loss) of (\$805,841).
- The District received over \$600k in Capacity fees related to several large projects, including the Broadstone North Getty Gateway project.

# #7.b.

**Moulton Niguel Water District**  
**All Funds - Budget Comparison Report**  
**Six Months Ended December 31, 2017**  
**Legal Services - General**

Firm	Water Use		Capital <sup>7</sup>	Total
	General <sup>6</sup>	Efficiency <sup>6</sup>		
Best Best & Krieger LLP	\$ 576,953	\$ 6,031	\$ 11,063	\$ 594,047
<b>Budget Amount</b>	800,000	50,000	-	850,000
<b>Budget Balance</b>	\$ 223,047	\$ 43,969	n/a	\$ 267,016

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

6. Legal Services - General on the previous page is made up of the General balance of \$576,953 and the \$6,031 Water Use Efficiency balance, for a total of \$582,984.

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 <sup>8</sup>	\$ 19,250	\$ 19,250	-
West Yost Associates <sup>9</sup>	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**  
**Six Months Ended December 31, 2017**

	1	2	=1-2	=2/1
Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
<b>GENERAL FUND</b>				
<b><u>Operating Revenues</u></b>				
Water Sales	\$ 29,909,274	\$ 15,899,012	\$ 14,010,262	53%
Recycled Water Sales	5,462,967	3,198,483	2,264,484	59%
Sewer Sales	21,413,568	10,430,497	10,983,071	49%
Other Operating Income	516,900	237,314	279,586	46%
<b>A Total Operating Revenue</b>	<b>57,302,709</b>	<b>29,765,306</b>	<b>27,537,403</b>	<b>52%</b>
<b><u>Operating Expenses</u></b>				
Salaries	12,205,909	5,686,545	6,519,365	47%
PERs Employer Contributions	1,804,882	839,258	965,624	46%
Defined Contribution 401A	213,638	94,942	118,697	44%
Educational Courses	69,753	9,115	60,638	13%
Travel & Meetings	304,451	80,370	224,081	26%
Employee Relations	81,250	13,615	67,635	17%
General Services	517,820	152,750	365,070	29%
Annual Audit	50,000	23,450	26,550	47%
Member Agencies O&M	773,341	159,908	613,433	21%
Dues & Memberships	124,675	68,351	56,324	55%
Consulting Services	995,400	442,051	553,349	44%
Equipment Rental	62,000	26,333	35,667	42%
District Fuel	220,000	117,622	102,378	53%
Insurance - District	402,420	202,373	200,047	50%
Insurance - Personnel	370,102	162,157	207,945	44%
Insurance - Benefits	2,836,557	1,443,856	1,392,701	51%
Legal Services - Personnel	50,000	1,533	48,467	3%
Legal Services - General	800,000	576,953	223,047	72%
District Office Supplies	446,951	227,248	219,703	51%
District Operating Supplies	444,788	185,047	259,741	42%
Repairs & Maintenance - Equipment <sup>1</sup>	693,169	436,730	256,439	63%
Repairs & Maintenance - Facilities	3,725,857	1,507,869	2,217,989	40%
Safety Program & Compliance Requirements	280,415	122,095	158,320	44%
Wastewater Treatment <sup>2</sup>	10,752,352	4,464,768	6,287,584	42%
Special Outside Assessments	251,641	26,473	225,168	11%
Utilities <sup>3</sup>	2,281,900	1,364,348	917,552	60%
Water Purchases	26,336,456	14,047,515	12,288,941	53%
Meter / Vault Purchases	440,000	150,905	289,095	34%
<b>B Total Operating Expenses</b>	<b>67,535,729</b>	<b>32,634,179</b>	<b>34,901,550</b>	<b>48%</b>
<b>A-B Operating Income (Loss)</b>	<b>(10,233,020)</b>	<b>(2,868,873)</b>	<b>(7,364,147)</b>	<b>28%</b>
<b><u>Non-Operating Revenues (Expenses)</u></b>				
Property Tax Revenue	27,581,361	14,962,677	12,618,684	54%
Investment Income	2,256,279	98,376	2,157,903	4%
Property Lease Income	1,723,533	936,898	786,635	54%
Misc. Non-Operating Income	3,004,247	1,323,516	1,680,731	44%
Capacity Fees <sup>4</sup>	340,198	539,506	(199,308)	159%
<b>C Total Non-Operating Revenue (Expenses)</b>	<b>34,905,618</b>	<b>17,860,974</b>	<b>17,044,644</b>	<b>51%</b>
<b>A-B+C Change in General Fund</b>	<b>\$ 24,672,598</b>	<b>\$ 14,992,101</b>	<b>\$ 9,680,497</b>	<b>55%</b>
<b><u>Other Non Cash Expenses</u></b>				
Depreciation	-	9,595,738	(9,595,738)	n/a
<b>D Total Change in Net Position</b>	<b>\$ 24,672,598</b>	<b>\$ 5,396,363</b>	<b>\$ 19,276,235</b>	

Note: Totals may not sum due to rounding.

1. Approximately half of these expenses relate to maintenance of the District fleet vehicles.
2. The District paid each of the first 2 quarterly bills for SOCWA, including PC 15 O&M, for July - December.
3. The District received two invoices from SDG&E related to prior year invoices. Actual current year usage is within expectations.
4. The District received over \$600k in Capacity fees related to several large projects, including the Broadstone North Getty Gateway project.

# #7.b.

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

Description	1 Approved Budget	2 Fiscal Year to Date Actuals	=-1-2 Budget Balance	=-2/1 % of Actuals to Budget	
<b>WATER EFFICIENCY FUND</b>					
<b>Projected Operating Revenue</b>					
Water Efficiency	\$ 3,335,112	\$ 1,921,418	\$ 1,413,694	58%	
<b>A</b>	<b>Projected Total Operating Revenue</b>	<b>3,335,112</b>	<b>1,921,418</b>	<b>58%</b>	
<b>Projected Operating Expenses</b>					
Labor	1,300,574	597,994	702,579	46%	
Educational Courses	2,500	100	2,400	4%	
Travel & Meetings	25,200	11,208	13,992	44%	
Dues & Memberships <sup>1</sup>	500	1,000	(500)	200%	
Consulting Services	1,100,000	352,399	747,601	32%	
Legal Services	50,000	6,031	43,969	12%	
Conservation supplies	278,200	53,619	224,581	19%	
Repairs and Maintenance - Equipment	2,500	121	2,379	5%	
Water Efficiency	2,885,000	510,231	2,374,769	18%	
<b>B</b>	<b>Projected Total Operating Expenses</b>	<b>5,644,474</b>	<b>1,532,704</b>	<b>27%</b>	
<b>A-B</b>	<b>Projected Operating Income (Loss)</b>	<b>(2,309,362)</b>	<b>388,714</b>	<b>(2,698,076)</b>	<b>-17%</b>
<b>Projected Non-Operating Revenue</b>					
Demand offset fees	50,000	69,199	(19,199)	138%	
Investment Income	97,937	16,248	81,689	17%	
<b>C</b>	<b>Projected Total Non-Operating Revenue</b>	<b>147,937</b>	<b>85,447</b>	<b>58%</b>	
<b>A-B+C</b>	<b>Projected Change in Water Efficiency Fund</b>	<b>\$ (2,161,424)</b>	<b>\$ 474,161</b>	<b>\$ (2,635,586)</b>	

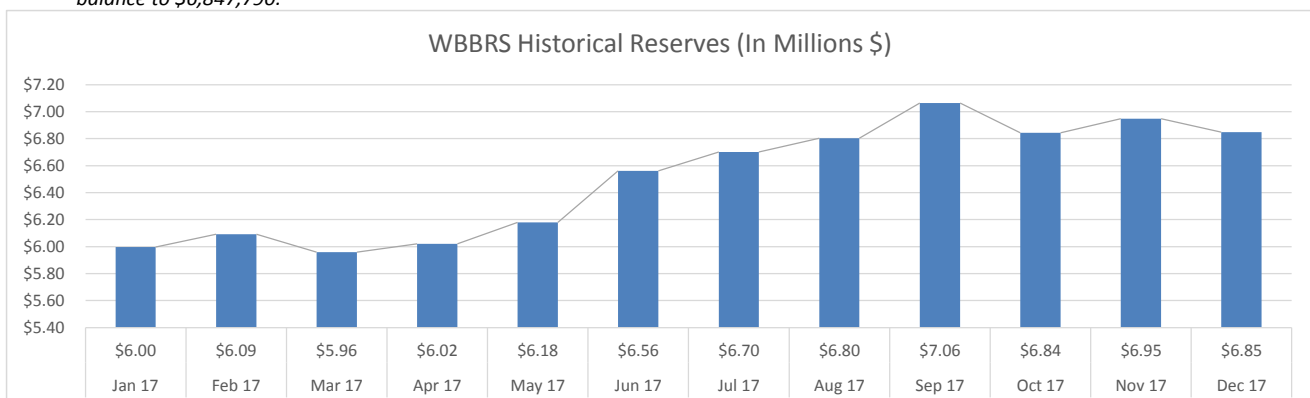
Note: Totals may not sum due to rounding.

