

Moulton Niguel Water District

Period Ending September 30, 2019

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com



SECTION 1

Consolidated Information

SECTION 2

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Section 1 | Consolidated Information

Investment Objectives

Safety – Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure to preservation of capital in the overall portfolio.

Liquidity – The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return – The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

Chandler Asset Management Performance Objective

The performance objective for the District is to earn a return in excess of the strategy benchmarks:

Liquid Fund: ICE BAML 3-Month US Treasury Bill Index.

Limited Maturity: ICE BAML 0-3 Yr US Treasury Index.

Operating Reserve Fund: ICE BAML 1-10 Yr US Treasury/Agency Index.

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

Moulton Niguel Water District Bond Reserves

| | 9/30/2019 Portfolio | 6/30/2019 Portfolio |
|-------------------------------|------------------------|------------------------|
| Average Maturity (yrs) | 2.49 | 2.74 |
| Modified Duration | 2.38 | 2.62 |
| Average Purchase Yield | 1.90% | 1.90% |
| Average Market Yield | 1.66% | 1.81% |
| Average Quality* | AA+/Aaa | AA+/Aaa |
| Total Market Value | 1,321,661 | 1,310,742 |

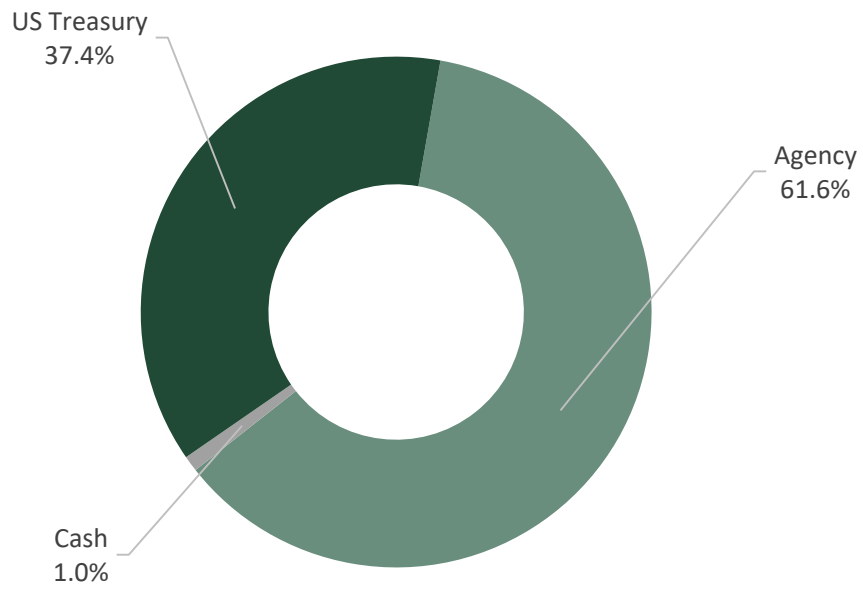
**Portfolio is S&P and Moody's, respectively.*

Sector Distribution

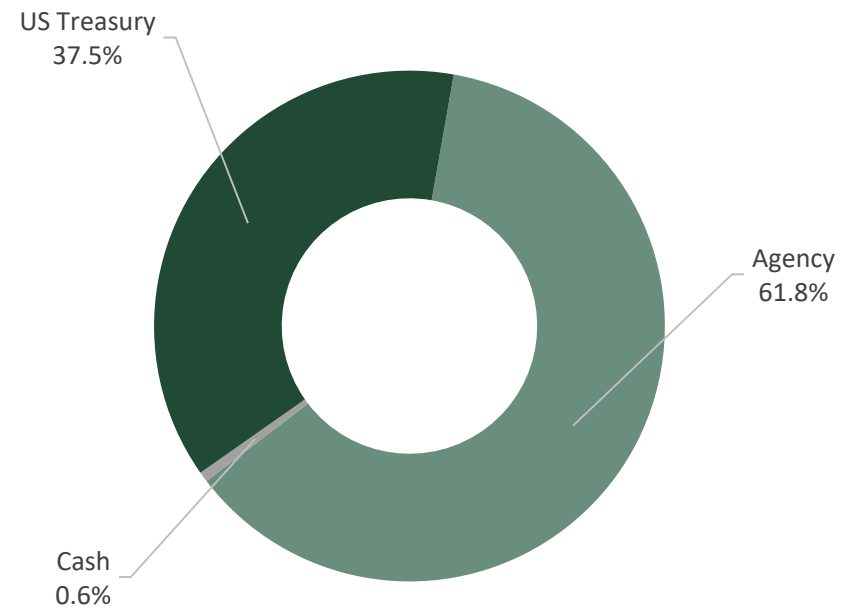
As of September 30, 2019

Moulton Niguel Water District Bond Reserves

September 30, 2019



June 30, 2019



Portfolio Characteristics

As of September 30, 2019

Moulton Niguel Water District Consolidated

| | 9/30/2019 Portfolio | 6/30/2019 Portfolio |
|-------------------------------|------------------------|------------------------|
| Average Maturity (yrs) | 3.31 | 2.73 |
| Modified Duration | 3.03 | 2.39 |
| Average Purchase Yield | 2.45% | 2.40% |
| Average Market Yield | 1.85% | 2.01% |
| Average Quality* | AA/Aa1 | AA+/Aa1 |
| Total Market Value | 103,134,211 | 124,094,829 |

* Portfolio is S&P and Moody's respectively.

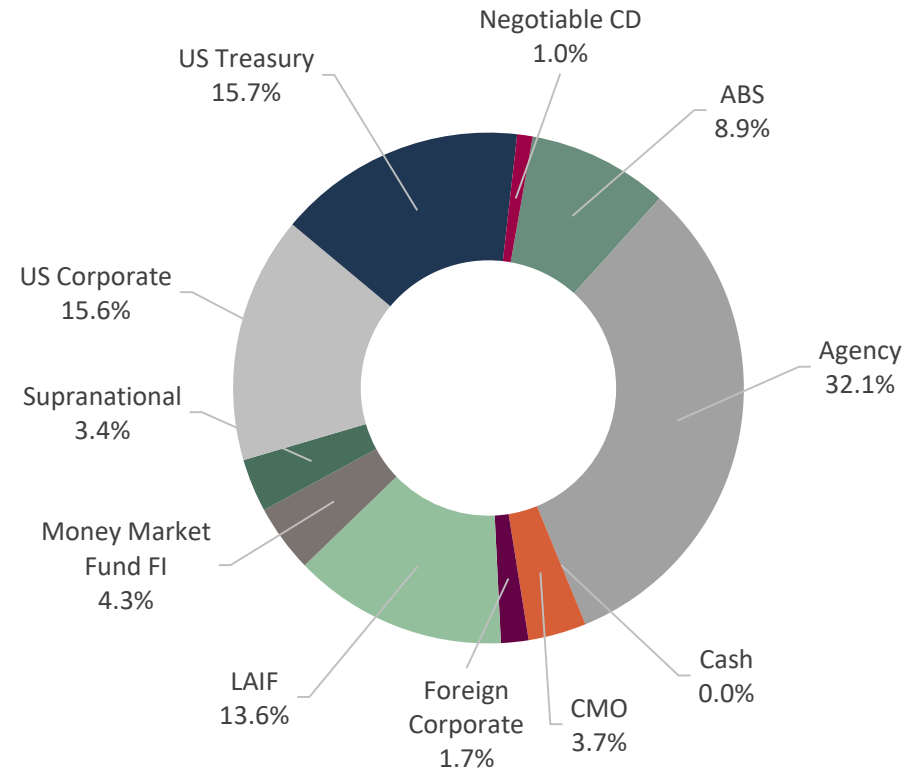
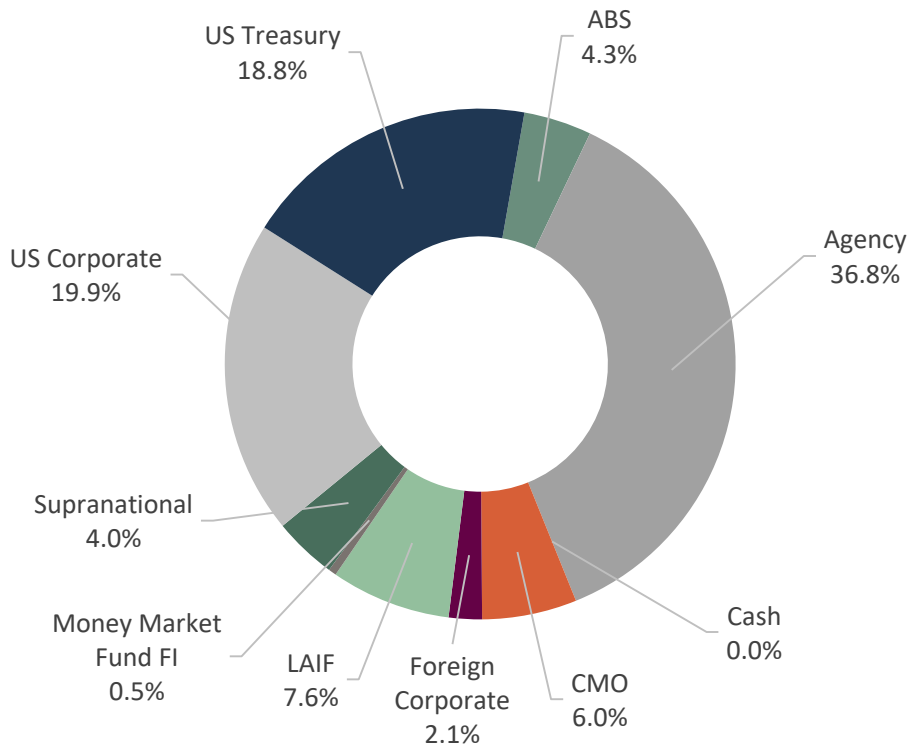
Sector Distribution

