



moulton niguel water district

NOTICE AND CALL OF SPECIAL MEETING OF THE BOARD OF DIRECTORS

MOULTON NIGUEL WATER DISTRICT

26880 Aliso Viejo Pkwy, Suite 150, Aliso Viejo

November 19, 2019

6:00 PM

Approximate Meeting Time: 2 Hours

NOTICE IS HEREBY GIVEN that a Special Meeting of the Board of Directors of the Moulton Niguel Water District (“MNWD”) has been called by the Chairman of the Board of Directors to be held on November 19, 2019, at 6:00 PM, at MNWD’s Administrative Offices located at the address above. The following business will be transacted and is the Agenda for this Special Meeting:

AGENDA

1. CALL MEETING TO ORDER
2. PLEDGE OF ALLEGIANCE
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.

CONSENT CALENDAR ITEMS (Items on the Consent Calendar have been discussed at the regularly scheduled Administrative and Technical Committee meetings)

Consent items: Unless the General Manager or the Board requests that an item be removed from the Consent Calendar, all items will be acted upon as a whole and by one vote. Requests for discussion of any specific item should be made to the Presiding Officer in conjunction with the discussion of the consent motion.

4. **CONSTRUCTION CONTRACT AWARD FOR THE 2019-20 PRESSURE REDUCING STATION REHABILITATION**

It is recommended that the Board of Directors award the construction services contract to SS Mechanical Construction Corporation (SS Mechanical) in the amount of \$144,509; authorize the General Manager or Assistant General Manager to execute the contract; and to approve

change orders up to 10% of the contract value.

5. LOWER AND UPPER SALADA LIFT STATION OXYGEN SYSTEM REPLACEMENT

It is recommended that the Board of Directors authorize the purchase of new oxygen generation equipment for the Lower and Upper Salada Lift Stations from PCI, LLC in the amount of \$174,313.

TECHNICAL MATTERS

6. CONSTRUCTION CONTRACT AMENDMENT FOR VALVE REPLACEMENTS

It is recommended that the Board of Directors amend the construction contract with Ferreira Construction Co, Inc. (Ferreira) by \$277,028 for a total authorized amount of \$2,245,291; and authorize the General Manager or Assistant General Manager to execute the contract change order.

GENERAL MANAGER MATTERS (Brief general updates on District matters and/or brief general updates from staff - Informational purposes only.)

INFORMATION ITEMS

7. MONTHLY FINANCIAL REPORT
8. SB 998 (DODD) UPDATE
9. 2019 CERTIFICATES OF PARTICIPATION NEW MONEY ISSUANCE RECAP
10. TEN-YEAR CASHFLOW UPDATE FALL 2019

CLOSED SESSION

11. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8
Property: 25725 Jeronimo Road, Mission Viejo, CA 92691
Agency negotiator: Rod Woods, Director of Engineering
Negotiating parties: MV Universal, LLC.
Under negotiation: Price and terms of payment

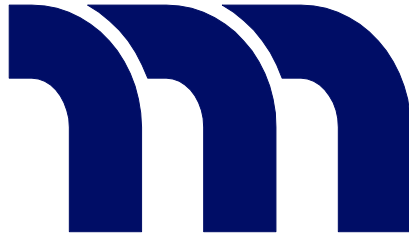
ADJOURNMENT

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, 26880 Aliso Viejo Parkway, Suite 150, Aliso Viejo, CA (“District Office”). If such writings are distributed to members of the Board less than twenty-four (24) 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.

The foregoing Notice was personally delivered, faxed, mailed or e-mailed to each member of the MNWD Board of Directors at least twenty-four (24) hours prior to the scheduled time of the Special Meeting so noticed above; and posted twenty-four (24) hours prior to the time of the Special Meeting at the usual agenda posting location of MNWD (bulletin board outside main office entrance).



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** November 19, 2019

FROM: Rod Woods, Director of Engineering
Bryan Hong, Senior Engineer

SUBJECT: Construction Contract Award for the 2019-20 Pressure Reducing Station Rehabilitation

SUMMARY:

Issue: Board action is required to execute a construction contract for the 2019-20 Pressure Reducing Station Rehabilitation, Project Nos. 2019.026 and 2019.027.

Recommendation: It is recommended that the Board of Directors award the construction services contract to SS Mechanical Construction Corporation (SS Mechanical) in the amount of \$144,509; 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 Nos. 2019.026 and 2019.027 are budgeted in Fund 7, Replacement and Rehabilitation with a current combined project budget of \$200,000. The proposed project budget is \$178,960. The overall Fiscal Year 2019-20 CIP budget for Fund 7 is \$43,624,388.

Reviewed by Committee: Yes, recommended for approval at the Technical Committee Meeting on November 4, 2019.

Reviewed by Legal: Yes

BACKGROUND:

The 2019-20 Pressure Reducing Station Rehabilitation project includes rehabilitation of two of the District’s pressure reducing stations (PRS). The Canyon Wren PRS is located near the intersection of Westwing and Canyon Wren Lane in the City of Aliso Viejo and moves potable water from the 880 pressure zone to the 650 pressure zone. The Wood Canyon PRS is located on Wood Canyon Drive in the City of Aliso Viejo and moves recycled water from the 880 pressure zone to the 750 pressure zone.