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

**Water Efficiency Available Net Position <sup>2</sup>**

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)	474,161	(2,635,586)
Project Commitments		(884,738)	
<b>Fund Net Position, Six Months Ended December 31, 2017</b>	<b>\$ 5,096,941</b>	<b>\$ 6,847,789</b>	

2. In addition to realized expenditures, there is approximately \$884,738 in project commitments, reducing the available WBBRS reserve balance to \$6,847,790.



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

	(Unaudited)	
	December 31, 2017	June 30, 2017
<b>CURRENT ASSETS:</b>		
Cash and investments	\$ 41,342,775	\$ 34,380,673
Restricted cash and investments with fiscal agent	7,283,274	7,886,334
Accounts receivables:		
Water and sanitation charges	3,575,217	3,742,510
Property taxes	-	333,100
Grant Reimbursements	-	179,628
Other accounts receivable	286,588	331,365
Interest receivable	696,239	634,134
Inventory	1,097,224	975,276
Prepaid expenses	1,434,556	626,833
	<b>55,715,873</b>	<b>49,089,853</b>
<b>NONCURRENT ASSETS:</b>		
Investments	78,609,951	83,860,499
Retrofit loans receivable	524,910	539,940
Capital assets, net of accumulated depreciation <sup>1</sup>	377,904,966	349,641,085
Capital assets not being depreciated:		
Land	1,091,910	1,091,910
Construction in progress <sup>1</sup>	10,530,885	44,848,592
	<b>468,662,621</b>	<b>479,982,026</b>
	<b>524,378,494</b>	<b>529,071,879</b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>		
Deferred Charges on Refunding	584,400	658,585
Deferred Items related to Pension	4,610,581	4,610,581
	<b>5,194,981</b>	<b>5,269,166</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b> \$	<b>529,573,475</b>	<b>\$ 534,341,045</b>

1 With the completion of the Baker Water Treatment Plant, the District moved \$37.6 million from "construction in progress" to "capital assets, net of accumulated depreciation."

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

	(Unaudited)	
	December 31, 2017	June 30, 2017
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 4,540,672	\$ 7,504,051
Interest payable	1,643,600	1,760,661
Compensated absences	741,708	751,852
Current portion of long-term debt:		
Bonds payable	1,365,000	1,275,000
Loans Payable	1,567,688	2,032,109
Certificates of participation	1,805,000	1,925,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>11,663,669</b>	<b>15,248,673</b>
<b>LONG-TERM LIABILITIES</b>		
Compensated absences	247,236	250,617
Long-term debt:		
Bonds payable	11,925,000	15,095,000
Loans payable	5,261,865	6,660,907
Certificates of participation	60,000,000	60,000,000
Net Pension Liability	17,581,392	17,581,392
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>95,015,494</b>	<b>99,587,916</b>
Bond Discount/Premium	1,747,867	1,979,199
<b>TOTAL LIABILITIES</b>	<b>108,427,029</b>	<b>116,815,787</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>		
Deferred Items related to Pension	2,447,949	2,447,949
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>2,447,949</b>	<b>2,447,949</b>
<b>NET POSITION:</b>		
Net investment in capital assets	306,439,740	307,272,958
Restricted for capital projects	565,226	291,818
Unrestricted	111,693,531	107,512,533
<b>TOTAL NET POSITION</b>	<b>418,698,497</b>	<b>415,077,309</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION</b>	<b>\$ 529,573,475</b>	<b>\$ 534,341,045</b>

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



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

	Reserve Requirement	(Unaudited) Balance 12/31/2017	Over (Under) Requirement	Balance 6/30/2017
<b><u>Restricted Cash and Investments:</u></b>				
2009 COPS Trust Reserve	\$ 6,000,000	\$ 6,035,170	\$ 35,170	\$ 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	1,247,928	21,428	1,250,127
<b>Total Restricted Trust Accounts</b>	<b>\$ 7,226,500</b>	<b>\$ 7,283,274</b>	<b>\$ 56,774</b>	<b>\$ 7,886,334</b>

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



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

	<b>Reserve Target</b>	<b>(Unaudited)</b>		<b>Balance 6/30/2017</b>
		<b>Balance 12/31/2017</b>	<b>Net Change</b>	
<b>Adopted Reserve Targets <sup>1</sup></b>				
Designated for Self Insurance Reserve	\$ 250,000	\$ 244,883	\$ 4,902	\$ 239,981
Designated for Rate Stabilization	14,500,430	14,533,086	785,598	13,747,488
Designated for Emergency Reserves	35,300,000	35,300,000	(210,000)	35,510,000
Designated for Operating Reserves <sup>2</sup>	16,883,932	16,889,049	(8,624,572)	25,513,621
<b>Total Adopted Reserve Targets</b>	<b>\$ 66,934,362</b>	<b>\$ 66,967,018</b>	<b>\$ (8,044,072)</b>	<b>\$ 75,011,090</b>
	<b>FY Capital Budget <sup>4</sup></b>			
<b>Designated for Capital Projects <sup>3</sup></b>				
Designated for Replacement and Refurbishment	\$ 25,140,108	\$ 20,301,612	\$ 7,188,667	\$ 13,112,946
Designated for Water Supply Reliability	350,000	300,676	(3,535,598)	3,836,274
Designated for Planning and Construction	18,957,000	16,391,698	8,097,840	8,293,858
<b>Total Designated for Capital Projects</b>	<b>\$ 44,447,108</b>	<b>\$ 36,993,986</b>	<b>\$ 11,750,908</b>	<b>\$ 25,243,078</b>
<b>Other amounts</b>				
Designated for Water Efficiency (WBBRS) <sup>5</sup>		\$ 7,732,527	\$ 474,162	\$ 7,258,366
Restricted for Capital Facilities (Projects)		565,226	273,408	291,818
Net Investment in Capital Assets <sup>6</sup>		306,439,740	(833,218)	307,272,958
<b>Total Other amounts</b>		<b>\$ 314,737,493</b>	<b>\$ (85,648)</b>	<b>\$ 314,823,141</b>
<b>Total Net Position</b>		<b>\$ 418,698,497</b>	<b>\$ 3,621,188</b>	<b>\$ 415,077,309</b>

Note: Totals may not sum due to rounding.

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

2. General Operating Reserves include the unrestricted, undesignated balance, and other general District accrued cash flows. This amount includes the remaining total cash balance of \$23,333,638.

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 \$884,738 in project commitments, reducing the available WBBRS reserve balance to \$6,847,790.

6. Net Investment in Capital Assets calculated as follows:

Total capital assets	\$ 389,527,761
Less capital related debt	(83,672,420)
Add deferred charges related to debt	584,400
<b>Total Net Investment in Capital Assets</b>	<b>\$ 306,439,740</b>



**MOULTON NIGUEL WATER DISTRICT  
SUMMARY OF DISBURSEMENTS  
FOR THE MONTH OF JANUARY 2018**

**Summary of Disbursements in January 2018:**

General Fund Disbursements		<b>5,993,669</b>
<b><u>Restricted Fund Disbursements:</u></b>		
Water Efficiency Fund	282,114	
Replacement & Refurbishment Fund	1,226,124	
Planning & Construction Fund	259,283	<b>1,767,521</b>
<b>Total Disbursements for all Funds</b>	<b>\$ 7,761,190</b>	

**Detail of Major Expenditures in January 2018:**

1. South Orange County Wastewater Authority (SOCWA)		
FY 17/18 Q3 O&M Budget Deposits	2,232,384	
FY 17/18 Q3 Capital Project Billings	826,834	<b>3,059,218</b>
2. Municipal Water District of Orange County (MWDOC)		
November Water Purchases 2067.1 AF	1,819,208	
November Readiness To Serve	108,075	
November Capacity Charge	30,934	
November 2017 Turf Removal and Smart Timer Rebates	14,842	
November SCP Operation Surcharge	7,851	
November SAC Operation Surcharge	915	
October Reclaimed Rebate 647.6 AF	(99,730)	<b>1,882,095</b>
3. Paulus Engineering, Inc.		
C#2016016 Plant 3A Flood Protection, progress payment #1	220,538	
C#2016001 ETM San Juan Creak Xing Removal, final retention payment	3,538	<b>224,076</b>
4. AKM Consulting Engineering, Inc.		
Recycle Water Expansion Optimization Study project payments	66,753	
C#2016002 Valve Replacements and C#2016021 Vault Removal project payments	25,920	
C#2017004 Sewer Lining and Sewer Rehab Prioritization project payments	12,179	<b>104,852</b>

**#7.f.**



# moulton niguel water district

## STAFF REPORT

**TO:** Board of Directors                      **MEETING DATE:** February 14, 2018

**FROM:** Rod Woods, Director of Engineering  
Todd Dmytryshyn, Principal Engineer

**SUBJECT:** Quarterly Capital Improvement Program Report

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### SUMMARY:

Issue: District staff is responsible for executing the Capital Improvement Program (CIP) as adopted by the Board of Directors. This quarterly report is a summary of activities for October, November, and December of Fiscal Year (FY) 2017-18.