As of September 30, 2019

Moulton Niguel Water District Consolidated

September 30, 2019

June 30, 2019



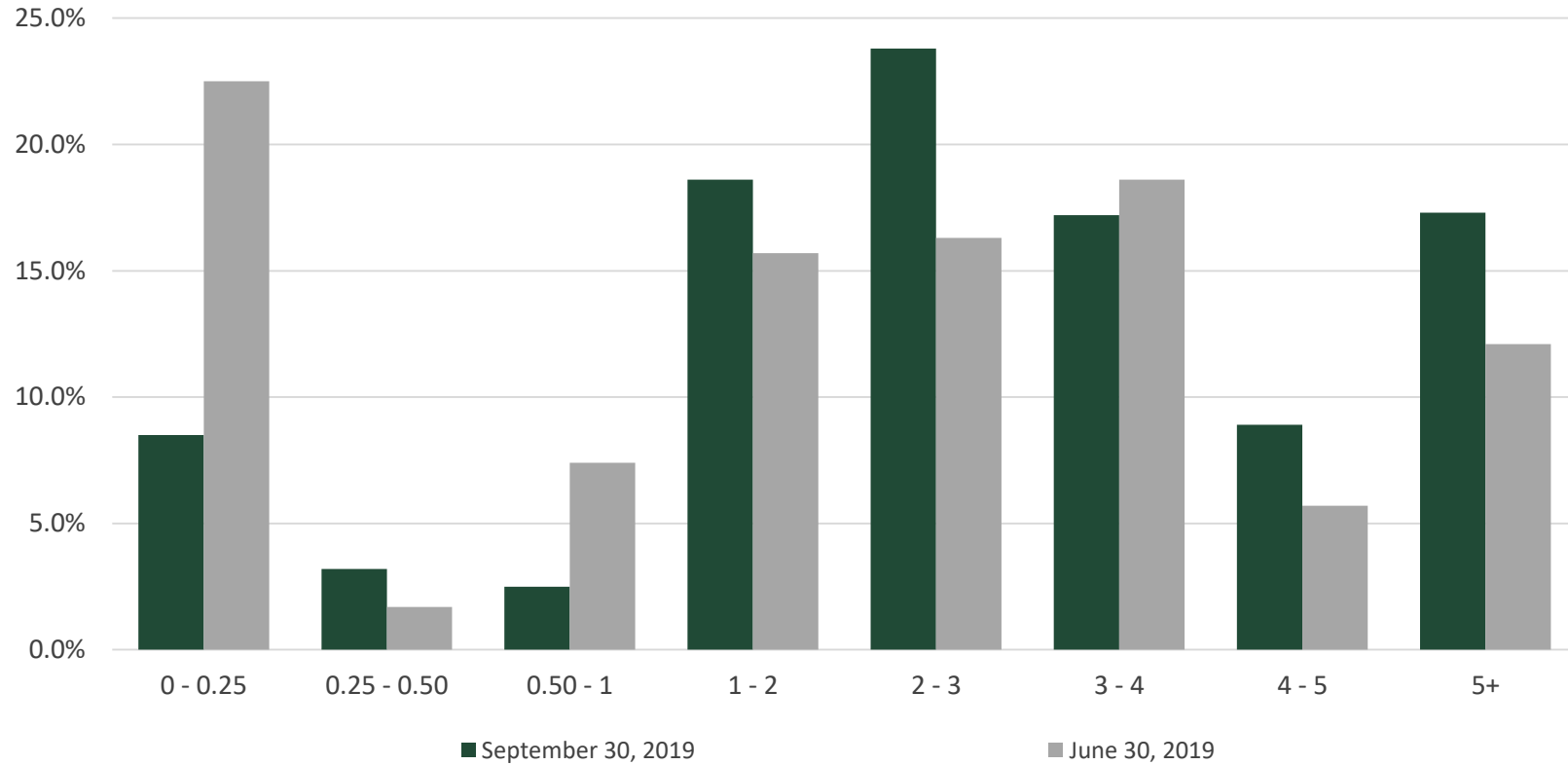
Moulton Niguel Water District Consolidated – Account #43

| Issue Name | Investment Type | Avg Mkt Yield | Avg Maturity | % Portfolio |
|--|----------------------|---------------|--------------|-------------|
| Government of United States | US Treasury | 1.60% | 3.81 | 18.76% |
| Federal Home Loan Bank | Agency | 1.81% | 5.08 | 15.98% |
| Federal National Mortgage Association | Agency | 1.68% | 3.87 | 10.44% |
| Local Agency Investment Fund | LAIF | 2.24% | 0.00 | 7.61% |
| Tennessee Valley Authority | Agency | 1.77% | 3.68 | 7.53% |
| Federal Home Loan Mortgage Corp | CMO | 2.03% | 4.25 | 5.95% |
| Inter-American Dev Bank | Supranational | 1.66% | 2.60 | 3.40% |
| Federal Home Loan Mortgage Corp | Agency | 1.68% | 2.45 | 2.87% |
| John Deere ABS | ABS | 2.17% | 1.98 | 1.58% |
| Paccar Financial | US Corporate | 2.03% | 2.74 | 1.50% |
| Qualcomm Inc | US Corporate | 2.18% | 0.64 | 1.31% |
| Oracle Corp | US Corporate | 1.96% | 1.96 | 1.31% |
| State Street Bank | US Corporate | 1.94% | 1.64 | 1.23% |
| Exxon Mobil Corp | US Corporate | 1.85% | 1.42 | 1.20% |
| Honda Motor Corporation | US Corporate | 2.09% | 3.96 | 1.16% |
| Honda ABS | ABS | 1.98% | 2.94 | 1.13% |
| Wells Fargo Corp | US Corporate | 2.35% | 4.95 | 1.12% |
| Deere & Company | US Corporate | 1.90% | 3.33 | 1.10% |
| Charles Schwab Corp/The | US Corporate | 2.07% | 3.32 | 1.09% |
| HSBC Holdings PLC | Foreign Corporate | 2.43% | 3.65 | 1.07% |
| Toronto Dominion Holdings | Foreign Corporate | 2.00% | 3.80 | 1.03% |
| Apple Inc | US Corporate | 1.85% | 2.95 | 1.03% |
| Bank of America Corp | US Corporate | 2.24% | 3.28 | 1.01% |
| Toyota Motor Corp | US Corporate | 1.89% | 2.29 | 1.01% |
| PNC Financial Services Group | US Corporate | 2.00% | 2.39 | 1.00% |
| Pepsico Inc | US Corporate | 1.99% | 0.58 | 0.95% |
| Berkshire Hathaway | US Corporate | 1.96% | 3.46 | 0.90% |
| IBM Corp | US Corporate | 2.04% | 2.94 | 0.89% |
| Microsoft | US Corporate | 1.78% | 1.86 | 0.84% |
| Toyota ABS | ABS | 2.11% | 1.65 | 0.79% |
| Nissan ABS | ABS | 2.03% | 2.04 | 0.76% |
| Wal-Mart Stores | US Corporate | 1.90% | 3.74 | 0.74% |
| International Finance Corp | Supranational | 1.81% | 1.32 | 0.65% |
| US Bancorp | US Corporate | 2.06% | 2.32 | 0.57% |
| Wells Fargo Adv Govt Money Market Fund | Money Market Fund FI | 1.68% | 0.00 | 0.26% |
| US Bancorp | Money Market Fund FI | 0.20% | 0.00 | 0.23% |
| Bank Cash Account | Cash | 0.00% | 0.00 | 0.01% |
| TOTAL | | 1.85% | 3.31 | 100% |

Duration Distribution

As of September 30, 2019

Moulton Niguel Water District Consolidated
September 30, 2019 vs. June 30, 2019



| | 0 - 0.25 | 0.25 - 0.50 | 0.50 - 1 | 1 - 2 | 2 - 3 | 3 - 4 | 4 - 5 | 5+ |
|----------|----------|-------------|----------|-------|-------|-------|-------|-------|
| 09/30/19 | 8.5% | 3.2% | 2.5% | 18.6% | 23.8% | 17.2% | 8.9% | 17.3% |
| 06/30/19 | 22.5% | 1.7% | 7.4% | 15.7% | 16.3% | 18.6% | 5.7% | 12.1% |

Section 2 | Account Profile

Moulton Niguel Water District Bond Reserves

| | Bond Reserves | |
|--|---------------|-------------|
| | 9/30/2019 | 6/30/2019 |
| Portfolio book value | \$1,303,086 | \$1,298,410 |
| Market value | \$1,321,661 | \$1,310,742 |
| Net Contribution/Withdrawal for the Period | \$0 | -- |
| Average book yield | 1.90% | 1.90% |
| Average maturity (yrs) | 2.49 | 2.74 |
| Modified duration | 2.38 | 2.62 |
| \$ change in value for 1% change in rates | \$31,456 | \$34,341 |
| % maturing within two years | 29.9% | 29.7% |
| Average credit quality | AA+/Aaa | AA+/Aaa |

Moulton Niguel Water District Liquid Fund

| | ICE BAML 3-Month US Treasury Bill Index | | Liquid Fund | |
|--|--|---------------|---------------|--------------|
| | 9/30/2019 | 9/30/2019 | 9/30/2019 | 6/30/2019 |
| Portfolio book value | -- | \$7,782,801 | \$7,782,801 | \$16,730,945 |
| Market value | -- | \$7,845,987 | \$7,845,987 | \$16,827,879 |
| Net Contribution/Withdrawal for the Period | -- | (\$9,050,000) | (\$9,050,000) | -- |
| Average book yield | -- | 2.25% | 2.25% | 2.41% |
| Average maturity (yrs) | 0.16 | 0.00 | 0.00 | 0.00 |
| Modified duration | 0.16 | 0.00 | 0.00 | 0.00 |
| \$ change in value for 1% change in rates | -- | \$0 | \$0 | \$0 |
| % maturing within one year | 100% | 100% | 100% | 100% |
| Average credit quality | AAA | Not Rated | Not Rated | Not Rated |

Portfolio Characteristics

As of September 30, 2019

Moulton Niguel Water District Limited Maturity Fund

| | ICE BAML 0-3 Yr US | Limited Maturity Fund | |
|--|--------------------|-----------------------|--------------|
| | Treasury Index | 9/30/2019 | 6/30/2019 |
| Portfolio book value | -- | \$2,622,744 | \$15,858,878 |
| Market value | -- | \$2,654,508 | \$15,769,897 |
| Net Contribution/Withdrawal for the Period | -- | (\$13,190,000) | -- |
| Average book yield | -- | 2.89% | 2.70% |
| Average maturity (yrs) | 1.42 | 1.88 | 1.63 |
| Modified duration | 1.38 | 0.44 | 0.46 |
| \$ change in value for 1% change in rates | -- | \$11,680 | \$72,542 |
| % maturing within two years | 68.5% | 57.2% | 44.9% |
| Average credit quality | AAA | AAA/Aaa | AAA/Aaa |

Portfolio Characteristics

As of September 30, 2019

Moulton Niguel Water District Operating Reserve Fund

| | ICE BAML 1-10 Yr US | Operating Reserve Fund | |
|--|-----------------------|------------------------|--------------|
| | Treasury/Agency Index | 9/30/2019 | 6/30/2019 |
| Portfolio book value | -- | \$84,294,302 | \$83,671,802 |
| Market value | -- | \$86,769,665 | \$85,695,417 |
| Net Contribution/Withdrawal for the Period | -- | (\$1,875) | -- |
| Average book yield | -- | 2.49% | 2.47% |
| Average maturity (yrs) | 3.91 | 3.70 | 3.62 |
| Modified duration | 3.64 | 3.41 | 3.34 |
| \$ change in value for 1% change in rates | -- | \$2,958,846 | \$2,862,227 |
| % maturing within two years | 23.6% | 23.8% | 20.1% |
| Average credit quality | AAA | AA/Aa1 | AA/Aa1 |



Section 3 | Economic Update

Economic Highlights

■ **Federal Open Market Committee (FOMC)**

- The Federal Open Market Committee (FOMC) lowered the target fed funds rate by 25 basis points in September (for the second time this year) to a range of 1.75%-2.00%. There were three dissenting votes; one policymaker favored 50-basis point rate cut, and two policymakers favored leaving the fed funds rate unchanged.