#4.

Construction Contract Award for the 2019-20 Pressure Reducing Station Rehabilitation

November 19, 2019

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This project will replace the piping, valves, mechanical equipment, and appurtenances within each PRS. The project will also rehabilitate the vault structures as required.

Construction documents for the project were prepared by District Staff. A categorical exemption was prepared in accordance with State CEQA Guidelines and a Notice of Exemption was filed with Orange County on October 25, 2019.

DISCUSSION:

A request for quotations was issued to four qualified contractors. The District received three quotations for the subject contract on November 12, 2019. The table below summarizes the quotations received:

Firm	Quotation
SS Mechanical Construction Corporation	\$144,509
Pacific Hydrotech Corporation	\$198,700
Kingmen Construction	\$224,587
Engineer's Estimate	\$150,000

Staff performed a thorough review of the quotations received and determined that the lowest responsible and responsive quotation was from SS Mechanical, who has performed quality work for the District in the past and is well-qualified to perform this type of work.

As such, staff is recommending that the Board of Directors award the construction services contract to SS Mechanical in the amount of \$144,509 with a contingency of 10% of the contract value.

SUMMARY OF PROJECT BUDGET:

	Project Budget*	Proposed / Approved Contract	Proposed / Authorized Contingency	Total Proposed / Authorized Amount
Project Items				
Construction Contract	\$180,000	\$144,509	\$14,451	\$158,960
Legal, Permits, District Labor	\$20,000	\$20,000	\$0	\$20,000
Totals	\$200,000	\$164,509	\$14,451	\$178,960

*\$3,702.83 has been expended to date.

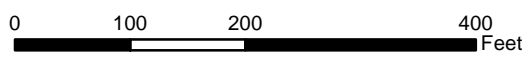
Currently Proposed Amount

Attachments:

1. Exhibit A – Canyon Wren PRS Location Map
2. Exhibit B – Wood Canyon PRS Location Map
3. Exhibit C – Vendor Contact List



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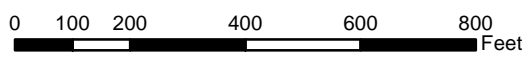


Scale = 1:2,000

**Exhibit "A" Location Map - Canyon Wren
2019-20 Pressure Reducing Station Rehabilitation
Contract No. 2019.026**



Path: C:\GIS\Projects\Projects_Ongoing\Capital Improvement\Project Exhibits\B_Hong\WoodCanyonPR_S.mxd



Scale = 1:4,000

**Exhibit "B" Location Map - Wood Canyon
2019-20 Pressure Reducing Station Rehabilitation
Contract No. 2019.027**



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** November 19, 2019

FROM: Rod Woods, Director of Engineering
Sheldon Yu, Senior Engineer

SUBJECT: Lower and Upper Salada Lift Station Oxygen System Replacement

SUMMARY:

Issue: Board action is required to purchase new oxygen generation equipment for the Lower and Upper Salada Lift Stations, Project No. 2019.006.

Recommendation: It is recommended that the Board of Directors authorize the purchase of new oxygen generation equipment for the Lower and Upper Salada Lift Stations from PCI, LLC in the amount of \$174,313.

Fiscal Impact: Project No. 2019.006 is budgeted in Fund 7, Rehabilitation and Replacement, with a current project budget of \$750,000.

Reviewed by Committee: Yes, recommended for approval at the Technical Committee Meeting on November 4, 2019.

Reviewed by Legal: Yes

BACKGROUND:

As part of the District’s Sewer System Management Plan, the District operates and maintains two wastewater odor management systems; one system is located at Lower Salada Lift Station and the other is located at Upper Salada Lift Station. These systems inject oxygen to reduce hydrogen sulfide gas formation within targeted areas of the District’s collection system. Upper Salada’s system was installed in 2008 and Lower Salada’s system was installed in 2010. Each system consists of oxygen generation equipment, mixing chamber, pumps, piping and controls.

The existing oxygen generation equipment has exhibited reduced performance and requires increased maintenance. Staff has determined that replacing the oxygen generation equipment would improve the performance and efficiency of the odor

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Lower and Upper Salada Lift Station Oxygen System Replacement

November 19, 2019

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management systems. This will also lead to improved treatment effectiveness and reduced electrical costs. Staff has determined that it is not necessary to replace the other components of the odor management systems at this time.

The odor management systems at each lift station were originally designed and constructed to specifically accommodate the oxygen generation equipment as manufactured by PCI, LLC. Utilizing an alternative oxygen generation system manufacturer would require significant modifications to the remaining portions of the systems, at a higher cost. The PCI system has proven to be effective at reducing hydrogen sulfide gas formation.