Recommendation: Information item only.

Fiscal Impact: The fiscal impact for each project is presented to the Board of Directors on a project by project basis. The budget for FY 2017-18 was \$44,497,108.

Reviewed by Legal: Not Applicable

### DISCUSSION:

The Moulton Niguel Water District (District) Board of Directors approved a FY 2017-18 budget in June 2017 (see Table 1). Several of the projects in this fiscal year budget, such as SOCWA, JRWSS, and SMWD Joint Projects (including Plant 3A) are managed by other entities. For these projects, staff primarily assesses capital expenditures and reviews deliverables and invoices, but does not actively manage the projects. These projects total \$11.4 million for FY 2017-18 budget. The remainder of the budget, \$33.1 million, is executed by District staff. Table 1 summarizes the expenditures and contractual obligations for the fiscal year.

**#8.**

## Quarterly Capital Improvement Program Report

February 14, 2018

Page 2 of 3

<b>Table 1 Adopted Budget by Fund Fiscal Year: July 2017 through June 2018</b>			
<b>Item/Fund</b>	<b>Fiscal Year Adopted Budget</b>	<b>Committed Contracts Through Second Quarter</b>	<b>Payments Through Second Quarter</b>
Water Efficiency – Fund 6	\$50,000	\$50,000	\$0
Replacement and Refurbishment - Fund 7	\$13,789,167	\$7,565,409	\$2,115,357
SOCWA, JRWSS & SMWD - Fund 7	\$11,350,941	\$11,350,941	\$1,723,762
Water Supply Reliability Projects - Fund 12	\$350,000	\$100,000	\$0
Planning and Construction - Fund 14	\$18,957,000	\$2,326,186	\$413,135
<b>Total</b>	<b>\$44,497,108</b>	<b>\$21,392,536</b>	<b>\$4,252,255</b>

After completion of the second quarter, approximately 48% of CIP budget has been committed and 10% has been expended to date. A number of large projects are currently starting construction. Staff anticipates a significant increase in expenditures in the following quarters as construction expenditures are incurred on these projects.

Staff has prioritized CIP projects to maximize the resources available to effectively execute the projects. Table 2 lists the projects in the 10-year Capital Improvement Program and their implementation status (see attached).

During the second quarter of FY 2017-18, these major activities were performed within the Capital Improvement Program:

- Four projects were completed:
  - 2016.001 – 30-in ETM San Juan Creek Crossing Removal
  - 2016.012 – Del Avion Lift Station Grinders
  - 2016.015 – 920 Zone Loop Pipeline
  - 2017.008 – Naccome Drive Potable Easement Pipeline Abandonment
- Three projects were awarded for construction:
  - 2009.010 – Mission Hospital 750-Zone Service
  - 2016.020 – Electrical Service Entrance Replacements at Three Sites
  - 2017.012 – Rehabilitation of the El Dorado Reservoir
- Three projects were advertised for bids:
  - 2015.013 – 2016-17 Reservoir Management Systems Replacement



## Quarterly Capital Improvement Program Report

February 14, 2018

Page 3 of 3

- 2016.021 – Vault Removals
- 2017.011 – Rehabilitation of the Aliso Hills Reservoir
- 11 projects are under construction.
- Design work continued on 21 additional projects.
  - Issued 9 task orders utilizing the On-Call Professional Engineering Services Agreements (OM16-17.051). Table 3 summarizes the expenditures for the program.
    - 2017.004 – 2017-18 Sewer Lining (Design)
    - 2016.001 – ETM Pipeline Removal (Cultural Monitoring)
    - 2017.006 – 2017-18 Valve Replacements Project (Design)
    - Wastewater Flow Optimization (Study)
    - 2017.001 – 2017-18 Electrical System Improvements (Design)
    - 2011.037 – Mission Viejo High School Line/Vault Refurb (Design)
    - Sulphur Reservoir Conceptual Alternative Evaluation (Study)
    - Potential Reservoir Conversions (Study)
    - 2017.019 – Secondary Feed to the 1050 Zone (Design)
  - Issued 2 requests for proposals outside of the On-Call.
    - 2015.013 – CM&I Services for 2016-17 Reservoir Management Systems Replacement
    - 2017.003 – Engineering Services for 2017-18 Reservoir Management Systems Replacement

<b>Table 3 On-Call Professional Engineering Services Agreements (OM16-17.051) Expenditure Summary through December 2017</b>				
Consultant	Contracted Amount	Number of Task Orders Issued	Total Value of Task Orders	Remaining Contractual Amount
AKM	\$1,000,000	2	\$99,720	\$900,280
Dudek	\$1,000,000	4	\$234,349	\$765,651
LEE & RO	\$1,000,000	1	\$99,490	\$900,510
Tetra Tech	\$1,000,000	5	\$273,000	\$727,000
<b>Total</b>	<b>\$4,000,000</b>	<b>12</b>	<b>\$706,559</b>	<b>\$3,293,441</b>

Attachment: Table 2 Quarterly CIP Report



**TABLE 2**  
**QUARTERLY CAPITAL IMPROVEMENT PROGRAM REPORT**  
**MOULTON NIGUEL WATER DISTRICT**  
**QUARTERLY PROJECT STATUS - SECOND QUARTER - OCTOBER THROUGH DECEMBER**  
**FISCAL YEAR: JULY 2017 TO JUNE 2018**