■ **Labor Markets**

- U.S. nonfarm payrolls rose by 130,000 in August, below expectations of 160,000. On a trailing 3-month and 6-month average basis, payrolls increased an average of 156,000 and 150,000 per month, respectively, which represents a moderate decline from the 12-month average of 173,000.

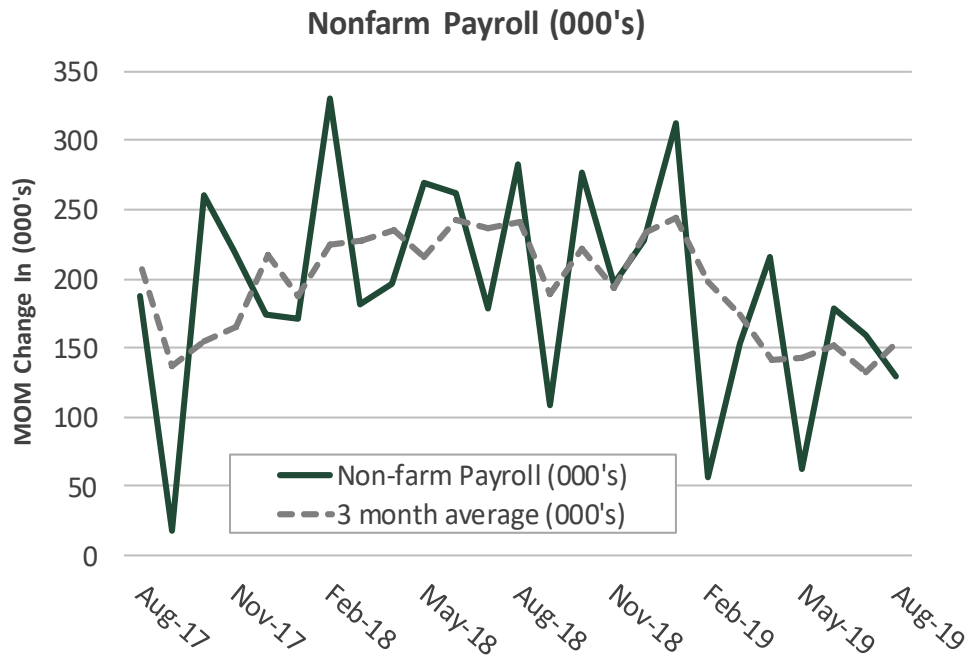
■ **Inflation**

- Core Personal Consumption Expenditures (PCE), which is the Fed's primary inflation gauge, was up 1.8% year-over-year in August, versus 1.7% year-over-year in July. Core PCE remains below the Fed's 2.0% inflation target.

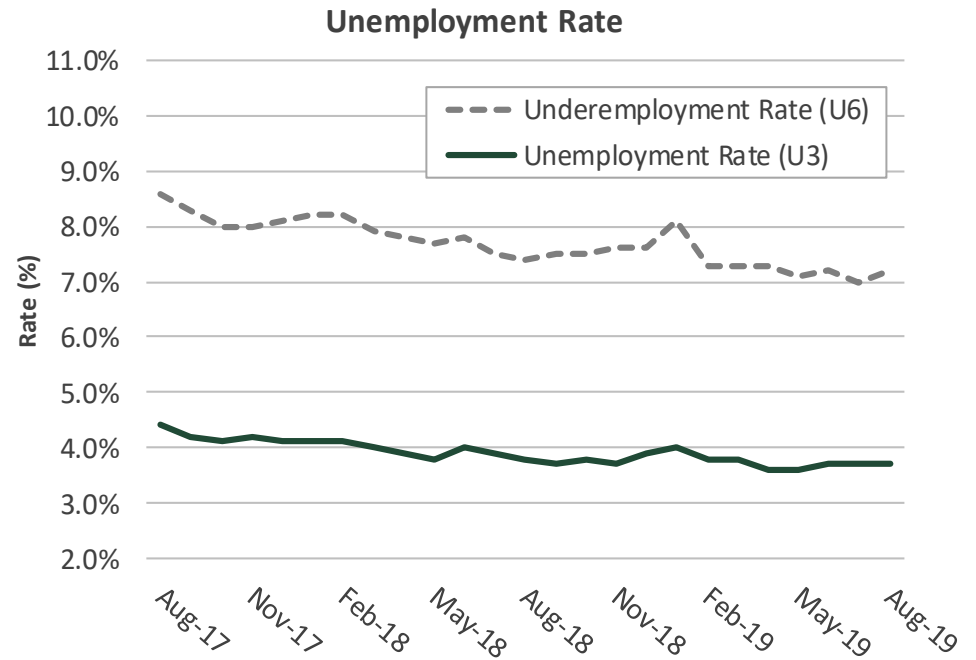
■ **Economic Growth**

- Second quarter GDP grew at an annualized rate of 2.0% following growth of 3.1% in the first quarter. Although the overall pace of GDP growth slowed in the second quarter (as expected), personal consumption expenditures accelerated and were up 4.6% in Q2, following sluggish growth of just 1.1% in Q1.

Employment



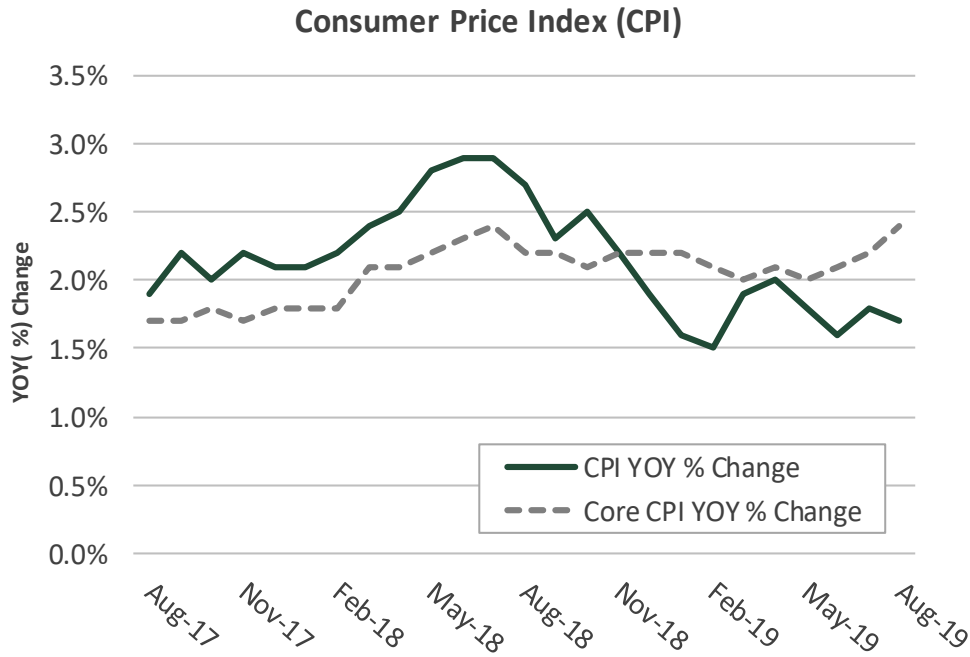
Source: US Department of Labor



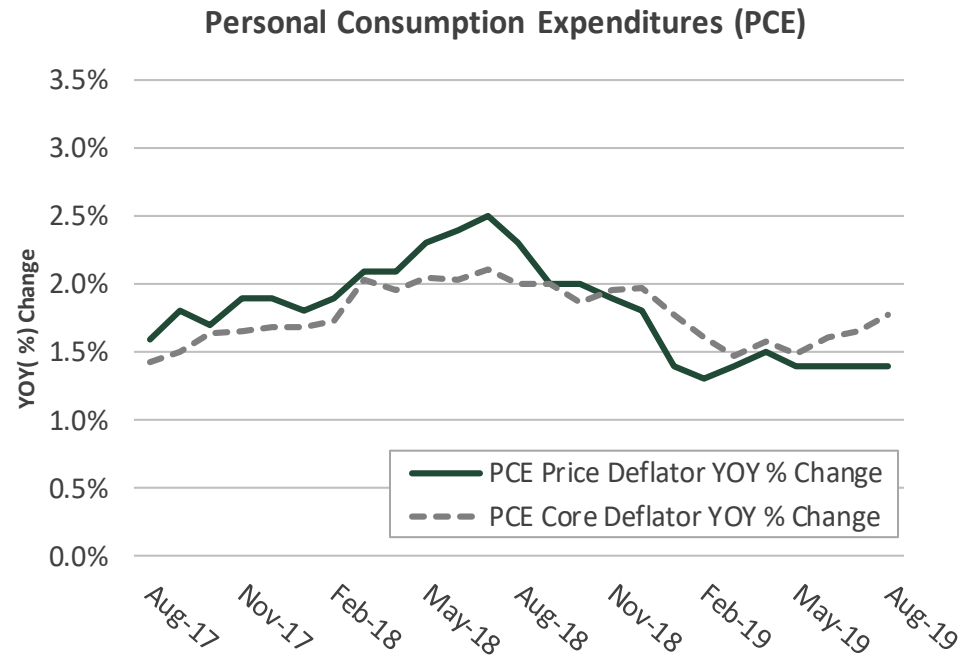
Source: US Department of Labor

U.S. nonfarm payrolls rose by 130,000 in August, below expectations of 160,000. On a trailing 3-month and 6-month average basis, payrolls increased an average of about 156,000 and 150,000 per month, respectively, which represents a moderate decline from the 12-month average of 173,000. The unemployment rate was unchanged at 3.7% in August, despite an increase in the participation rate to 63.2% from 63.0% in July. 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, increased to 7.2% in August after declining to 7.0% in July (the lowest level since December 2000). Wages rose 0.4% in August on a month-over-month basis (slightly above expectations), following a 0.3% increase in July. On a year-over-year basis, wages were up 3.2% in August, versus up 3.3% in July. The August employment report suggests that the pace of job growth is slowing but wages are rising, which is consistent with a tight labor market.