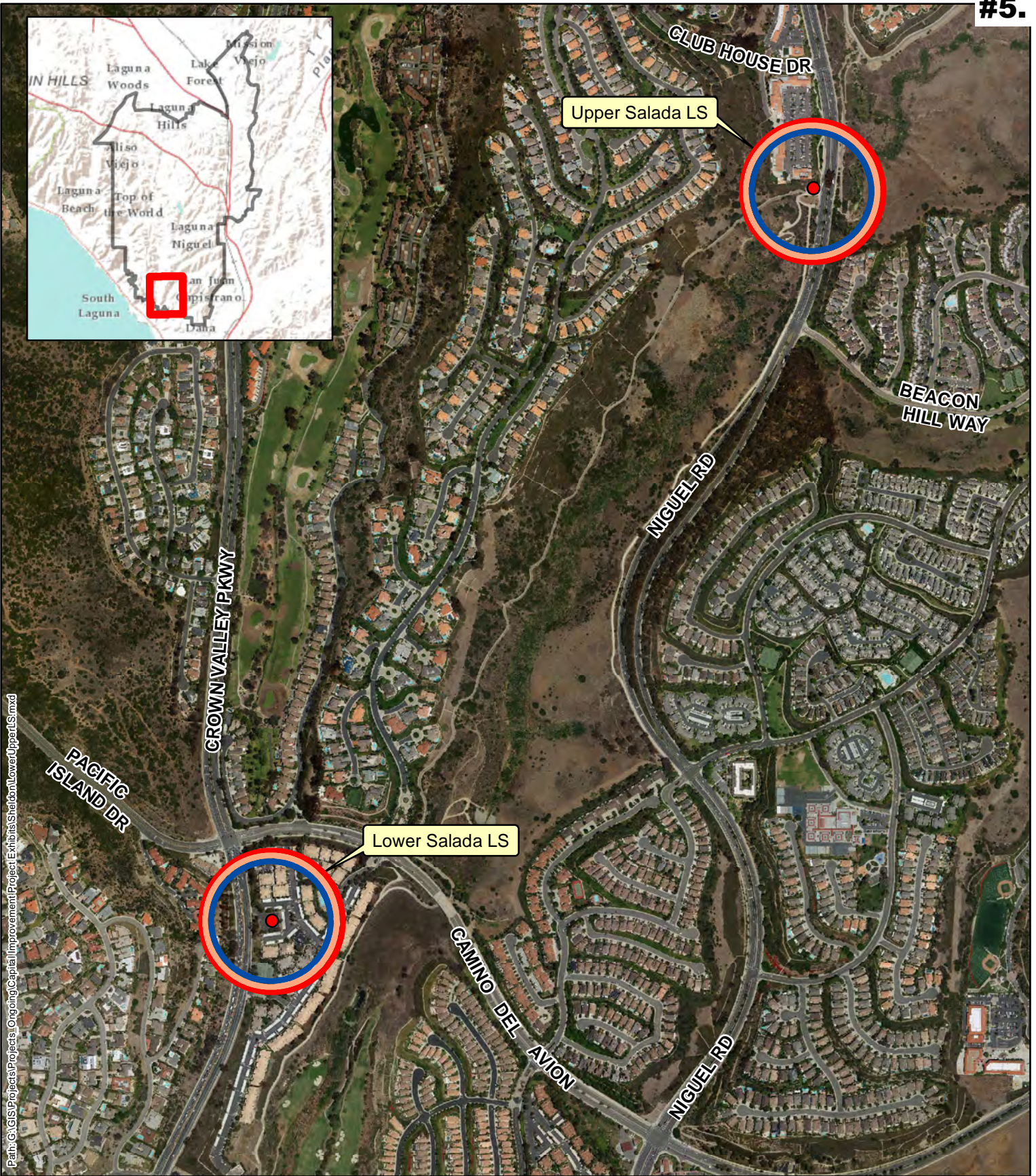
DISCUSSION:

The District received a quotation from PCI for the replacement of the oxygen generation equipment at both Lower and Upper Salada Lift Stations. The scope of work that was quoted provides complete oxygen generation equipment replacement, as well as associated commissioning services.

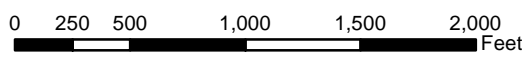
Although other manufacturers provide similarly priced and style of oxygen generation equipment, the existing piping at both lift stations are configured for direct connection with the PCI model; other manufacturer's equipment would require significant piping modifications. Also, District staff has been thoroughly trained and is familiar with operating and maintaining the PCI system.

Staff performed a thorough review of PCI's quotation for the purchase of two new oxygen generation system replacements at the Lower and Upper Salada Lift Stations. Based on the compatibility of PCI's unique technology with the existing infrastructure, staff recommends purchasing the oxygen generation equipment replacements from PCI in the amount of \$174,313.

Attachment: Exhibit A – Location Map



Path: C:\GIS\Projects\Projects_Ongoing\Capital_Improvement\Project_Exhibits\Sheel\don\LowerUpperLS.mxd



Scale = 1:10,000

**Exhibit "A" Location Map
Lower and Upper Salada Lift Station
Oxygen System Replacement
Contract No. 2019.006**



moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** November 19, 2019

FROM: Rod Woods, Director of Engineering
Alex Thomas, Principal Engineer

SUBJECT: Construction Contract Amendment for Valve Replacements

SUMMARY:

Issue: Board action is required to amend the construction contract for the 2017-18 Valve Replacements, Project No. 2017.006.