PROJECT NUMBER	FUND	PROJECT DESCRIPTION	TOTAL PROJECT AMOUNT	EXPENDED INCEPTION TO DATE	FY 2017-18 ADOPTED BUDGET	FY 2017-18 EXPENDED TO DATE	ESTIMATED COMPLETION DATE
<b>COMPLETED PROJECTS</b>							
2006071	12	BAKER PIPELINE REGIONAL TREATMENT PLANT	\$37,300,000	\$36,270,467	\$100,000	\$0	Completed
2011010	7	HILLARY PRS REPLACEMENT	\$332,144	\$330,496	\$25,000	\$48,133	Completed
2011012	7	LARGO PRS REPLACEMENT	\$385,652	\$378,190	\$25,000	\$54,866	Completed
2011015	7	WILKES PRS REPLACEMENT	\$334,953	\$307,781	\$25,000	\$34,227	Completed
2014005	7	UTILITY MAIN BREAKERS REPLACEMENTS	\$216,700	\$192,554	\$10,000	\$0	Completed
2015003	7	ALISO CREEK LS REHABILITATION	\$131,800	\$107,464	\$10,000	\$4,725	Completed
2015004	7	CROWN VALLEY RW RESERVOIRS 1 AND 2 RECOATING & SAFETY IMPROVEMENTS	\$1,845,435	\$1,679,381	\$25,000	\$31,596	Completed
2015011	7	PALMS APTS EASEMENT PW LINE REPLACEMENT	\$410,833	\$333,662	\$150,000	\$29,552	Completed
2015012	7	PASEO DE VALENCIA 24" RAILROAD CROSSING ABANDONMENT	\$128,440	\$119,686	\$10,000	\$5,395	Completed
2015017	14	FALL PROTECTION SYSTEM - PW RESERVOIRS	\$173,229	\$152,868	\$10,000	\$19,496	Completed
2015018	14	FALL PROTECTION SYSTEM - RW RESERVOIRS	\$32,516	\$27,405	\$2,000	\$13,440	Completed
2015022	7	CROWN VALLEY PW RESERVOIR 3 RECOATING	\$284,310	\$268,532	\$25,000	\$187,819	Completed
2016001	7	30-IN ETM SAN JUAN CREEK CROSSING REMOVAL	\$249,501	\$155,467	\$200,000	\$125,769	Completed
2016001	7	30-IN ETM SAN JUAN CREEK CROSSING REMOVAL - SMWD REIMBURSEMENT	(\$124,751)	\$0	(\$100,000)	\$0	Reimbursement
2016004	7	CROWN VALLEY COMM. PARK RELO FOR LAGUNA NIGUEL - RW	\$208,000	\$172,143	\$25,000	\$0	Completed
2016005	7	CROWN VALLEY COMM. PARK RELO FOR LAGUNA NIGUEL - PW	\$117,000	\$135,500	\$25,000	\$12,215	Completed
2016012	14	DEL AVION LIFT STATION GRINDERS	\$171,886	\$161,209	\$150,000	\$148,521	Completed
2016015	14	920 ZONE LOOP PIPELINE	\$222,481	\$30,203	\$130,000	\$9,495	Completed
2016019	7	SJC RR PASSING SIDING AIR-VAC RELOCATIONS	\$100,000	\$81,429	\$5,000	\$55,240	Completed
2017008	7	NACCOMME DRIVE POTABLE EASEMENT PIPELINE ABANDONMENT	\$30,000	\$23,976	\$25,000	\$23,976	Completed
<b>Subtotal</b>			<b>\$42,550,130</b>	<b>\$40,928,412</b>	<b>\$877,000</b>	<b>\$804,467</b>	
<b>PROJECTS UNDER CONSTRUCTION</b>							
2009010	14	MISSION HOSPITAL 750-ZONE SERVICE	\$1,208,117	\$70,113	\$1,125,000	\$907	6/30/18
2009010	14	MISSION HOSPITAL 750-ZONE SERVICE - MISSION HOSPITAL REIMBURSEMENT	(\$179,618)	\$0	(\$150,000)	\$0	Reimbursement
2014002	7	DEL AVION LS AUX GENERATOR REPLACEMENT	\$576,090	\$503,197	\$100,000	\$236,026	3/31/18
2015009	7	LOWER BOUNDARY OAK LS UPGRADE	\$396,420	\$348,655	\$200,000	\$295,235	3/31/18
2016002	7	2016-17 VALVE REPLACEMENT	\$1,645,700	\$515,332	\$1,250,000	\$98,901	6/30/18
2016006	7	UPPER SALADA ELECTRICAL SWITCHGEAR REPLACEMENT	\$698,600	\$72,811	\$650,000	\$4,114	12/31/18
2016009	7	HIGHLAND PUMP PRESSURE RELIEF TO 650 ZONE	\$75,000	\$14,071	\$50,000	\$3,766	6/30/18
2016016	14	PLANT 3A FLOOD PROTECTION	\$722,518	\$173,316	\$300,000	\$47,961	6/30/18
2016016	14	PLANT 3A FLOOD PROTECTION - SMWD REIMBURSEMENT	(\$202,305)	\$0	(\$84,000)	\$0	Reimbursement
2016020	7	ELECTRICAL SERVICE ENTRANCE REPLACEMENTS AT THREE SITES	\$701,600	\$81,340	\$975,000	\$14,904	12/31/18
2017002	7	2017-18 MH REHABILITATION	\$350,000	\$268,688	\$350,000	\$268,688	6/30/18
2017012	7	REHABILITATION OF THE EL DORADO RESERVOIR	\$917,070	\$14,973	\$800,000	\$14,973	6/30/18
2017020	6	2017-18 RW RETROFITS	\$50,000	\$0	\$50,000	\$0	6/30/18
<b>Subtotal</b>			<b>\$6,959,192</b>	<b>\$2,062,497</b>	<b>\$5,616,000</b>	<b>\$985,473</b>	
<b>PROJECTS IN DESIGN</b>							
2010013	12	LA PAZ BRIDGE CROSSING RW PIPELINE	\$435,000	\$54,573	\$200,000	\$0	12/31/18
2011028	7	VALENCIA LS REFURBISHMENT	\$800,000	\$98,093	\$200,000	\$97,443	3/31/19
2011037	7	MISSION VIEJO HIGH SCHOOL LINE/VAULT REFURBISHMENT	\$200,000	\$0	\$200,000	\$0	9/30/18
2012024	7	UPPER SALADA LS AUX GENERATOR REPLACEMENT	\$950,000	\$93,006	\$200,000	\$0	6/30/19
2013004	7	REGIONAL LS FORCE MAIN REPLACEMENT	\$10,000,000	\$94,850	\$300,000	\$34,860	6/30/18
2014012	7	HIDDEN HILLS VILLAGE EASEMENT PIPELINE REHABILITATION	\$600,000	\$43,739	\$550,000	\$0	12/31/18
2014015	14	OPERATIONS CENTER CONSOLIDATION AND IMPROVEMENTS	\$32,000,000	\$1,352,591	\$16,134,000	\$152,596	12/31/18

**TABLE 2**  
**QUARTERLY CAPITAL IMPROVEMENT PROGRAM REPORT**  
**MOULTON NIGUEL WATER DISTRICT**  
**QUARTERLY PROJECT STATUS - SECOND QUARTER - OCTOBER THROUGH DECEMBER**  
**FISCAL YEAR: JULY 2017 TO JUNE 2018**

PROJECT NUMBER	FUND	PROJECT DESCRIPTION	TOTAL PROJECT AMOUNT	EXPENDED INCEPTION TO DATE	FY 2017-18 ADOPTED BUDGET	FY 2017-18 EXPENDED TO DATE	ESTIMATED COMPLETION DATE
<b>PROJECTS IN DESIGN (CONTINUED)</b>							
2015013	7	2016-17 RESERVOIR MANAGEMENT SYSTEM REPLACEMENT	\$2,250,000	\$230,493	\$1,700,000	\$111,079	3/31/19
2015015	7	SADDLEBACK PS AUX PUMP & ENGINE REPLACEMENT	\$2,450,000	\$43,278	\$450,000	\$2,945	6/30/19
2016007	7	54-INCH CIP IMPROVEMENTS	\$2,600,000	\$115,127	\$450,000	\$114,993	6/30/19
2016021	7	VAULT REMOVALS	\$750,000	\$44,434	\$700,000	\$44,339	9/30/18
2016022	7	CAMINO CAPISTRANO YARD IMPROVEMENTS	\$775,000	\$52,932	\$665,000	\$52,932	12/31/18
2017001	7	2017-18 ELECTRICAL SYSTEM IMPROVEMENTS - PW	\$900,000	\$0	\$250,000	\$0	6/30/19
2017003	7	2017-18 RESERVOIR MANAGEMENT SYSTEM REPLACEMENT	\$3,900,000	\$2,050	\$300,000	\$2,050	6/30/19
2017004	7	2017-18 SEWER LINING	\$225,000	\$12,165	\$200,000	\$12,165	9/30/18
2017009	7	PW MAIN REPLACEMENT AT I-5 OSO CREEK CROSSING	\$1,500,000	\$5,931	\$150,000	\$5,931	6/30/19
2017010	7	PIPELINE ADJUSTMENTS FOR I-5 FREEWAY WIDENING	\$750,000	\$19,960	\$150,000	\$19,960	12/31/18
2017011	7	REHABILITATION OF THE ALISO HILLS RESERVOIR	\$700,000	\$0	\$700,000	\$0	9/30/18
2017014	7	RW MAIN INSTALLATION AT I-5 OSO CREEK CROSSING	\$1,500,000	\$5,931	\$150,000	\$5,931	6/30/19
2017015	7	OSO TRABUCO AND ETM ADJUSTMENTS FOR RAILROAD EXPANSION	\$4,700,000	\$16,850	\$2,350,000	\$16,850	12/31/18
2017015	7	OSO TRABUCO AND ETM ADJUSTMENTS FOR RAILROAD EXPANSION - SMWD REIMBURSE	(\$2,585,000)	\$0	(\$1,292,500)	\$0	Reimbursement
2017018	14	OSO CREEK SEWER PARALLEL PIPELINE	\$2,000,000	\$15,503	\$200,000	\$15,503	6/30/19
<b>Subtotal</b>			\$67,400,000	\$2,301,506	\$24,906,500	\$689,575	
<b>ANTICIPATED PROJECTS</b>							
2017021	7	SADDLEBACK PS DRAIN LINE REPLACEMENT		\$30,260	\$40,000	\$30,260	Completed
2017022	14	REGIONAL LS ENHANCEMENTS		\$5,217	\$150,000	\$5,217	6/30/19
2017023	7	IRRIGATION PUMP REPLACEMENT AT MOULTON PEAK RESERVOIR		\$13,500	\$13,500	\$13,500	Completed
<b>Subtotal</b>			\$0	\$48,977	\$203,500	\$48,977	
<b>FUTURE PROJECTS</b>							
2010001	14	650-ZONE NIGUEL ROAD INTERTIE	\$320,000	\$0	\$0	\$0	
2011024	7	DOCUMENT MANAGEMENT	\$389,000	\$107,147	\$25,000	\$0	
2011032	7	OLD RANCH ROAD EASEMENT REFURBISHMENT	\$200,000	\$0	\$25,000	\$0	
2011033	7	ASSET MANAGEMENT PROGRAM/CMMS IMPLEMENTATION	\$500,000	\$0	\$25,000	\$0	
2011043	14	3A OUTFALL LINE VALVES	\$450,000	\$0	\$0	\$0	
2011043	14	3A OUTFALL LINE VALVES - REIMBURSEMENT	(\$225,000)	\$0	\$0	\$0	Reimbursement
2011077	14	MOULTON PEAK RADIO TOWER IMPROVEMENTS	\$235,000	\$1,500	\$25,000	\$0	
2013005	7	LOWER SALADA LS FORCE MAIN REPLACEMENT	\$5,900,000	\$40,000	\$0	\$0	
2015006	7	I.D. 1 MASTER METER RELOCATION	\$650,000	\$0	\$0	\$0	
2015023	7	NORTHERN TRANSMISSION MAIN IMPROVEMENTS N OF LA PAZ	\$500,000	\$190,449	\$0	\$0	Phase 2
2016008	7	NORTH ALISO CREEK LS BYPASS REPLACEMENT	\$325,000	\$0	\$275,000	\$0	
2016014	14	SADDLEBACK PS GENERATOR EMERGENCY CONNECTION	\$60,000	\$0	\$0	\$0	
2016023	7	GOLDEN LANTERN RESERVOIR ROOF-WALL JOINT SEAL	\$340,000	\$0	\$250,000	\$0	
2016023	7	GOLDEN LANTERN RESERVOIR ROOF-WALL JOINT SEAL - SCWD REIMBURSEMENT	(\$113,333)	\$0	(\$83,333)	\$0	Reimbursement
2017005	7	2017-18 UTILITY SERVICE ENTRANCE REPLACEMENTS - PW	\$750,000	\$0	\$200,000	\$0	
2017006	7	2017-18 VALVE REPLACEMENT	\$2,700,000	\$0	\$75,000	\$0	
2017007	7	ALISO CREEK LS AUXILIARY GENERATOR REPLACEMENT	\$530,000	\$0	\$30,000	\$0	
2017013	7	REPLACEMENT OF POINT TO MULTI-POINT RADIOS FOR SCADA SYSTEM	\$800,000	\$0	\$100,000	\$0	
2017016	12	SOUTH COUNTY PIPELINE TAKEOUT FACILITY	\$2,400,000	\$0	\$50,000	\$0	
2017017	14	DISTRICT VEHICLE RADIO COMMUNICATION SYSTEM	\$200,000	\$0	\$200,000	\$0	
2017019	14	SECONDARY FEED FOR 1050 ZONE	\$600,000	\$0	\$100,000	\$0	
	7	3A ETM CREEK BANK STABILIZATION	\$2,000,000	\$0	\$0	\$0	