Inflation



Source: US Department of Labor

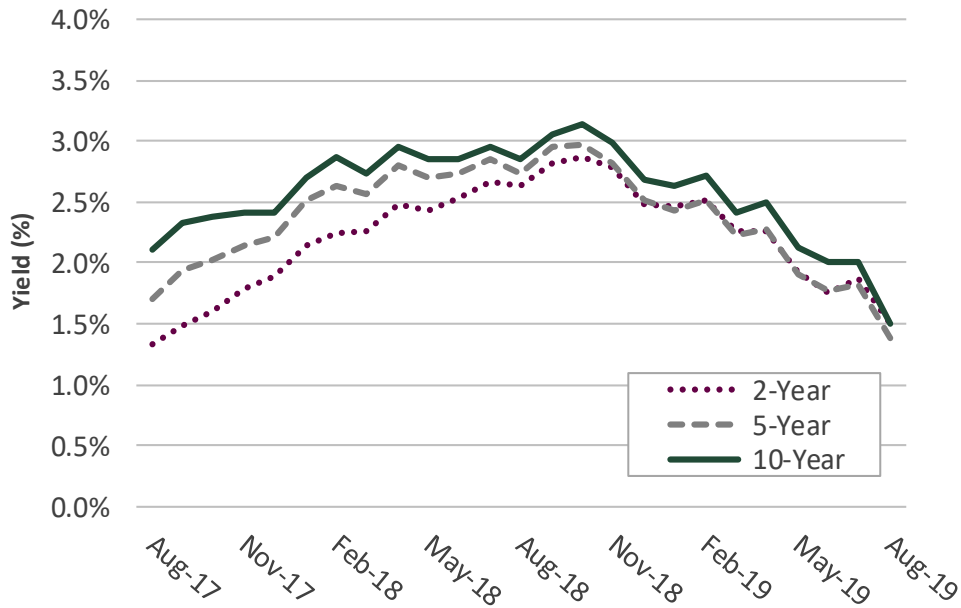


Source: US Department of Commerce

The Consumer Price Index (CPI) was up 1.7% year-over-year in August, versus up 1.8% year-over-year in July. Core CPI (CPI less food and energy) was up 2.4% year-over-year in August, versus up 2.2% year-over-year in July. The Personal Consumption Expenditures (PCE) index was up 1.4% year-over-year in August, unchanged from July. Core PCE, which is the Fed's primary inflation gauge, was up 1.8% year-over-year in August versus 1.7% year-over-year in July. Core PCE remains below the Fed's 2.0% inflation target.

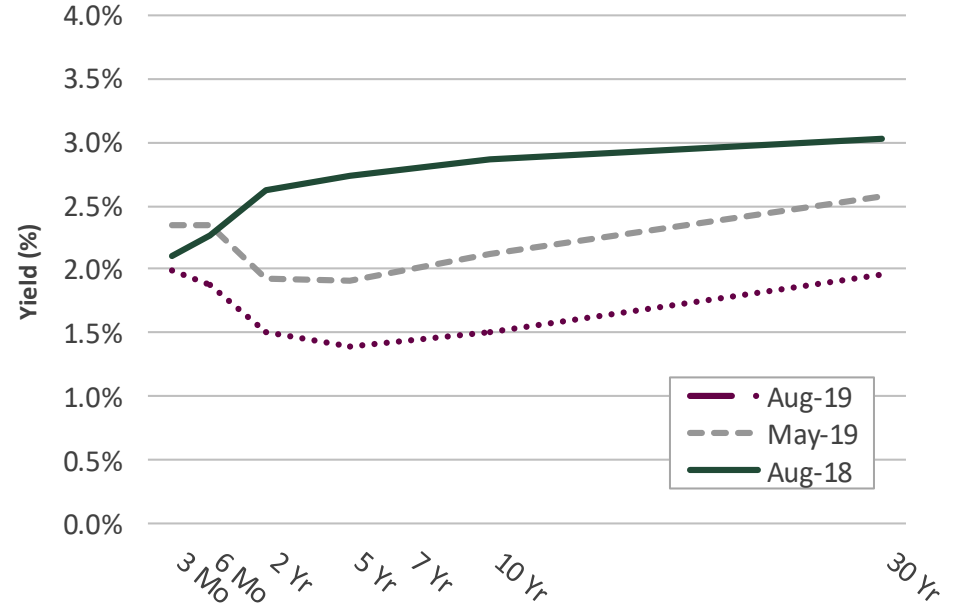
Bond Yields

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

The shape of the Treasury yield curve has changed significantly on a year-over-year basis. As of August month-end, the 3-month T-bill yield was down 12 basis points, the 2-Year Treasury yield was down nearly 115 basis points, and the 10-Year Treasury yield was down nearly 136 basis points, year-over-year. The current shape of the yield curve implies that market participants are pricing-in additional rate cuts. We believe the year-over-year decline in long-term Treasury yields reflects a high level of market participants' nervousness about the outlook for global economic growth and a decline in global inflation expectations.

Important Disclosures

As of September 30, 2019

2019 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-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not 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.

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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.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

ICE BAML 3-Month US Treasury Bill Index

The ICE BAML US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: G001. Please visit www.mlindex.ml.com for more information)

ICE BAML 1-10 Yr US Treasury/Agency Index

The ICE BAML 1-10 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than ten years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: G5A0. Please visit www.mlindex.ml.com for more information)

ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx

The ICE BAML 1-10 AAA-AA Year US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must be rated AAA through AA3 (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than ten years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. (Index: B5B0. Please visit www.mlindex.ml.com for more information)

ICE BAML 3-5 Yr US Treasury/Agency Index

The ICE BAML 3-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least three years remaining term to final maturity and less than five years remaining term to final maturity, at least three years to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: G2A0. Please visit www.mlindex.ml.com for more information)

ICE BAML 0-3 Yr US Treasury Index*

The ICE BAML 0-3 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publicly issued by the US government in its domestic market with maturities less than three years. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than three years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. (Index: G1QA. Please visit www.mlindex.ml.com for more information)

The ICE BAML 1-3 Year US Treasury Index tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. Qualifying securities must have at least 18 months to final maturity at the time of issuance. (Index: G1O2. Please visit www.mlindex.ml.com for more information)



moulton niguel water district

2019 Certificates of Participation New Money Issuance

Board Meeting
October 10, 2019

Financial Indicators

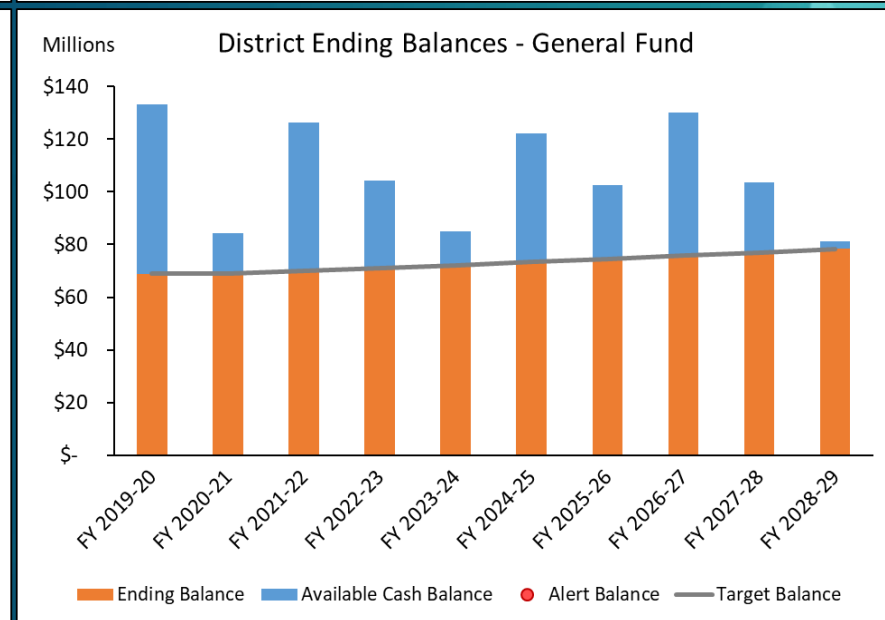
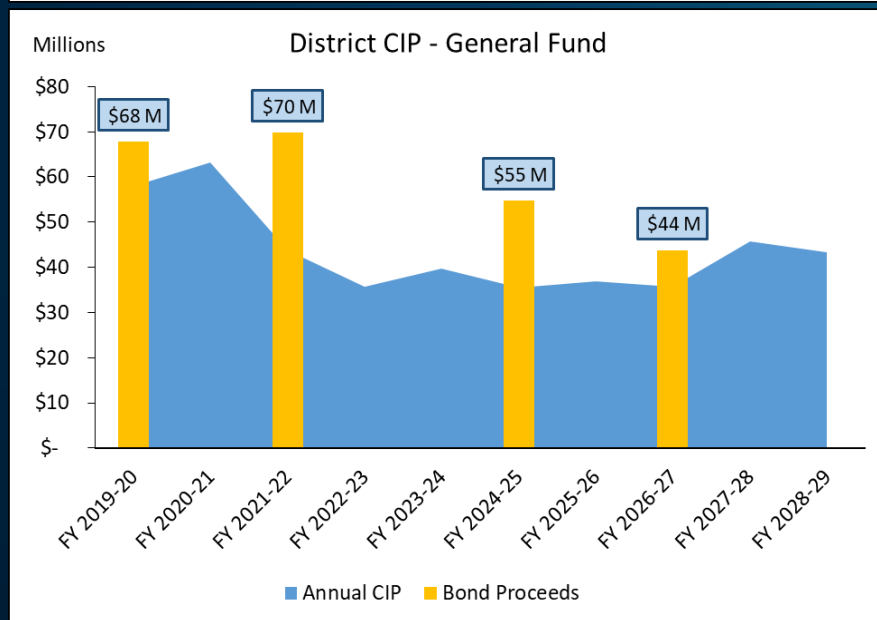
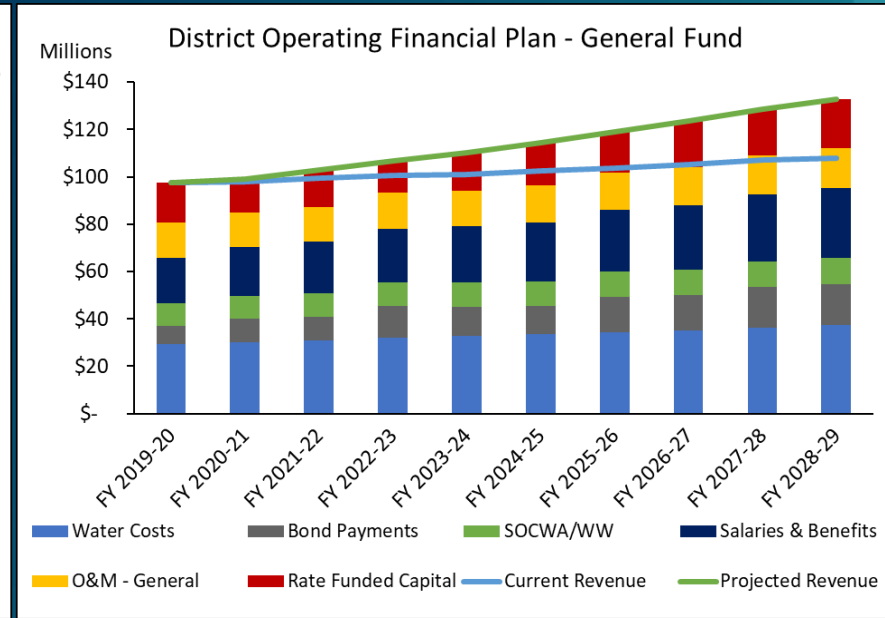
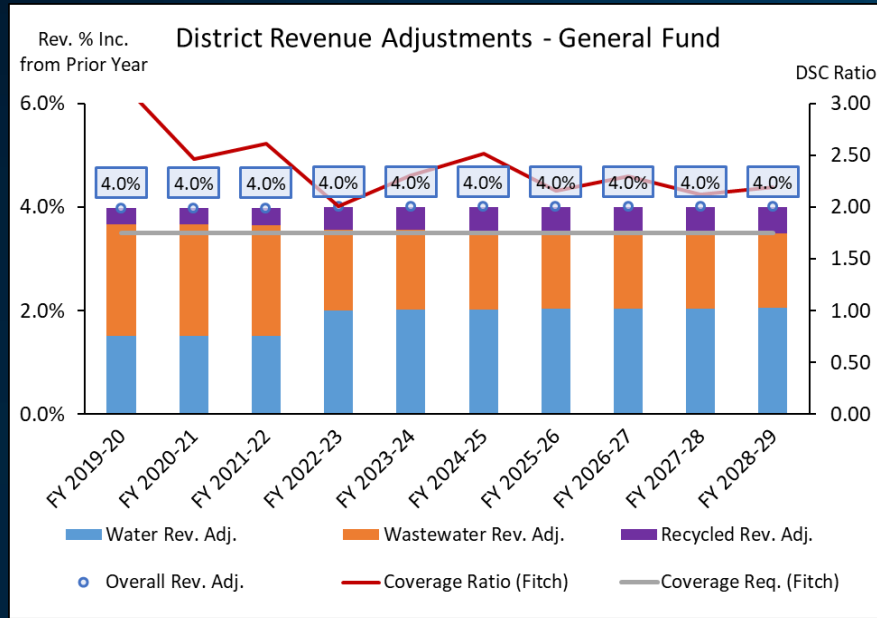
- State and Industry Recognition
 - Fitch – “...bills are still significantly less than other entities in the region.”
 - DWR – best practice in drought planning & resilience
 - SWRCB – top 3 rate structure in state
 - GFOA – both CAFR and Budget awarded
- 'AAA' both from S&P and Fitch
- Maximized Investment Earnings
- Fiscally sound & conservative planning
 - \$11.4 M Bond savings
 - Success w/ Grants