Recommendation: It is recommended that the Board of Directors amend the construction contract with Ferreira Construction Co, Inc. (Ferreira) by \$277,028 for a total authorized amount of \$2,245,291; and authorize the General Manager or Assistant General Manager to execute the contract change order.

Fiscal Impact: Project No. 2017.006 is budgeted in Fund 7, Rehabilitation and Replacement with a current project budget of \$2,698,663. The revised project budget is \$3,189,291. Sufficient funds are available in Fund 7; the overall Fiscal Year 2019-20 CIP budget for Fund 7 is \$43,624,388.

Reviewed by Committee: An information item was presented at the Technical Committee meeting on November 4, 2019. This staff report provides additional detail, along with a recommended action.

Reviewed by Legal: Yes

BACKGROUND:

The 2017-18 Valve Replacements project provides funding for the replacement of valves by District staff and outside contract services. The current contract for outside services replaced key valves that had been identified by District staff and prioritized as part of the system wide valve replacement program. The original scope of work for this contract was to replace 54 existing valves and install 6 new valves within the Cities of Laguna Niguel and Mission Viejo. The Contractor, Ferreira Construction, has successfully installed 59 of the 60 valves and is scheduled to install the last valve under the current contract scope of work within the next couple weeks.

#6.

Construction Contract Amendment for Valve Replacements

November 19, 2019

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The Board awarded the construction contract to Ferreira in August 2018 in the amount of \$1,789,330. The Board also authorized a 10% contingency in the amount of \$178,933. Construction work began in October 2018. Since that time, approximately 75% of the authorized contingency has been utilized to address unforeseen conditions that are typical for this type of project including challenges with isolating for shutdowns, as-built plan discrepancies, and utility conflicts. The current contract value is \$1,925,320 with \$42,944 remaining in contingency.

DISCUSSION:

While preparing for the final valve replacement on La Paz Road near the I-5 Freeway, District staff identified a metering vault and valve assembly installed in 1967 that are no longer used for District operations and could be abandoned in conjunction with the valve replacement. The metering vault is located on a potable water main that needs to be isolated for the valve replacement work. The abandonment work would include: removal of the existing valves and appurtenances within the vaults, replacement of piping, installation of isolation valving, removal of the top 4 feet of the vault, and backfilling the vault. Ferreira is currently mobilized to this area and is working to install the last valve under the current construction contract. If authorized by the Board of Directors, Ferreira can perform this vault abandonment work to take advantage of the existing shutdown and a contractor who is already mobilized to the site. Ferreira has provided the District a not-to-exceed quotation of \$110,900 to perform this work.

Additionally, District staff recently identified two valve clusters that are required to be replaced near the intersection of La Paz and Avenida Breve in the City of Laguna Niguel. These valve clusters will allow the District's in-house Valve Replacements Crew to isolate the system to perform valve replacement work within the Village La Paz Home Owners Association (HOA). The scope of work will be to replace two valve clusters. In addition, a line stop and insert valve will be required to complete this work. The installation of the tees have a unique size for the existing connecting pipes that will require special couplings to properly fit to the pipe. Ferreira has experience working on this same pipe from prior valve replacements. If authorized by the Board of Directors, Ferreira can expeditiously perform this work and allow the in-house District staff to continue the valve replacements within the Village La Paz HOA. Ferreira has provided the District a not-to-exceed quotation of \$166,128 to perform this work.

Staff is recommending a total not-to-exceed change order of \$277,028 to accomplish the vault abandonment and additional valve replacements.

Construction Contract Amendment for Valve Replacements

November 19, 2019

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SUMMARY OF PROJECT BUDGET:

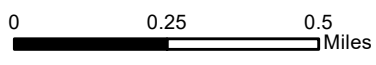
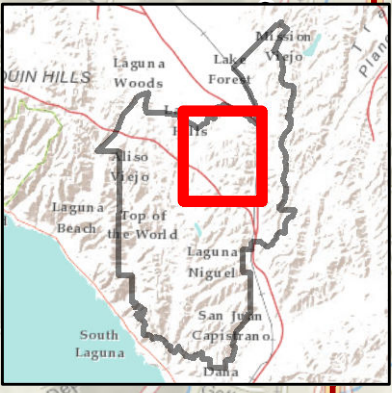
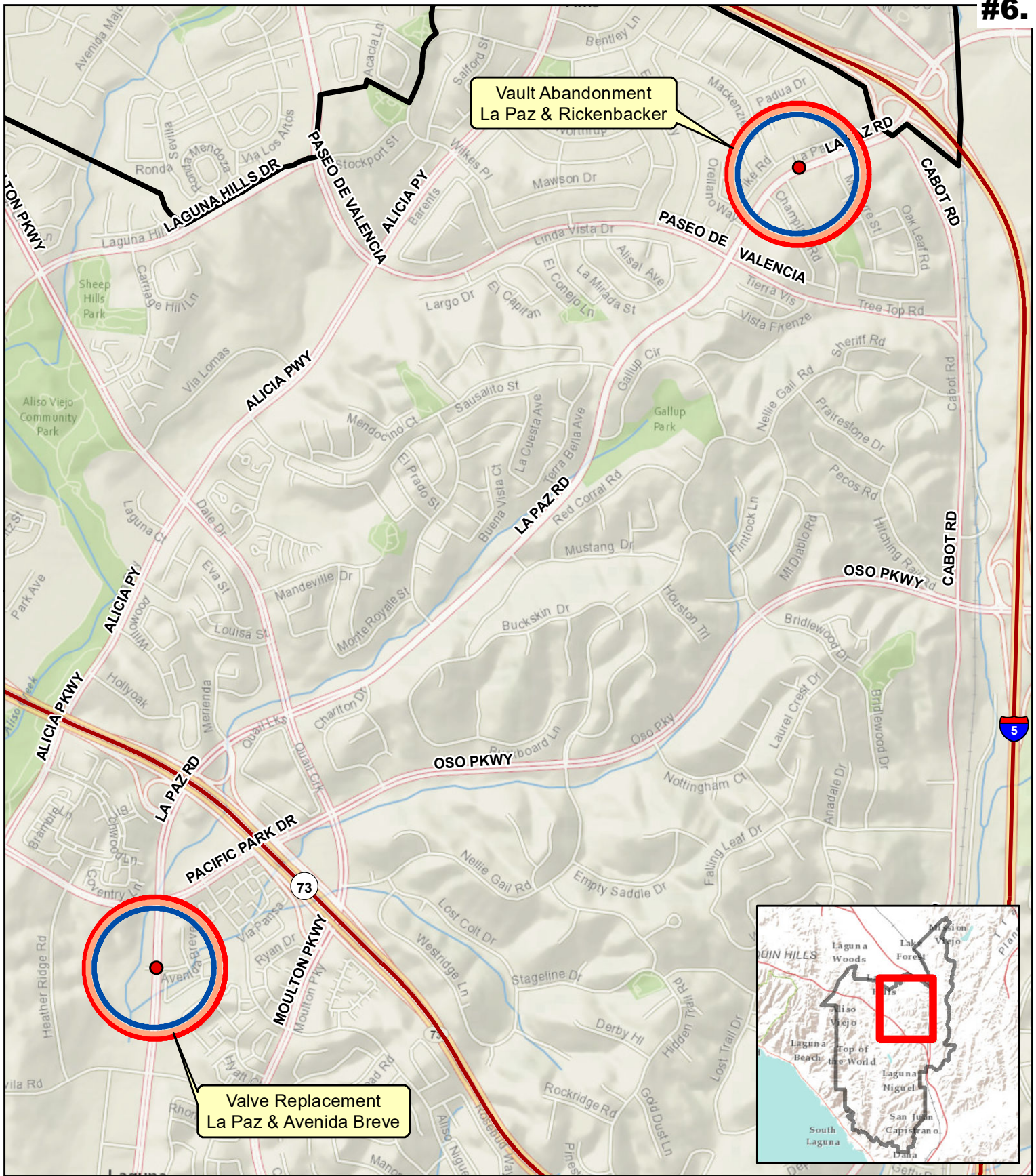
	Project Budget*	Proposed / Approved Contract	Proposed / Authorized Contingency	Total Proposed / Authorized Amount
Project Items				
Engineering	\$50,000	\$50,000	\$0	\$50,000
Legal, Permits, District Labor	\$10,000	\$10,000	\$0	\$10,000
Construction	\$1,968,263	\$1,789,330	\$178,933	\$1,968,263
Proposed Change Order Work	\$0	\$277,028	\$0	\$277,028
Construction by District**	\$670,400	\$884,000	\$0	\$884,000
Totals	\$2,698,663	\$3,010,358	\$178,933	\$3,189,291

*\$2,499,178 has been expended to date.

**Original budget was \$670,400; \$884,000 has been expended.

Currently Proposed Amount

Attachment: Exhibit A – Location Map



Scale = 1:20,000

**Contract Amendment for
2017-18 Valve Replacements
Contract No. 2017.006
Location Map
Exhibit "A"**

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MOULTON NIGUEL WATER DISTRICT
Summary of Financial Results
November 19, 2019

Year to date unaudited results of operations as of September 30, 2019, are summarized below.

Total operating revenues were \$18.3 million for the month ended, which came in at 27% of the budget. Total operating expenses ended at \$18.7 million, which amounted to 24% of the approved budget. Total Net Loss for the month ended was (\$4.4) 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.

The District currently has \$3.5 million available in the Water Efficiency Fund for new projects, rebate applications or additional programs. The remaining balance considers \$4.0 million in approved water efficiency program commitments, along with \$1.5 million in grants anticipated for the AMI Phase III project.

The District has a total of \$97.6 million in Cash and Investments as of September 30, 2019, down approximately \$20.8 million from June 30, 2019. This change was anticipated in the Long-Range Financial Plan and is related to execution of the District's capital improvement program and scheduled debt service payments.