**TABLE 2**  
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**MOULTON NIGUEL WATER DISTRICT**  
**QUARTERLY PROJECT STATUS - SECOND QUARTER - OCTOBER THROUGH DECEMBER**  
**FISCAL YEAR: JULY 2017 TO JUNE 2018**

PROJECT NUMBER	FUND	PROJECT DESCRIPTION	TOTAL PROJECT AMOUNT	EXPENDED INCEPTION TO DATE	FY 2017-18 ADOPTED BUDGET	FY 2017-18 EXPENDED TO DATE	ESTIMATED COMPLETION DATE
<b>FUTURE PROJECTS (CONTINUED)</b>							
7		3A ETM REPLACEMENT - AVE DE LA VISTA	\$2,475,000	\$0	\$0	\$0	
7		3A ETM REPLACEMENT - CAMINO CAPO	\$3,500,000	\$0	\$0	\$0	
7		3A ETM SJ CREEK-COUNTY OF ORANGE PHASE VIII	\$900,000	\$0	\$0	\$0	
7		3A ETM IMPROVEMENTS - SMWD REIMBURSEMENT	(\$4,437,500)	\$0	\$0	\$0	Reimbursement
6		AMI PHASE 2	\$8,000,000	\$0	\$0	\$0	
7		BEAR BRAND PS PUMP REPLACEMENT	\$410,000	\$0	\$0	\$0	
7		CROWN VALLEY RESERVOIR NO. 3 ROOF PLATE REPAIR AND INTERIOR RECOATING	\$1,000,000	\$0	\$0	\$0	
7		DRYDOCK AND WESTGREEN SEWER REPAIRS	\$80,000	\$0	\$0	\$0	
14		GALIVAN BYPASS IMPROVEMENTS	\$175,000	\$0	\$0	\$0	
7		LAGUNA HILLS DR 650 LINE INTERTIE	\$135,000	\$0	\$0	\$0	
7		LITTLE NIGUEL PS PUMP REPLACEMENT	\$275,000	\$0	\$0	\$0	
7		LN REG PARK RW VAULT RECONFIGURATION	\$150,000	\$0	\$0	\$0	
14		LOWER SALADA LIFT STATION OVERFLOW WETWELL	\$1,250,000	\$0	\$0	\$0	
14		LS GENERATOR EMERGENCY CONNECTIONS	\$200,000	\$0	\$0	\$0	
14		MARGUERITE/OSO CIP TAKEOUT	\$2,500,000	\$0	\$0	\$0	
7		OAKGROVE DRIVE RW PIPELINE REPLACEMENT	\$525,000	\$0	\$0	\$0	
7		PACIFIC PARK PS PUMP & ENGINE REPLACEMENT	\$600,000	\$0	\$0	\$0	
7		PZ450 ALISO CREEK POTABLE LINE RELOCATION	\$300,000	\$0	\$0	\$0	
7		ROLLING HILLS PS ENGINE & PUMP REPLACEMENT	\$675,000	\$0	\$0	\$0	
7		RW MAIN REPLACEMENT FROM GALIVAN PS TO LA PAZ PS	\$8,400,000	\$0	\$0	\$0	
7		RW RESERVOIR DRAINAGE IMPROVEMENTS AT 3 SITES	\$725,000	\$0	\$0	\$0	
7		SHEEP HILLS PS ENGINE & PUMP REPLACEMENT	\$1,040,000	\$0	\$0	\$0	
7		SOUTHWING LS AUXILIARY GENERATOR REPLACEMENT	\$580,000	\$0	\$0	\$0	
14		VIDEO SITE SURVEILLANCE SYSTEM	\$500,000	\$0	\$0	\$0	
<b>Subtotal</b>			<b>\$49,468,167</b>	<b>\$339,096</b>	<b>\$1,296,667</b>	<b>\$0</b>	
							<b>REMAINING BALANCE</b>
<b>REGIONAL PROJECTS</b>							
JRWSS18	7	SCWD/JRWSS CAPITAL PROJECT	\$8,641,990	\$361,792	\$1,665,029	\$361,792	\$1,303,237
SMWD005	7	SMWD CAPITAL PROJECTS-JOINT FACILITIES	\$200,000	\$0	\$200,000	\$0	\$200,000
SMWD006	7	PLANT 3A IMPROVEMENTS	\$12,609,000	\$0	\$5,015,000	\$0	\$5,015,000
SOCWA135	7	2017-18 SOCWA CAPITAL PC 2	\$14,793,776	\$513,996	\$1,029,280	\$513,996	\$515,284
SOCWA136	7	2017-18 SOCWA PC 5	\$275,835	\$2,520	\$32,756	\$2,520	\$30,236
SOCWA137	7	2017-18 SOCWA CAPITAL PC 17	\$29,597,005	\$845,454	\$3,376,803	\$845,454	\$2,531,349
SOCWA138	7	2017-18 SOCWA CAPITAL PC 21	\$21,111	\$0	\$21,111	\$0	\$21,111
SOCWA139	7	2017-18 SOCWA CAPITAL PC 24	\$4,139,220	\$0	\$10,962	\$0	\$10,962
<b>Subtotal</b>			<b>\$70,277,937</b>	<b>\$1,723,762</b>	<b>\$11,350,941</b>	<b>\$1,723,762</b>	<b>\$9,627,179</b>
							<b>REMAINING BALANCE</b>
<b>UNANTICIPATED FUNDS</b>							
UP1718RR	7	UNANTICIPATED PROJECTS FUND 7	\$300,000	N/A	\$300,000	\$53,500	\$246,500
UP1718PC	14	UNANTICIPATED PROJECTS FUND 14	\$150,000	N/A	\$150,000	\$150,000	\$0
<b>Subtotal</b>			<b>\$450,000</b>		<b>\$450,000</b>	<b>\$203,500</b>	<b>\$246,500</b>

-93-

#8-

**TABLE 2**  
**QUARTERLY CAPITAL IMPROVEMENT PROGRAM REPORT**  
**MOULTON NIGUEL WATER DISTRICT**  
**QUARTERLY PROJECT STATUS - SECOND QUARTER - OCTOBER THROUGH DECEMBER**  
**FISCAL YEAR: JULY 2017 TO JUNE 2018**