Motivation

- Comprehensive Plan to Invest in Infrastructure
- 10-Year Cashflow identifies cash needs
 - Two tools, rates & bonds
- Past Discussions:
 - 2019 Long Range Planning Session
 - FY 2019-20 Budget Discussions
 - Bi-annual cashflow updates

10-Year Cashflow



Proposed 2019 COPs Issuance

- Funding approximately \$68 million in capital projects with Certificates of Participation
- Projects include:
 - Reservoir Management System Replacement
 - PW Main Replacement and RW Main Installation
 - Regional Lift Station Enhancements
 - SOCWA Capital Improvements
 - Regional Treatment Plant Influent Sewer Improvements
 - Steel Tanks Seismic and Structural Retrofits
 - Saddleback Pump Station Auxiliary Pump & Engine Replacement

| Sources | |
|------------------------|------------|
| Par Amount | 54,330,000 |
| Premium | 14,413,779 |
| | 68,743,779 |
| Uses | |
| Project Fund | 68,000,000 |
| Cost of Issuance | 200,000 |
| Underwriter's Discount | 543,300 |
| Additional Proceeds | 479 |
| | 68,743,779 |

Key Dates & Next Steps

- October 1: Presentation to S&P
- October 2: Presentation to Administration Committee
- October 9: Presentation to Fitch
- **October 10: Board Consideration**
- Early November: Pricing 2019 COPs
- Mid-November: 2019 COPs Closing

MOULTON NIGUEL WATER DISTRICT
Summary of Financial Results
October 10, 2019

Year to date unaudited results of operations as of August 31, 2019, are summarized below.

Total operating revenues were \$12.2 million for the month ended, which came in at 18% of the budget. Total operating expenses ended at \$12.8 million, which amounted to 16% of the approved budget. Total Net Loss for the month ended was (\$2.8) million.

The net loss is not unusual at this time of the year. The District expects to receive \$28.6 million in property tax revenues during the fiscal year, and those revenues are typically received in December and April each fiscal year.

Our investments have an unrealized gain of \$1.4 million as a result of changing conditions in the market.

The District currently has \$6.4 million available in the Water Efficiency Fund for new projects, rebate applications or additional programs. The remaining balance considers \$1.3 million in approved water efficiency program commitments.

The District has a total of \$112.6 million in Cash and Investments as of August 31, 2019, down approximately \$11.7 million from June 30, 2019. This change was anticipated in the Ten-Year Cash Flow and is related to execution of the District's capital improvement program and scheduled debt service payments. Additionally, the District's accounts payable balance has reduced by \$4.0 million since June 30, 2019, primarily related to the payment of progress payments for work performed in the prior fiscal year.

The District holds \$10.7 million invested in trustee accounts to satisfy covenants associated with outstanding debt issuances. Approximately \$4.9 million of that total was sent to the trustee to pay scheduled debt service payments. The two reserves the District is required to hold with the trustee are meeting the minimum reserve requirement.

Based on the approved FY 19/20 Budget, the Board has established a target reserve level of \$69.7 million, and as of August 31, 2019, the District held \$69.9 million in reserves. Additionally, there is \$18.0 million available in the funds designated for capital projects. As the District receives additional monies from property taxes, additional funds will become available in the capital project funds.

Moulton Niguel Water District
All Funds - Budget Comparison Report
Year To Date Totals August 31, 2019

| | 1 | 2 | 3 | =3-1 | =1/3 |
|---|--------------------------------|--------------------------------------|---------------------------------|--------------------------------|---------------------------|
| Description | Fiscal Year to Date Actuals | Prior Fiscal Year to Date Actuals | Current Year Approved Budget | Current Year Budget Balance | % of Actuals to Budget |
| ALL FUNDS | | | | | |
| <u>Operating Revenues</u> | | | | | |
| Water Sales | \$ 5,641,469 | \$ 5,658,855 | \$ 31,512,227 | \$ 25,870,758 | 18% |
| Recycled Water Sales | 1,281,530 | 1,498,668 | 6,438,316 | 5,156,786 | 20% |
| Sewer Sales | 4,363,999 | 4,160,340 | 24,065,352 | 19,701,353 | 18% |
| Water Efficiency | 823,948 | 893,166 | 4,764,604 | 3,940,657 | 17% |
| Other Operating Income | 48,386 | 74,045 | 911,436 | 863,050 | 5% |
| A Total Operating Revenue | 12,159,333 | 12,285,075 | 67,691,935 | 55,532,603 | 18% |
| <u>Operating Expenses</u> | | | | | |
| Salaries | 2,446,685 | 2,241,400 | 14,413,800 | 11,967,115 | 17% |
| PERs Employer Contributions | 425,649 | 372,910 | 2,547,924 | 2,122,275 | 17% |
| Defined Contribution 401A | 43,055 | 38,992 | 265,601 | 222,546 | 16% |
| Educational Courses | 3,241 | 967 | 85,934 | 82,693 | 4% |
| Travel & Meetings | 27,392 | 25,097 | 387,140 | 359,748 | 7% |
| Recruitment & Employee Relations | 1,005 | 6,779 | 93,813 | 92,809 | 1% |
| General Services | 24,464 | 30,887 | 490,292 | 465,828 | 5% |
| Annual Audit | 3,300 | - | 62,500 | 59,200 | 5% |
| Member Agencies O&M | - | 89,923 | 541,714 | 541,714 | 0% |
| Dues & Memberships | 35,925 | 34,558 | 203,082 | 167,156 | 18% |
| Consulting Services | 224,736 | 129,054 | 3,538,300 | 3,313,564 | 6% |
| Equipment Rental | 4,875 | 8,860 | 66,500 | 61,625 | 7% |
| District Fuel | 34,606 | 49,208 | 315,000 | 280,394 | 11% |
| Insurance - District | 83,566 | 73,707 | 532,850 | 449,284 | 16% |
| Insurance - Personnel | 72,713 | 64,966 | 369,692 | 296,979 | 20% |
| Insurance - Benefits | 683,724 | 666,577 | 3,799,415 | 3,115,691 | 18% |
| Legal Services - Personnel | 1,228 | 641 | 50,000 | 48,772 | 2% |
| Legal Services - General | 219 | 51,218 | 1,020,000 | 1,019,781 | 0% |
| District Office Supplies | 98,798 | 62,686 | 840,305 | 741,507 | 12% |
| District Operating Supplies | 184,158 | 54,384 | 1,045,269 | 861,111 | 18% |
| Repairs & Maintenance - Equipment | 188,338 | 115,627 | 1,074,550 | 886,212 | 18% |
| Repairs & Maintenance - Facilities | 339,329 | 682,718 | 3,950,249 | 3,610,920 | 9% |
| Safety Program & Compliance Requirements | 62,486 | 44,519 | 366,898 | 304,412 | 17% |
| Wastewater Treatment ¹ | 2,287,385 | 2,339,764 | 9,471,915 | 7,184,530 | 24% |
| Special Outside Assessments ² | 27,233 | 27,356 | 33,600 | 6,367 | 81% |
| Utilities | 506,843 | 414,596 | 2,992,102 | 2,485,259 | 17% |
| Water Purchases | 5,018,858 | 4,936,686 | 28,997,811 | 23,978,952 | 17% |
| Meter / Vault Purchases | 1,417 | 299 | - | (1,417) | n/a |
| Water Efficiency | - | 521,825 | 1,883,000 | 1,883,000 | 0% |
| B Total Operating Expenses | 12,831,230 | 13,086,203 | 79,439,255 | 66,608,025 | 16% |
| A-B Operating Income (Loss) | (671,897) | (801,128) | (11,747,320) | (11,075,422) | 6% |
| <u>Non-Operating Revenues (Expenses)</u> | | | | | |
| Property Tax Revenue | 36,491 | 30,666 | 28,599,883 | 28,563,392 | 0% |
| Investment Income ³ | 1,439,960 | 565,932 | 2,108,233 | 668,273 | 68% |
| Property Lease Income | 296,878 | 288,479 | 1,800,265 | 1,503,388 | 16% |
| Interest Expense | (551,510) | (826,180) | (3,027,210) | (2,475,700) | 18% |
| Misc. Non-Operating Income (Expense) | 133,670 | 626,946 | 933,435 | 799,765 | 14% |
| Capacity Fees | - | 37,621 | 384,339 | 384,339 | 0% |
| Demand Offset Fees | - | - | 36,000 | 36,000 | 0% |
| C Total Non-Operating Revenue (Expenses) | 1,355,488 | 723,464 | 30,414,606 | 29,059,118 | 4% |
| A-B+C Change in All Funds | \$ 683,591 | \$ (77,664) | \$ 18,667,286 | \$ 17,983,695 | |
| <u>Other Non Cash Expenses</u> | | | | | |
| Depreciation | 3,450,396 | 3,257,357 | - | (3,450,396) | n/a |
| D Total Change in Net Position | \$ (2,766,805) | \$ (3,335,021) | \$ 18,667,286 | \$ 21,434,092 | |

Note: Totals may not sum due to rounding.