The District sent the funds as approved by the Board to the California Infrastructure Economic Development Bank (IBank) and the State of California to pay off the remaining \$4.1 million of outstanding loans as of September 1, 2019. The reduction in both current and long-term loans payable can be seen on the Statement of Net Position. The District's total long-term debt as of September 30, 2019, is \$57.2 million, down from \$65.6 million at June 30, 2019.

The District holds \$5.8 million invested in trustee accounts to satisfy covenants associated with outstanding debt issuances. As of September 30, 2019, the District met the minimum requirements associated with the 2015 and 2019 Revenue Bonds.

Based on the approved FY 19/20 Budget, the Board has established a target reserve level of \$69.7 million, and as of September 30, 2019, the District held \$70.0 million in reserves. Additionally, there is \$8.7 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 September 30, 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					
Operating Revenues					
Water Sales	\$ 8,370,003	\$ 8,633,936	\$ 31,512,227	\$ 23,142,224	27%
Recycled Water Sales	1,937,261	2,138,384	6,438,316	4,501,056	30%
Sewer Sales	6,547,931	6,242,700	24,065,352	17,517,421	27%
Water Efficiency	1,307,023	1,610,610	4,764,604	3,457,582	27%
Other Operating Income	67,711	105,471	911,436	843,725	7%
A Total Operating Revenue	18,229,928	18,731,102	67,691,935	49,462,007	27%
Operating Expenses					
Salaries ¹	3,573,836	3,246,413	14,413,800	10,839,964	25%
PERs Employer Contributions ¹	630,041	548,285	2,547,924	1,917,883	25%
Defined Contribution 401A ¹	62,834	56,479	265,601	202,767	24%
Educational Courses	7,820	4,877	85,934	78,114	9%
Travel & Meetings	69,349	50,116	387,140	317,791	18%
Recruitment & Employee Relations	1,145	11,089	93,813	92,668	1%
General Services	57,823	61,130	490,292	432,469	12%
Annual Audit	4,350	1,050	62,500	58,150	7%
Member Agencies O&M	-	91,486	541,714	541,714	0%
Dues & Memberships	59,920	37,856	203,082	143,161	30%
Consulting Services	411,039	270,901	3,538,300	3,127,261	12%
Equipment Rental	11,380	13,009	66,500	55,120	17%
District Fuel	45,169	68,816	315,000	269,831	14%
Insurance - District	123,929	110,561	532,850	408,921	23%
Insurance - Personnel	101,305	92,929	369,692	268,387	27%
Insurance - Benefits ¹	1,018,498	1,008,098	3,799,415	2,780,917	27%
Legal Services - Personnel	1,228	9,250	50,000	48,772	2%
Legal Services - General	15,305	232,315	1,020,000	1,004,695	2%
District Office Supplies	208,184	116,453	840,305	632,121	25%
District Operating Supplies	336,715	85,278	1,045,269	708,554	32%
Repairs & Maintenance - Equipment	281,542	198,812	1,074,550	793,008	26%
Repairs & Maintenance - Facilities	608,426	1,202,112	3,950,249	3,341,823	15%
Safety Program & Compliance Requirements	90,039	67,705	366,898	276,859	25%
Wastewater Treatment	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	666,572	535,434	2,992,102	2,325,530	22%
Water Purchases	7,685,051	7,302,519	28,997,811	21,312,760	27%
Meter / Vault Purchases	1,427	392	-	(1,427)	n/a
Water Efficiency	304,721	188,880	1,883,000	1,578,279	16%
B Total Operating Expenses	18,692,265	17,979,063	79,439,255	60,746,990	24%
A-B Operating Income (Loss)	(462,337)	752,039	(11,747,320)	(11,284,983)	4%
Non-Operating Revenues (Expenses)					
Property Tax Revenue	581,309	599,503	28,599,883	28,018,574	2%
Investment Income ³	1,120,040	288,570	2,108,233	988,193	53%
Property Lease Income	443,050	434,216	1,800,265	1,357,215	25%
Interest Expense	(923,412)	(1,230,155)	(3,027,210)	(2,103,798)	31%
Misc. Non-Operating Income (Expense)	192,926	666,503	933,435	740,509	21%
Capacity Fees	22,413	37,621	384,339	361,926	6%
Demand Offset Fees	-	-	36,000	36,000	0%
C Total Non-Operating Revenue (Expenses)	1,436,326	796,258	30,414,606	28,978,280	5%
A-B+C Change in All Funds	\$ 973,989	\$ 1,548,297	\$ 18,667,286	\$ 17,693,298	
Other Non Cash Expenses					
Depreciation	5,350,666	4,884,856	-	(5,350,666)	n/a
D Total Change in Net Position	\$ (4,376,678)	\$ (3,336,559)	\$ 18,667,286	\$ 23,043,964	

Note: Totals may not sum due to rounding.

1. The District has capitalized \$482,600 in salaries and benefits through Sept. 2019 related to time spent on capital projects.