PROJECT NUMBER	FUND	PROJECT DESCRIPTION	TOTAL PROJECT AMOUNT	EXPENDED INCEPTION TO DATE	FY 2017-18 ADOPTED BUDGET	FY 2017-18 EXPENDED TO DATE	ESTIMATED COMPLETION DATE
<b>PROGRAMS</b>							
7		EASEMENT REHABILITATION PROGRAM - PHASE 1	\$7,850,000	N/A	N/A	N/A	N/A
7		EASEMENT REHABILITATION PROGRAM - PHASE 2	\$6,000,000	N/A	N/A	N/A	N/A
7		ELECTRICAL SYSTEM IMPROVEMENTS PROGRAM - PW	\$2,200,000	N/A	N/A	N/A	N/A
7		ELECTRICAL SYSTEM IMPROVEMENTS PROGRAM - RW	\$1,350,000	N/A	N/A	N/A	N/A
7		ELECTRICAL SYSTEM IMPROVEMENTS PROGRAM - WW	\$1,075,000	N/A	N/A	N/A	N/A
7		MH REHABILITATION PROGRAM	\$3,150,000	N/A	N/A	N/A	N/A
6		RECYCLED WATER RETROFITS	\$450,000	N/A	N/A	N/A	N/A
7		RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PROGRAM	\$8,550,000	N/A	N/A	N/A	N/A
7		RESERVOIR RECOATING PROGRAM - PW	\$11,250,000	N/A	N/A	N/A	N/A
7		RESERVOIR RECOATING PROGRAM - RW	\$2,970,000	N/A	N/A	N/A	N/A
7		SEWER LINING PROGRAM	\$2,400,000	N/A	N/A	N/A	N/A
7		STEEL TANKS SEISMIC & STRUCTURAL RETROFITS PROGRAM - PW	\$5,000,000	N/A	N/A	N/A	N/A
7		STEEL TANKS SEISMIC & STRUCTURAL RETROFITS PROGRAM - RW	\$200,000	N/A	N/A	N/A	N/A
6		SUPPLY RELIABILITY ENHANCEMENTS - FUND 6	\$10,000,000	N/A	N/A	N/A	N/A
12		SUPPLY RELIABILITY ENHANCEMENTS - FUND 12	\$10,000,000	N/A	N/A	N/A	N/A
7		VALVE REPLACEMENT PROGRAM - PW	\$19,375,000	N/A	N/A	N/A	N/A
7		VALVE REPLACEMENT PROGRAM - RW	\$1,600,000	N/A	N/A	N/A	N/A
7		VERTICAL ASSET IMPROVEMENTS PROGRAM - RW	\$17,860,000	N/A	N/A	N/A	N/A
		<b>Subtotal</b>	\$111,280,000				
		<b>TOTAL</b>	<b>\$348,385,425</b>	<b>\$47,404,251</b>	<b>\$44,497,108</b>	<b>\$4,252,255</b>	

-94-

Project: Plant 3A Flood Protection  
 Contract No: 2016.016  
 Contractor: Paulus Engineering  
 Engineer: Tetra Tech  
 City Work Performed: Mission Viejo

**PLANT 3A  
FLOOD PROTECTION**

**SCOPE OF WORK:** Construction of a permanent concrete barrier wall and drainage system between the La Paz Creek and the access road to Plant 3A.



**DETAILS:**

Fund 07 Replace and Refurbishment

Contract Award 09/21/17  
 Est. Completion Date 02/28/18  
 Construction Contract \$ 369,789  
 Paid To Date \$ 232,145  
 Percent Constructed 63%

**NOTES:** Construction of concrete barrier wall is complete. Currently working on drainage system.

Installation of new Barrier wall

Project: Rehabilitation of El Dorado Reservoir  
 Contract No: 2017.012  
 Contractor: Advanced Industrial Services, Inc.  
 Engineer: Harper and Associates  
 City Work Performed: Mission Viejo

**REHABILITATION OF  
EL DORADO RESERVOIR**

**SCOPE OF WORK:** Recoating of the interior and exterior of the reservoir. Work also includes structural and corrosion repairs, safety improvements, and a new spiral staircase.



**DETAILS:**

Fund 07 Replace and Refurbishment

Contract Award 12/21/17  
 Est. Completion Date 06/31/18  
 Construction Contract \$ 738,700  
 Paid To Date \$ 0  
 Percent Constructed 0%

**NOTES:** Construction to begin mid- March.

El Dorado Reservoir



Project: 920 Zone Loop Pipeline  
 Contract No: 2016.015  
 Contractor: T.E. Roberts, Inc.  
 Engineer: AKM Consulting Engineers  
 City Work Performed: Laguna Niguel

**920 ZONE LOOP PIPELINE**

**SCOPE OF WORK:** Installation of approximately 230 linear feet of 8-inch PVC pipe within an existing District easement and Pacific Island Drive in the City of Laguna Niguel. Work also includes the replacement of related valves and appurtenances.



**DETAILS:**

Fund 07 Rehabilitation and Replacement  
 Contract Award 09/21/17  
 Completion Date 01/09/18  
 Construction Contract \$ 165,892  
 Paid To Date \$ 138,498  
 Percent Constructed 100%

Preparation for Installation of new 8-inch Mainline

**NOTES:** Construction is complete. Awaiting final billing.

Project: ETM Pipeline Removal in San Juan Creek  
 Contract No: 2016.001  
 Contractor: Paulus Engineering  
 Engineer: Dudek and Associates  
 City Work Performed: San Juan Capistrano

**ETM PIPELINE REMOVAL  
 IN SAN JUAN CREEK**

**SCOPE OF WORK:** Removal of 180-feet of concrete-encased 30-inch ductile iron pipe within the limits of the San Juan Creek, installing concrete plugs in the ends of the abandoned pipe, and restoring the creek-bed to its pre-construction condition.



ETM Pipeline Removal

**DETAILS:**

Fund 07 Replace and Refurbishment  
 Contract Award 09/21/17  
 Completion Date 01/04/18  
 Construction Contract , Phase III \$ 113,183  
 Paid To Date \$ 70,762  
 Percent Constructed 100%

**NOTES:** Removal and abandonment of pipeline is complete. Notice of completion was filed 01/04/18.



Project: Crown Valley Reservoir Recoat and Safety  
 Contract No: 2015.004 & 2015.022  
 Contractor: J. Colon Coatings  
 Engineer: Harper and Associates  
 City Work Performed: Laguna Niguel

**CROWN VALLEY RESERVOIR  
RECOAT AND SAFETY**

**SCOPE OF WORK:** The work at the Crown Valley No. 1 and No. 2 Reservoirs includes structural and corrosion repairs, tank operation and safety improvements (including spiral stairways and full perimeter guardrails), cathodic protection systems, and re-coating of the interior and exterior of the reservoirs and exterior coating of No. 3.



**DETAILS:**

Fund 07 Replacement and Refurbishment  
 Contract Award 09/15/16  
 Completion Date 01/10/18  
 Construction Contract \$ 1,762,141  
 Paid To Date \$ 1,762,141  
 Percent Constructed 100%

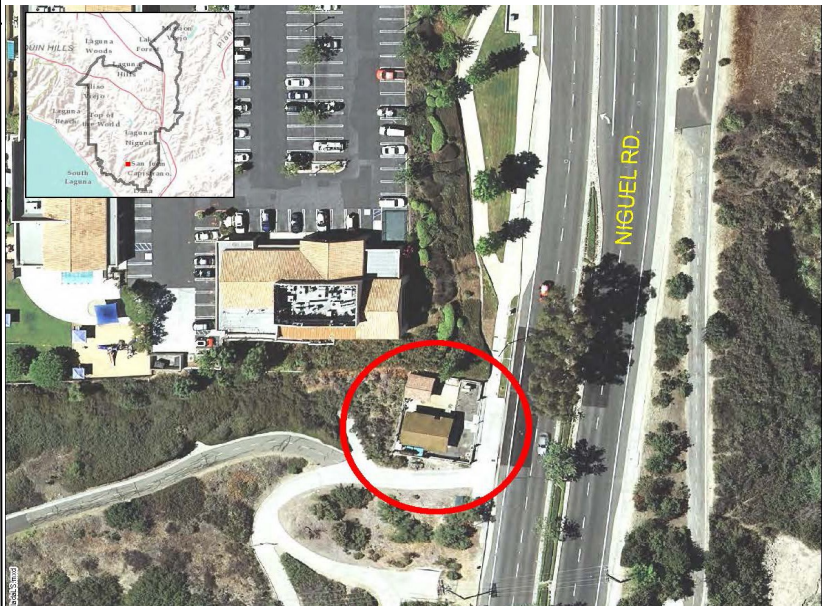
**NOTES:** Notice of completion filed January 01/10/18.