1. The District paid the 1st Quarter invoice to SOCWA for O&M charges, covering the months of July, August, and September.
2. The District paid the FY 19-20 LAFCO fees to the County of Orange.
3. Investment income is comprised of realized income of \$90,094 and unrealized income of \$1,349,866.

**Moulton Niguel Water District
All Funds - Budget Comparison Report
Year To Date Totals August 31, 2019
Legal Services - General**

| Firm | General ¹ | Water Use Efficiency ¹ | Capital | Total |
|-------------------------|----------------------|--------------------------------------|------------|---------------------|
| Alvarado Smith APC | \$ 219 | \$ - | \$ - | \$ 219 |
| Best Best & Krieger LLP | - | - | - | - |
| Total | 219 | - | - | 219 |
| Budget Amount | 1,000,000 | 20,000 | - | 1,020,000 |
| Budget Balance | \$ 999,781 | \$ 20,000 | n/a | \$ 1,019,781 |

Note: Totals may not sum due to rounding.

1. Legal Services - General on the previous page is made up of the General balance of \$219 and the \$0 Water Use Efficiency balance, for a total of \$219.

Consulting Services - Grant Administration

| Firm | YTD | Overall |
|-------------------------------------|-----------------------|-----------------------|
| Nossaman LLP | \$ 5,500 | \$ 77,000 |
| West Yost Associates ² | 9,053 | 148,962 |
| Grants Received ³ | (2,000,000) | (2,000,000) |
| Totals | \$ (1,985,448) | \$ (1,774,038) |

2. West Yost compiled the AMI WaterSmart final closeout documents and prepared documents for additional grant applications, including the AMI Phase II project, and two additional Cal OES grant applications.

3. The District has received two grants from the US Bureau of Reclamation since the start of the grant administration program, totalling \$1.8 million. Additionally, the District has received a \$0.2 million grant from Metropolitan Water District of Southern California.

Moulton Niguel Water District
General Fund - Budget Comparison Report
Year To Date Totals August 31, 2019

| | 1 | 2 | =1-2 | =2/1 |
|---|----------------------|-----------------------------|----------------------|------------------------|
| Description | Approved Budget | Fiscal Year to Date Actuals | Budget Balance | % of Actuals to Budget |
| GENERAL FUND | | | | |
| <u>Operating Revenues</u> | | | | |
| Water Sales | \$ 31,512,227 | \$ 5,641,469 | \$ 25,870,758 | 18% |
| Recycled Water Sales | 6,438,316 | 1,281,530 | 5,156,786 | 20% |
| Sewer Sales | 24,065,352 | 4,363,999 | 19,701,353 | 18% |
| Other Operating Income | 911,436 | 48,386 | 863,050 | 5% |
| A Total Operating Revenue | 62,927,331 | 11,335,385 | 51,591,946 | 18% |
| <u>Operating Expenses</u> | | | | |
| Salaries | 13,073,384 | 2,285,932 | 10,787,452 | 17% |
| PERs Employer Contributions | 2,374,048 | 397,061 | 1,976,987 | 17% |
| Defined Contribution 401A | 240,739 | 40,036 | 200,703 | 17% |
| Educational Courses | 79,934 | 1,159 | 78,775 | 1% |
| Travel & Meetings | 347,140 | 26,608 | 320,532 | 8% |
| Recruitment & Employee Relations | 93,813 | 1,005 | 92,809 | 1% |
| General Services | 490,292 | 24,464 | 465,828 | 5% |
| Annual Audit | 62,500 | 3,300 | 59,200 | 5% |
| Member Agencies O&M | 541,714 | - | 541,714 | 0% |
| Dues & Memberships | 139,857 | 20,925 | 118,931 | 15% |
| Consulting Services | 1,603,300 | 92,679 | 1,510,621 | 6% |
| Equipment Rental | 66,500 | 4,875 | 61,625 | 7% |
| District Fuel | 315,000 | 34,606 | 280,394 | 11% |
| Insurance - District | 532,850 | 83,566 | 449,284 | 16% |
| Insurance - Personnel | 339,306 | 69,165 | 270,141 | 20% |
| Insurance - Benefits | 3,267,475 | 639,166 | 2,628,309 | 20% |
| Legal Services - Personnel | 50,000 | 1,228 | 48,772 | 2% |
| Legal Services - General | 1,000,000 | 219 | 999,781 | 0% |
| District Office Supplies | 493,680 | 81,379 | 412,301 | 16% |
| District Operating Supplies | 1,044,654 | 184,158 | 860,496 | 18% |
| Repairs & Maintenance - Equipment | 969,300 | 177,471 | 791,829 | 18% |
| Repairs & Maintenance - Facilities | 3,950,249 | 339,329 | 3,610,920 | 9% |
| Safety Program & Compliance Requirements | 364,548 | 62,353 | 302,195 | 17% |
| Wastewater Treatment | 9,471,915 | 2,287,385 | 7,184,530 | 24% |
| Special Outside Assessments | 33,600 | 27,233 | 6,367 | 81% |
| Utilities | 2,992,102 | 506,843 | 2,485,259 | 17% |
| Water Purchases | 28,997,811 | 5,018,858 | 23,978,952 | 17% |
| Meter / Vault Purchases | - | 1,417 | (1,417) | n/a |
| B Total Operating Expenses | 72,935,710 | 12,412,421 | 60,523,289 | 17% |
| A-B Operating Income (Loss) | (10,008,379) | (1,077,036) | (8,931,343) | 11% |
| <u>Non-Operating Revenues (Expenses)</u> | | | | |
| Property Tax Revenue | 28,599,883 | 36,491 | 28,563,392 | 0% |
| Investment Income | 2,076,671 | 857,337 | 1,219,334 | 41% |
| Property Lease Income | 1,800,265 | 296,878 | 1,503,387 | 16% |
| Misc. Non-Operating Income (Expense) | 250,812 | 22,147 | 228,665 | n/a |
| C Total Non-Operating Revenue (Expenses) | 32,727,631 | 1,212,852 | 31,514,779 | 4% |
| A-B+C Change in General Fund | \$ 22,719,252 | \$ 135,816 | \$ 22,583,436 | 5% |
| <u>Other Non Cash Expenses</u> | | | | |
| Depreciation | - | 3,450,396 | (3,450,396) | n/a |
| D Total Change in Net Position | \$ 22,719,252 | \$ (3,314,581) | \$ 26,033,832 | |

Note: Totals may not sum due to rounding.

Moulton Niguel Water District
Water Efficiency Fund - Budget Comparison Report
Year To Date Totals August 31, 2019

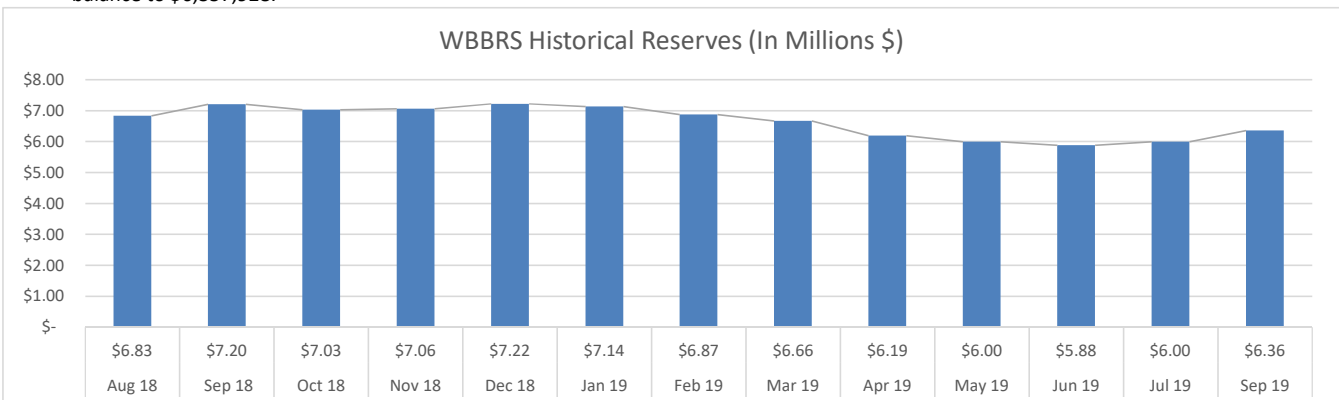
| Description | 1 Approved Budget | 2 Fiscal Year to Date Actuals | =1-2 Budget Balance | =2/1 % of Actuals to Budget |
|--|-------------------------|-------------------------------------|------------------------|-----------------------------------|
| WATER EFFICIENCY FUND | | | | |
| Projected Operating Revenue | | | | |
| Water Efficiency | \$ 4,764,604 | \$ 823,948 | \$ 3,940,657 | 17% |
| A | 4,764,604 | 823,948 | 3,940,657 | 17% |
| Projected Operating Expenses | | | | |
| Labor | 2,101,479 | 240,467 | 1,861,012 | 11% |
| Educational Courses | 6,000 | 2,082 | 3,918 | 35% |
| Travel & Meetings | 40,000 | 784 | 39,216 | 2% |
| Dues & Memberships | 63,225 | 15,000 | 48,225 | 24% |
| Consulting Services | 1,935,000 | 132,057 | 1,802,943 | 7% |
| Legal Services | 20,000 | - | 20,000 | 0% |
| Conservation supplies | 347,240 | 17,419 | 329,821 | 5% |
| Repairs and Maintenance - Equipment | 105,250 | 10,867 | 94,383 | 10% |
| Safety Program & Compliance Requirements | - | 133 | (133) | n/a |
| Water Efficiency | 1,883,000 | - | 1,883,000 | 0% |
| B | 6,501,194 | 418,809 | 6,082,385 | 6% |
| A-B | (1,736,590) | 405,139 | (2,141,729) | -23% |
| Projected Non-Operating Revenue | | | | |
| Demand offset fees | 36,000 | - | 36,000 | 0% |
| Investment Income | 31,562 | 74,492 | (42,930) | 236% |
| C | 67,562 | 74,492 | (6,930) | 110% |
| A-B+C | \$ (1,669,028) | \$ 479,631 | \$ (2,148,659) | |

Note: Totals may not sum due to rounding.