2. The District paid the FY 19-20 LAFCO fees to the County of Orange.

3. Investment income is comprised of realized income of \$379,764 and unrealized income of \$740,276.

Moulton Niguel Water District
All Funds - Budget Comparison Report
Year To Date Totals September 30, 2019
Legal Services - General

Firm	Water Use		Capital ²	Total
	General ¹	Efficiency ¹		
Alvarado Smith APC	\$ 1,194	\$ -	\$ -	\$ 1,194
Best Best & Krieger LLP	13,052	1,059	2,683	16,794
Total	14,246	1,059	2,683	17,988
Budget Amount	1,000,000	20,000	-	1,020,000
Budget Balance	\$ 985,754	\$ 18,941	n/a	\$ 1,004,695

Note: Totals may not sum due to rounding.

1. Legal Services - General on the previous page is made up of the General balance of \$14,246 and the \$1,059 Water Use Efficiency balance, for a total of \$15,305.
2. 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	YTD	Overall
Nossaman LLP	\$ 8,250	\$ 79,750
West Yost Associates ³	9,053	148,962
Grants Received ⁴	(2,000,000)	(2,000,000)
Totals	\$ (1,982,698)	\$ (1,771,288)

3. 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.

4. 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 September 30, 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	\$ 8,370,003	\$ 23,142,224	27%
Recycled Water Sales	6,438,316	1,937,261	4,501,056	30%
Sewer Sales	24,065,352	6,547,931	17,517,421	27%
Other Operating Income	911,436	67,711	843,725	7%
A Total Operating Revenue	62,927,331	16,922,905	46,004,426	27%
<u>Operating Expenses</u>				
Salaries	13,073,384	3,337,878	9,735,506	26%
PERs Employer Contributions	2,374,048	587,996	1,786,052	25%
Defined Contribution 401A	240,739	58,477	182,262	24%
Educational Courses	79,934	3,656	76,278	5%
Travel & Meetings	347,140	64,248	282,892	19%
Recruitment & Employee Relations	93,813	1,145	92,668	1%
General Services	490,292	57,823	432,469	12%
Annual Audit	62,500	4,350	58,150	7%
Member Agencies O&M	541,714	-	541,714	0%
Dues & Memberships	139,857	26,555	113,301	19%
Consulting Services	1,603,300	186,836	1,416,464	12%
Equipment Rental	66,500	11,380	55,120	17%
District Fuel	315,000	45,169	269,831	14%
Insurance - District	532,850	123,929	408,921	23%
Insurance - Personnel	339,306	96,231	243,075	28%
Insurance - Benefits	3,267,475	951,296	2,316,179	29%
Legal Services - Personnel	50,000	1,228	48,772	2%
Legal Services - General	1,000,000	14,246	985,754	1%
District Office Supplies	493,680	177,062	316,618	36%
District Operating Supplies	1,044,654	336,715	707,940	32%
Repairs & Maintenance - Equipment	969,300	270,513	698,787	28%
Repairs & Maintenance - Facilities	3,950,249	608,426	3,341,823	15%
Safety Program & Compliance Requirements	364,548	89,906	274,642	25%
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	666,572	2,325,530	22%
Water Purchases	28,997,811	7,685,051	21,312,760	27%
Meter / Vault Purchases	-	1,427	(1,427)	n/a
B Total Operating Expenses	72,935,710	17,722,734	55,212,976	24%
A-B Operating Income (Loss)	(10,008,379)	(799,828)	(9,208,551)	8%
<u>Non-Operating Revenues (Expenses)</u>				
Property Tax Revenue	28,599,883	581,309	28,018,574	2%
Investment Income	2,076,671	656,265	1,420,406	32%
Property Lease Income	1,800,265	443,050	1,357,215	25%
Misc. Non-Operating Income (Expense)	250,812	25,745	225,067	n/a
C Total Non-Operating Revenue (Expenses)	32,727,631	1,706,368	31,021,263	5%
A-B+C Change in General Fund	\$ 22,719,252	\$ 906,540	\$ 21,812,712	8%
<u>Other Non Cash Expenses</u>				
Depreciation	-	5,350,666	(5,350,666)	n/a
D Total Change in Net Position	\$ 22,719,252	\$ (4,444,127)	\$ 27,163,378	

Note: Totals may not sum due to rounding.

Moulton Niguel Water District
Water Efficiency Fund - Budget Comparison Report
Year To Date Totals September 30, 2019