Crown Valley Reservoir  
Exterior Coating

Project: Upper Salada Lift Station Switchgear Replacement  
 Contract No: 2016.006  
 Contractor: Southern Contracting Company  
 Engineer: Lee & Ro, Inc.  
 City Work Performed: Laguna Niguel

**UPPER SALADA LIFT STATION  
SWITCHGEAR REPLACEMENT**

**SCOPE OF WORK:** Replacement of the electrical switchgear and other electrical upgrades.



**DETAILS:**

Fund 07 Replacement and Refurbishment  
 Contract Award 06/15/17  
 Est. Completion Date 05/15/18  
 Construction Contract \$ 476,000  
 Paid To Date \$ 0  
 Percent Constructed 0%

**NOTES:** Currently in submittal phase of the project. Construction scheduled to begin mid-March.

Upper Salada Lift Station

Project: Del Avion Aux. Generator Replacement  
 Contract No: 2014.002  
 Contractor: Pacific Hydrotech  
 Engineer: Lee & Ro, Inc.  
 City Work Performed: Laguna Niguel

**DEL AVION AUXILIARY  
 GENERATOR REPLACEMENT**

**SCOPE OF WORK:** This project replaces the existing auxiliary generator with a new diesel auxiliary generator. It also replaces electrical switchgear and installs grinders on the suction piping.



**DETAILS:**

Fund 07 Replace and Refurbishment  
 Contract Award 07/21/16  
 Est. Completion Date 01/31/18  
 Construction Contract \$ 583,786  
 Paid To Date \$ 549,011  
 Percent Constructed 100%

New Valve and Grinder

**NOTES:** Construction is complete. Successful startup took place 01/17/18. Awaiting final billing.

Project: Highlands Pump Station Pressure Relief  
 Contract No: 2016.009  
 Contractor: Kennedy Pipeline  
 Engineer: AKM Consulting Engineers  
 City Work Performed: Laguna Niguel

**HIGHLANDS PUMP STATION  
 PRESSURE RELIEF TO THE 650 ZONE**

**SCOPE OF WORK:** Adding a new pump relief valve and piping to the 650 pressure zone.



**DETAILS:**

Fund 07 Replace and Refurbishment  
 Contract Award 07/21/16  
 Est. Completion Date 05/15/18  
 Construction Contract \$ 50,702  
 Paid To Date \$ 0  
 Percent Constructed 0%

Highlands Pump Station

**NOTES:** Construction scheduled to begin in February.



Project: Lower Boundary Oak Lift Station Upgrades  
 Contract No: 2015.009  
 Contractor: RC Foster Corporation  
 Engineer: Lee & Ro, Inc.  
 City Work Performed: Aliso Viejo

**LOWER BOUNDARY OAK  
LIFT STATION UPGRADES**

**SCOPE OF WORK:** Replace existing pumps with submersible pumps, reconfigure mechanical piping, upgrade the existing electrical and control systems, and recoat the wet well.



**DETAILS:**

Fund 07 Replace and Refurbishment  
 Contract Award 01/19/17  
 Completion Date 12/20/17  
 Construction Contract \$ 292,200  
 Paid To Date \$ 288,000  
 Percent Constructed 100%

**NOTES:** Construction is complete. Awaiting final billing.

Lower Boundary Oak  
Lift Station  
Completed Installation

Project: 2016-17 Valve Replacements  
 Contract No: 2016.002  
 Contractor: Ferreira Construction  
 Engineer: AKM Consulting Engineers  
 City Work Performed: Various

**2016-17  
VALVE REPLACEMENTS**

**SCOPE OF WORK:** Replace key valves that have been identified by District staff and prioritized as part of the system wide valve replacement program.



**DETAILS:**

Fund 07 Replace and Refurbishment  
 Contract Award 08/17/17  
 Est. Completion Date 03/31/18  
 Construction Contract \$ 726,695  
 Paid To Date \$ 0  
 Percent Constructed 20%

**NOTES:** Construction began December 2017. Awaiting first billing.

Installation of New Tee and  
24" Butterfly Valves

Project: Manhole Rehabilitation Program  
 Contract No: 2017.002  
 Contractor: Ayala Engineering  
 Engineer: District Staff  
 City Work Performed: Various

**MANHOLE REHABILITATION PROGRAM  
 FY 17/18**

**SCOPE OF WORK:** On-call service agreement to rehabilitate manholes throughout the District.



**DETAILS:**

Fund 07 Replace and Refurbishment  
 Contract Award 01/19/17  
 Est. Completion Date 06/30/18  
 Construction Contract \$ 350,000  
 Paid To Date \$ 268,688  
 Percent Constructed 70%

**NOTES:** Approximately 106 manholes have been rehabilitated as part of the FY 17/18 budget.

Rehabilitation of Manhole in Mission Viejo

Project: Palms Apartment, Potable Waterline Replacement  
 Contract No: 2015.011  
 Contractor: Kennedy Pipeline  
 Engineer: AKM Consulting Engineers  
 City Work Performed: Laguna Niguel

**PALMS APARTMENT, EASEMENT, POTABLE WATER-  
 LINE REPLACEMENT**

**SCOPE OF WORK:** Replacement of approximately 810 linear feet of 8-inch ductile iron pipe with 8-inch PVC pipe within the existing easements. The work also includes the replacement of related valves and appurtenances.



**DETAILS:**

Fund 07 Replacement and Refurbishment  
 Contract Award 02/16/17  
 Completion Date 11/15/2017  
 Construction Contract \$ 328,030  
 Paid To Date \$ 328,030  
 Percent Constructed 100%

**NOTES:** Notice of completion to be filed 2/1/18 .

Installation of 8-inch  
 Potable Easement Mainline



Project: Mission Hospital 750-Zone Service  
 Contract No: 2009.010  
 Contractor: GCI Construction, Inc.  
 Engineer: AKM Consulting Engineers  
 City Work Performed: Mission Viejo

**MISSION HOSPITAL  
750-ZONE SERVICE**

**SCOPE OF WORK:** Installation of approximately 1,000 linear feet of 12-inch PVC water main along Medical Center Road, and the installation of a new pressure reducing station, service connections, and related valve replacements.



Alignment of New 12-inch  
PVC Mainline

**DETAILS:**

Fund	07 Replace and Refurbishment
Contract Award	12/21/17
Est. Completion Date	06/15/18
Construction Contract	\$ 1,071,379
Paid To Date	\$ 0
Percent Constructed	0%

**NOTES:** Work is scheduled to begin March 1st.

Project: 2016-17 RMS Replacement  
 Contract No: 2017.003  
 Contractor: Pacific Hydrotech Corporation  
 Engineer: Lee & Ro, Inc.  
 City Work Performed: Various

**2016-17 RESERVOIR MANAGEMENT  
SYSTEM REPLACEMENT**

**SCOPE OF WORK:** This project will demolish the existing RMS facilities and construct new RMS facilities at the East Aliso Creek, Mathis-Nellie Gail, and Seville reservoir sites.



Existing Reservoir Management System  
(RMS) Building

**DETAILS:**

Fund	07 Replace and Refurbishment
Contract Award	01/18/18
Est. Completion Date	12/15/18
Construction Contract	\$ 3,123,500
Paid To Date	\$ 0
Percent Constructed	0%

**NOTES:** Construction anticipated to begin in April.





**moulton niguel water district**

**STAFF REPORT**

**TO: Board of Directors                      MEETING DATE: February 14, 2018**  
**FROM: Todd Novacek, Director of Operations**  
**SUBJECT: Quarterly Operations Report**

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**SUMMARY:**

Issue: District staff is responsible operating and maintaining the potable water, recycled water and wastewater systems. This quarterly report is for October, November and December of Fiscal Year (FY) 2017-18.

Recommendation: Information item only.

Fiscal Impact: Funds for the activities identified in the quarterly operations report are included in the FY 2017-18 Operating Budget.

Reviewed by Legal: Not Applicable

**DISCUSSION:**

The Moulton Niguel Water District (District) Board of Directors approved a FY 2017-18 budget in June 2017 that provided for operation and maintenance activities associated with the District’s potable water distribution, recycled water distribution and wastewater collection systems. The District staff executes those maintenance functions across various operational crews, including customer service, facilities maintenance, and wastewater collections. The following is a summary of the progress completed on those maintenance functions during the months of October, November and December of FY 2017-18.

# #10.

Quarterly Operations Report

February 14, 2018

Page 2 of 2

## Customer Service:

The customer service department provides a first response to customers in the field to address potential leaks, customer inquiries, turn on/off of meters, among other functions. Additionally, customer service is responsible for reading, testing and replacing water meters to ensure the District is appropriately billing its customers for water used. During this past quarter, customer service staff responded to more than 50 work orders addressing potential leaks at service lines or fire hydrants. Staff also completed more than 737 meter turn on/offs to support customers. As part of the meter replacement/maintenance program, approximately 689 meters were replaced to ensure an accurate reading of District meters.