Water Efficiency Available Net Position¹

| Description | Approved Budget | Fiscal Year to Date Actuals | Budget Balance |
|--|--------------------|--------------------------------|----------------|
| Fund Net Position, Beginning of Year | \$ 7,166,522 | \$ 7,166,522 | \$ 7,166,522 |
| Projected Change in Water Efficiency Fund | (1,669,028) | 479,631 | (2,148,659) |
| Project Commitments | | \$ (1,288,225) | |
| Capital Spending | (4,742,500) | - | |
| Fund Net Position, Year To Date Totals August 31, 2019 | \$ 754,994 | \$ 6,357,928 | |

1. In addition to realized expenditures, there is approximately \$1,288,225 in project commitments, reducing the available WBBRS reserve balance to \$6,357,928.



MOULTON NIGUEL WATER DISTRICT
STATEMENT OF NET POSITION

| | (Unaudited) August 31, 2019 | (Unaudited) June 30, 2019 |
|--|--|--|
| CURRENT ASSETS: | | |
| Cash and investments ¹ | \$ 9,013,220 | \$ 17,470,320 |
| Accounts receivables: | | |
| Water and sanitation charges | 4,644,762 | 3,761,531 |
| Property taxes | - | 309,158 |
| Grant Reimbursements | - | - |
| Other accounts receivable | 1,809,792 | 1,851,349 |
| Interest receivable | 541,424 | 802,315 |
| Inventory | 1,021,150 | 1,054,341 |
| Prepaid expenses | 2,443,919 | 750,393 |
| TOTAL CURRENT ASSETS | 19,474,267 | 25,999,407 |
| NONCURRENT ASSETS: | | |
| Investments ¹ | 92,857,585 | 100,897,457 |
| Restricted cash and investments with fiscal agent | 10,710,584 | 5,888,857 |
| Retrofit loans receivable | 486,546 | 490,468 |
| Capital assets, net of accumulated depreciation | 378,555,320 | 381,319,918 |
| Capital assets not being depreciated: | | |
| Land | 1,091,910 | 1,091,910 |
| Construction in progress ¹ | 18,554,267 | 13,508,163 |
| TOTAL NONCURRENT ASSETS | 502,256,212 | 503,196,773 |
| TOTAL ASSETS | 521,730,479 | 529,196,180 |
| DEFERRED OUTFLOW OF RESOURCES: | | |
| Deferred Charges on Refunding | 399,207 | 415,501 |
| Deferred Items related to Pension | 5,122,331 | 5,122,331 |
| Deferred Items related to OPEB | 479,511 | 479,511 |
| TOTAL DEFERRED OUTFLOW OF RESOURCES | 6,001,049 | 6,017,343 |
| TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES \$ | 527,731,528 | \$ 535,213,523 |

1. Total cash and investments has changed (\$11,675,245) during this fiscal year. \$5,732,511 has been spent on capital projects and \$1,656,178 has been spent on debt service.

MOULTON NIGUEL WATER DISTRICT
STATEMENT OF NET POSITION

| | (Unaudited) August 31, 2019 | (Unaudited) June 30, 2019 |
|--|--|--|
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 7,458,095 | \$ 11,487,184 |
| Interest payable | 1,497,772 | 1,069,054 |
| Compensated absences | 956,772 | 869,518 |
| Current portion of long-term debt: | | |
| Bonds payable | 3,360,000 | 3,360,000 |
| Loans Payable | 178,591 | 1,283,260 |
| | 13,451,230 | 18,069,016 |
| TOTAL CURRENT LIABILITIES | 13,451,230 | 18,069,016 |
| LONG-TERM LIABILITIES | | |
| Compensated absences | 318,924 | 289,839 |
| Long-term debt: | | |
| Bonds payable | 57,170,000 | 57,170,000 |
| Loans payable | 3,805,058 | 3,805,058 |
| Net Pension Liability | 20,386,747 | 20,386,747 |
| Net OPEB Liability | 1,540,822 | 1,540,822 |
| | 83,221,551 | 83,192,466 |
| TOTAL LONG-TERM LIABILITIES | 83,221,551 | 83,192,466 |
| Bond Discount/Premium | 10,989,585 | 11,116,102 |
| TOTAL LIABILITIES | 107,662,366 | 112,377,584 |
| DEFERRED INFLOW OF RESOURCES: | | |
| Deferred Items related to Pension | 1,184,247 | 1,184,247 |
| Deferred items related to OPEB | 14,312 | 14,312 |
| | 1,198,559 | 1,198,559 |
| TOTAL DEFERRED INFLOW OF RESOURCES | 1,198,559 | 1,198,559 |
| NET POSITION: | | |
| Net investment in capital assets | 323,097,469 | 319,601,072 |
| Restricted for capital projects | 179,981 | 375,294 |
| Unrestricted | 95,593,153 | 101,661,014 |
| | 418,870,603 | 421,637,380 |
| TOTAL NET POSITION | 418,870,603 | 421,637,380 |
| TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION | \$ 527,731,528 | \$ 535,213,523 |

Note: Totals may not sum due to rounding.

MOULTON NIGUEL WATER DISTRICT
RESTRICTED CASH AND INVESTMENTS WITH FISCAL AGENT
As of August 31, 2019

| | Reserve Requirement | (Unaudited) Balance 8/31/2019 | Over (Under) Requirement | (Unaudited) Balance 6/30/2019 | Outstanding Debt Balance 8/31/2019 |
|---|------------------------|-------------------------------------|-----------------------------|-------------------------------------|--|
| Restricted Cash and Investments: | | | | | |
| 2014 Consolidated Ref Bonds | \$ - | \$ 1,490,375 | \$ 1,490,375 | \$ 2 | \$ 1,465,000 |
| 2015 Refunding Bonds | - | 2,156,500 | 2,156,500 | 15 | - |
| 2015 Refunding Reserve | 1,226,500 | 1,317,104 | 90,604 | 1,305,064 | 10,460,000 |
| 2019 Revenue Bonds Reserve | 4,487,500 | 4,531,460 | 43,960 | 4,490,894 | 48,605,000 |
| 2019 Revenue Bonds | - | 1,215,145 | 1,215,145 | 92,882 | - |
| CIEDB Loans | - | - | - | - | 551,499 |
| SRF Loans | - | - | - | - | 3,432,150 |
| Total Restricted Trust Accounts | \$ 5,714,000 | \$ 10,710,584 | \$ 4,996,584 | \$ 5,888,857 | \$ 64,513,649 |

Note: Totals may not sum due to rounding.

| FY | Payoff Schedule | | | |
|-------------------|----------------------|----------------------|-----------------|-----------------------|
| | Principal* | Interest | Fees | Totals |
| 2020 | \$ 4,643,260 | \$ 3,027,210 | \$ 1,655 | \$ 7,672,124 |
| 2021 | 3,297,912 | 2,880,057 | 1,119 | 6,179,088 |
| 2022 | 3,418,059 | 2,753,035 | 229 | 6,171,323 |
| 2023 | 3,354,087 | 2,620,508 | - | 5,974,595 |
| 2024 | 2,300,000 | 2,487,750 | - | 4,787,750 |
| 2025 ¹ | 2,055,000 | 2,378,875 | - | 4,433,875 |
| 2026 | 2,155,000 | 2,273,625 | - | 4,428,625 |
| 2027 | 2,265,000 | 2,163,125 | - | 4,428,125 |
| 2028 | 2,380,000 | 2,046,100 | - | 4,426,100 |
| 2029 | 2,500,000 | 1,925,000 | - | 4,425,000 |
| 2030 | 2,620,000 | 1,797,000 | - | 4,417,000 |
| 2031 | 2,755,000 | 1,662,625 | - | 4,417,625 |
| 2032 | 2,890,000 | 1,521,500 | - | 4,411,500 |
| 2033 | 3,035,000 | 1,373,375 | - | 4,408,375 |
| 2034 | 3,185,000 | 1,217,875 | - | 4,402,875 |
| 2035 | 3,345,000 | 1,054,625 | - | 4,399,625 |
| 2036 | 3,515,000 | 883,125 | - | 4,398,125 |
| 2037 | 3,690,000 | 703,000 | - | 4,393,000 |
| 2038 | 3,875,000 | 513,875 | - | 4,388,875 |
| 2039 | 4,070,000 | 315,250 | - | 4,385,250 |
| 2040 | 4,270,000 | 106,750 | - | 4,376,750 |
| | \$ 65,618,318 | \$ 35,704,285 | \$ 3,002 | \$ 101,325,605 |

*Note: Total outstanding balance reconciles to balance as of the most recent audited fiscal year.

1. Principal payments starting in FY 2025 all relate to the 2019 Revenue Refunding Bonds.

MOULTON NIGUEL WATER DISTRICT

NET POSITION

As of August 31, 2019

| | | (Unaudited) Balance | | (Unaudited) Balance | |
|--|---|------------------------|-----------------------|------------------------|-----------|
| | Reserve Target | 8/31/2019 | Net Change | 8/31/2019 | 6/30/2019 |
| Adopted Reserve Targets ¹ | | | | | |
| Designated for Self Insurance Reserve | \$ 250,000 | \$ 253,400 | \$ 11,976 | \$ 241,424 | |
| Designated for Rate Stabilization | 14,299,942 | 14,509,112 | (317,668) | 14,826,780 | |
| Designated for Emergency Reserves | 35,300,000 | 35,300,000 | - | 35,300,000 | |
| Designated for Operating Reserves ² | 19,859,814 | 19,859,814 | (4,341,967) | 24,201,781 | |
| Total Adopted Reserve Targets | \$ 69,709,755 | \$ 69,922,326 | \$ (4,647,659) | \$ 74,569,985 | |
| | | | | | |
| | FY Capital Budget ⁴ | | | | |
| Designated for Capital Projects ³ | | | | | |
| Designated for Replacement and Refurbishment | \$ 43,624,388 | 12,090,167 | \$ 9,064,403 | \$ 3,025,764 | |
| Designated for Water Supply Reliability | - | - | (346,493) | 346,493 | |
| Designated for Planning and Construction | 21,413,204 | 5,934,507 | (10,617,697) | 16,552,204 | |
| Total Designated for Capital Projects | \$ 65,037,592 | \$ 18,024,674 | \$ (1,899,787) | \$ 19,924,461 | |
| | | | | | |
| Other amounts | | | | | |
| Designated for Water Efficiency (WBBRS) ⁵ | | \$ 7,646,153 | \$ 479,631 | \$ 7,166,522 | |
| Restricted for Capital Facilities (Projects) | | 179,981 | (195,313) | 375,294 | |
| Net Investment in Capital Assets ⁶ | | 323,097,469 | 3,496,397 | 319,601,072 | |
| Total Other amounts | | \$ 330,923,603 | \$ 3,780,715 | \$ 327,142,888 | |
| | | | | | |
| Total Net Position | | \$ 418,870,603 | \$ (2,766,731) | \$ 421,637,334 | |

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 \$24,497,569.

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

4. FY Budget also includes capital expenses of \$1,949,601 and \$4,742,500 in Funds 1 and 6, respectively, bringing the total CIP budget to \$6,692,101.

5. In addition to realized expenditures, there is approximately \$1,288,225 in project commitments, reducing the available WBBRS reserve balance to \$6,357,928.

6. Net Investment in Capital Assets calculated as follows:

| | |
|---|-----------------------|
| Total capital assets | \$ 398,201,497 |
| Less capital related debt | (75,503,235) |
| Add deferred charges related to debt | 399,207 |
| Total Net Investment in Capital Assets | \$ 323,097,469 |

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

Summary of Disbursements in September:

| | | |
|--|------------------|----------------------|
| General Fund Disbursements | | 5,404,229 |
| <u>Restricted Fund Disbursements:</u> | | |
| Self Insurance Fund | 900 | |
| Water Efficiency Fund | 540,751 | |
| Replacement & Refurbishment Fund | 2,045,768 | |
| Water Supply Reliability Fund | 65 | |
| Planning & Construction Fund | 207,329 | |
| CIEDB Loan | 553,948 | |
| 1998 SRF Loan | 3,553,485 | |
| 2015 COP | 2,250 | |
| | 6,904,496 | |
| Total Disbursements for all Funds | | \$ 12,308,725 |

Detail of Major Expenditures in September:

| | | |
|--|------------------|----------------|
| 1. Municipal Water District of Orange County (MWDOC) | | |
| July Water Purchases 1943.3 AF | 2,040,465 | |
| FY 19/20 Choice Programs Billing | 155,525 | |
| July Readiness to Serve | 98,247 | |
| July Capacity Charge | 27,463 | |
| July Turf Removal, Smart Timer Rebates, and Rotating Nozzles | 11,677 | |
| July SCP Operation Surcharges | 11,008 | |
| July WaterSmart Residential Rebate Programs | 1,800 | |
| | 2,346,184 | |
| 2. Ferreira Construction Co., Inc. | | |
| C #2017006 Valve Replacements, progress payment #6 | 289,000 | |
| C #2016022 Camino Capistrano Yard Improvement, progress payment #7 | 136,356 | |
| Emergency Water Service Repairs at multiple locations | 49,384 | |
| | 474,740 | |
| 3. Irvine Ranch Water District (IRWD) | | |
| July Untreated MWD Water from Irvine Lake | | 381,297 |
| 4. Gateway Pacific Contractors, Inc. | | |
| C #2017003 Reservoir Management Systems Replacement, progress payments #3 & #4 | | 371,042 |
| 5. SS Mechanical Construction Corp. | | |
| C #2011028 Paseo de Valencia Lift Station Rehabilitation, progress payment #9 | | 325,780 |
| 6. Pacific Hydrotech Corp. | | |
| C #2015013 Reservoir Management Systems Replacement, progress payments #11, 12, 13 & Retention | | 308,662 |
| 7. South Coast Water District (SCWD)/JRWSS | | |
| FY 18/19 Capital Project deposit through June 2019 | | 190,629 |
| 8. Hardy & Harper, Inc. | | |
| Asphalt Paving service at multiple locations | | 139,016 |
| 9. Saddleback Valley Unified School District | | |
| Reimbursement for participation in High Efficiency Device Installation Program | | 125,975 |
| 10. Advanced Industrial Services, Inc. | | |
| C #2018020 Saddleback Reservoir Rehabilitation, progress payment #3 | | 102,458 |



moulton niguel water district

Smart Timer Program Update

Board Meeting
October 10, 2019

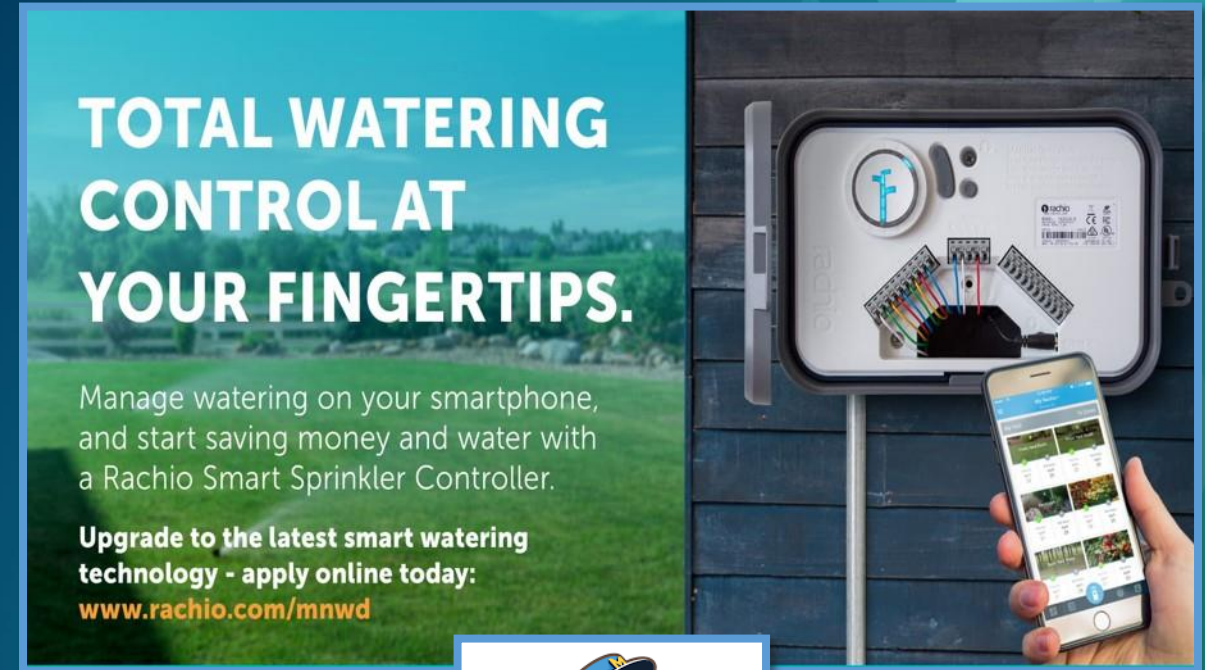
Smart Timer Program Details

- Rachio Gen 3 controller(s)+ professional installation
- Cloud-based data management system
- Enhanced customer service & workshops



Marketing

- Highest users and large landscapes
- Emails and postcards
- 98 applications in first 3 months



TOTAL WATERING CONTROL AT YOUR FINGERTIPS.

Manage watering on your smartphone, and start saving money and water with a Rachio Smart Sprinkler Controller.

Upgrade to the latest smart watering technology - apply online today:
www.rachio.com/mnwd

The advertisement features a background image of a lush green lawn. On the right side, there is a close-up of a hand holding a smartphone displaying the Rachio app interface. Above the hand, a Rachio Smart Sprinkler Controller is shown mounted on a wooden wall. The controller is a white rectangular device with a circular dial on the left and a terminal block with several colored wires on the right.



Contractor Direct Program

- Smart timer combined rebate is \$330
- Metropolitan Water District operated program
- Contractor purchases and delivers device(s)
- Discounted installation at \$99/device



Streamlined Rebate Process

Standard Rebate

- Tax not included in rebate
- W9 form required if >\$600
- Wait 10-12 weeks for rebate check
- DIY or find a contractor to install

Enhanced Rebate

- Contractor purchases device(s)
- No W9 form required
- Contractor waits for rebate check
- DIY or \$99 professional installation



RESOLUTION NO. 19-___

**RESOLUTION OF THE BOARD OF DIRECTORS OF
MOULTON NIGUEL WATER DISTRICT
HONORING RENAE M. HINCHEY**

WHEREAS, for the past twenty years, Renae M. Hinchey has distinguished herself as an exceptional public official and leader in the water industry and now intends to conclude her public service by retiring from her role as General Manager of the Laguna Beach County Water District, effective November 1, 2019; and

WHEREAS, since beginning her career in public service more than 30 years ago, Ms. Hinchey has served communities throughout Southern California in her official capacities at Laguna Beach County Water District and Western Municipal Water District, as well as numerous other community and industry organizations throughout the region and California; and

WHEREAS, Ms. Hinchey has been the General Manager of the Laguna Beach County Water District since June 2000, successfully managing the agency while exhibiting the highest qualities of leadership, creativity, teamwork, compassion, and personal integrity; and

WHEREAS, during her two decades of service to Laguna Beach and the broader Orange County water community, she guided the Laguna Beach County Water District through difficult times including fires, floods, the Bluebird Canyon landslide, and the worst drought in California's history; and

WHEREAS, she is credited with securing the Laguna Beach County Water District's 1933 Judgement to groundwater rights in the Santa Ana River Basin, which ensured that more than half of Laguna's water supply would come from sources local to our region; and

WHEREAS, Ms. Hinchey oversaw the District's award-winning Waterwise and Fire-Safe Demonstration Garden, significant upgrades to capital infrastructure to support increased fire protection, installation of smart meters throughout the service area, a reduction of total water purchases by approximately 25 percent, and the design, adoption, and implementation of a budget-based tiered rate structure; and

WHEREAS, under her leadership, Laguna Beach County Water District successfully managed two droughts by creating innovative programs for conservation, public outreach, and education, which helped residents reduce water use by 20 percent for the long term, thereby decreasing the District's dependency on imported water; and

WHEREAS, prior to taking the helm of Laguna Beach County Water District, Ms. Hinchey led and managed in roles of progressively increased responsibility for more than ten years as a manager at Western Municipal Water District; and

WHEREAS, upon her retirement, by her many accomplishments and through her commitment to her community and the highest ethics in public service, Ms. Hinchey leaves a lasting and treasured impression on Laguna Beach County Water District, our region, and the water industry throughout California; and

NOW, THEREFORE, BE IT RESOLVED: The Board of Directors of Moulton Niguel Water District commends Renae M. Hinchey for her exemplary service to Laguna Beach County Water District and the public and expresses our sincere gratitude for her outstanding leadership and example as an ethical public servant and water professional for the City of Laguna Beach, our region, and the people of California.

APPROVED, SIGNED and ADOPTED this 10th day of October, 2019.

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

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