## Collections Department:

In 2010, the District adopted a Sewer System Management Plan (SSMP), which outlined programs in place to ensure appropriate and necessary maintenance of the District's collection system. Among these programs, the District systematically cleans the sewer system to minimize the potential for a sewer blockage. During the past quarter, the District cleaned approximately 536,000 feet of sewer lines. The department remains on pace to clean the entire system in approximately 12 months. This past quarter, staff also completed approximately 43,000 feet of video inspection of the collection system as part of the SSMP.

## Pipeline Maintenance (Street and Valve Crews):

The District's pipeline maintenance activities include repairs to customer service lines, fire hydrants, and distribution pipelines. The District's staff completed nearly 94 work orders during the past quarter. Approximately 62% of those work orders were replacement of customer service lines. Table 1 identifies the number of valves exercised on a monthly basis for a total of 271 valves exercised during this past quarter. Table 2 identifies the number of valves replaced on a monthly basis for a total of 28 valves during this past quarter.

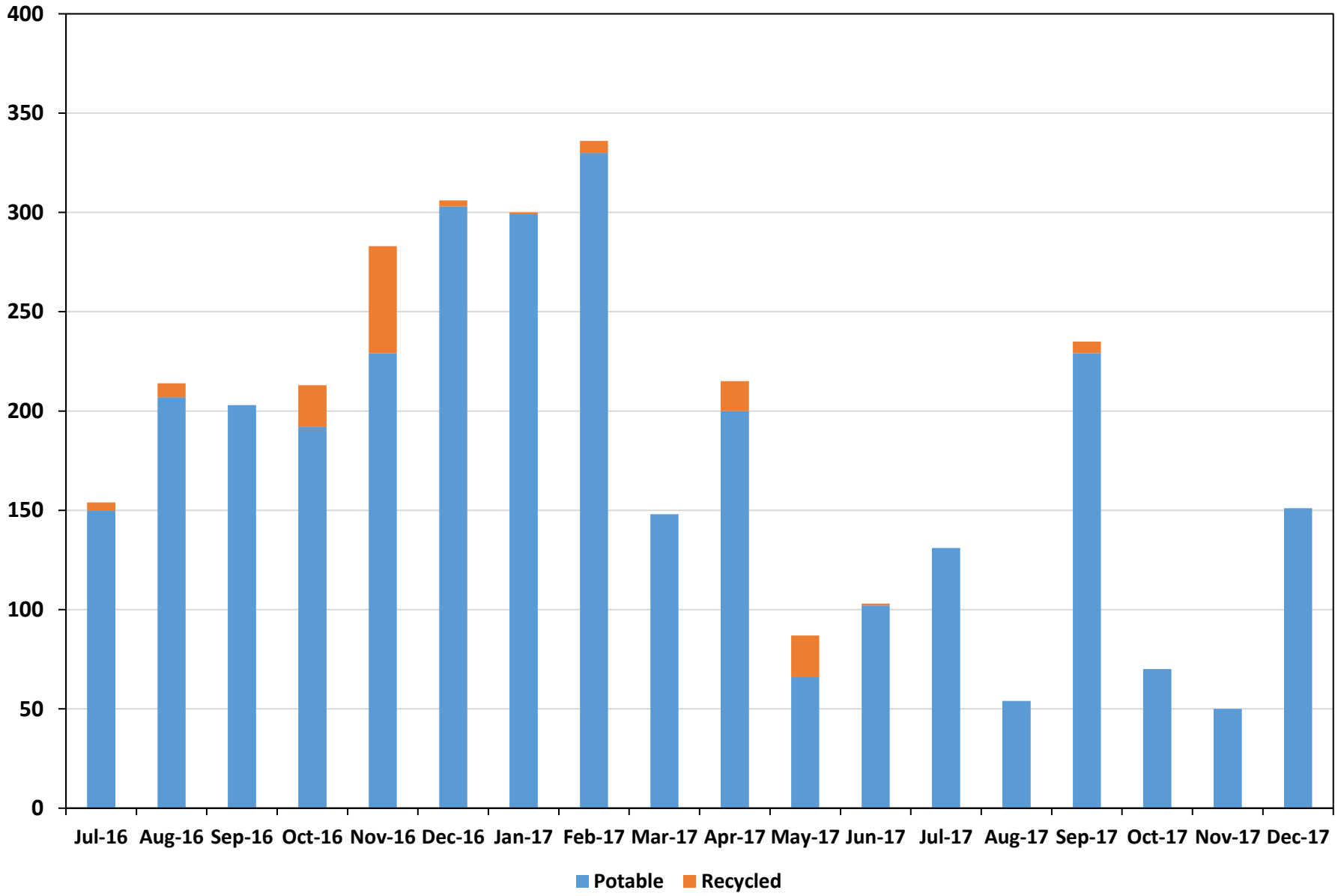


Number of Valves Exercised

# VALVE CREW - VALVES EXERCISED

Table 1

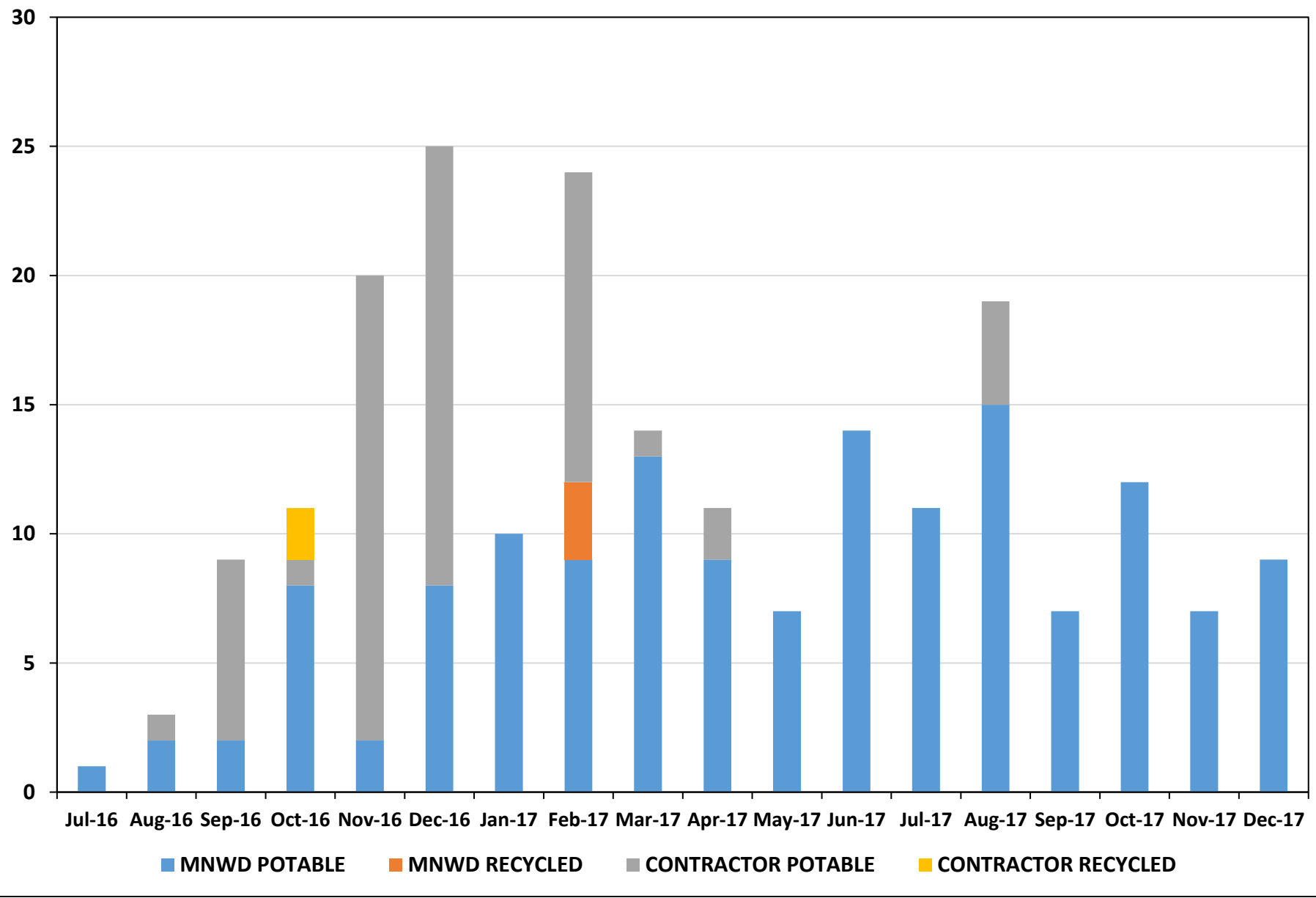
-105-



### VALVE CREW - VALVE REPLACED

Number of Valves Replaced

Table 2



-106-