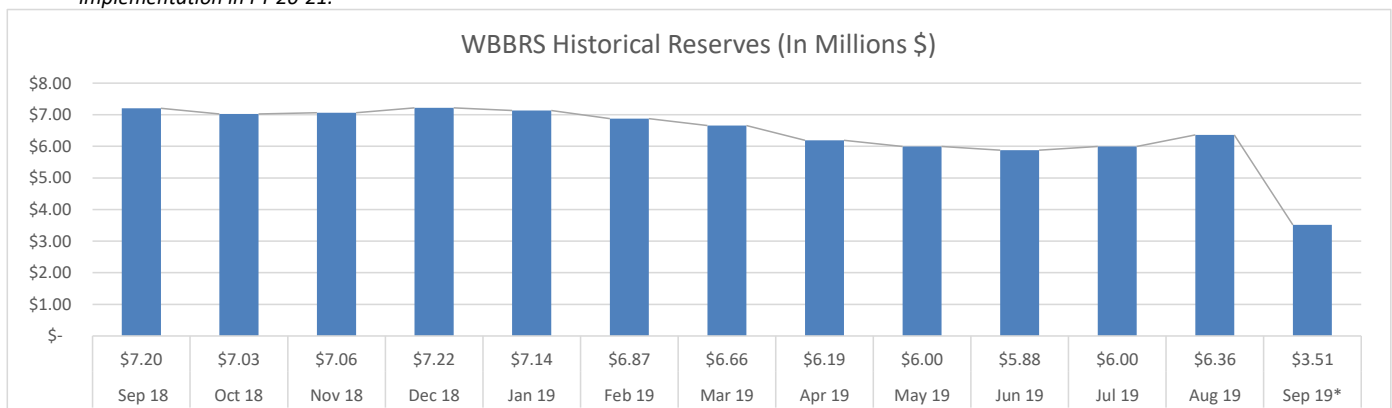
	1	2	=1-2	=2/1
Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
WATER EFFICIENCY FUND				
Projected Operating Revenue				
Water Efficiency	\$ 4,764,604	\$ 1,307,023	\$ 3,457,582	27%
A	4,764,604	1,307,023	3,457,582	27%
Projected Operating Expenses				
Labor	2,101,479	354,635	1,746,844	17%
Educational Courses	6,000	4,164	1,836	69%
Travel & Meetings	40,000	5,101	34,899	13%
Dues & Memberships	63,225	33,365	29,860	53%
Consulting Services	1,935,000	224,203	1,710,797	12%
Legal Services	20,000	1,059	18,941	5%
Conservation supplies	347,240	31,121	316,119	9%
Repairs and Maintenance - Equipment	105,250	11,029	94,221	10%
Safety Program & Compliance Requirements	-	133	(133)	n/a
Water Efficiency	1,883,000	304,721	1,578,279	16%
B	6,501,194	969,531	5,531,663	15%
A-B	(1,736,590)	337,492	(2,074,081)	-19%
Projected Non-Operating Revenue				
Demand offset fees	36,000	-	36,000	0%
Investment Income	31,562	68,293	(36,731)	216%
C	67,562	68,293	(731)	101%
A-B+C	\$ (1,669,028)	\$ 405,785	\$ (2,074,813)	

Note: Totals may not sum due to rounding.

Water Efficiency Available Net Position ¹

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)	405,785	(2,074,813)
Project Commitments		\$ (4,031,020)	
Capital Spending	(4,742,500)	(28,094)	
Fund Net Position, Year To Date Totals September 30, 2019	\$ 754,994	\$ 3,513,193	

1. In addition to realized expenditures, there is approximately \$4,031,020 in project commitments, and \$28,094 in capital spending, reducing the available WBBRS reserve balance to \$3,513,193. Additionally, the District anticipates spending another \$4.1 million on Phase III of the AMI implementation in FY 20-21.



*Note: The District awarded two contracts for the implementation of the AMI Phase III project totalling \$5.9 million.

#7.

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

	<u>(Unaudited)</u> <u>September 30, 2019</u>	<u>(Unaudited)</u> <u>June 30, 2019</u>
CURRENT ASSETS:		
Cash and investments ¹	\$ 11,138,435	\$ 17,470,320
Accounts receivables:		
Water and sanitation charges	4,247,652	3,761,531
Property taxes	-	309,158
Other accounts receivable	888,457	1,851,349
Interest receivable	492,250	802,315
Inventory	1,008,379	1,054,341
Prepaid expenses	2,174,789	750,393
TOTAL CURRENT ASSETS	19,949,962	25,999,407
NONCURRENT ASSETS:		
Investments ¹	86,418,266	100,897,457
Restricted cash and investments with fiscal agent	5,829,952	5,888,857
Retrofit loans receivable	484,148	490,468
Capital assets, net of accumulated depreciation	376,838,527	381,319,918
Capital assets not being depreciated:		
Land	1,091,910	1,091,910
Construction in progress ¹	20,621,338	13,508,163
TOTAL NONCURRENT ASSETS	491,284,141	503,196,773
TOTAL ASSETS	511,234,103	529,196,180
DEFERRED OUTFLOW OF RESOURCES:		
Deferred Charges on Refunding	391,060	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	5,992,902	6,017,343
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES \$	517,227,005	\$ 535,213,523

1. Total cash and investments has changed (\$20,869,981) during this fiscal year. \$7,986,592 has been spent on capital projects and \$9,371,729 has been spent on debt service.

MOULTON NIGUEL WATER DISTRICT
STATEMENT OF NET POSITION

	(Unaudited) September 30, 2019	(Unaudited) June 30, 2019
CURRENT LIABILITIES:		
Accounts payable	\$ 7,142,722	\$ 11,487,184
Interest payable	244,870	1,069,054
Compensated absences	1,017,171	869,518
Current portion of long-term debt:		
Bonds payable	1,990,000	3,360,000
Loans Payable ²	-	1,283,260
	10,394,763	18,069,016
TOTAL CURRENT LIABILITIES		
LONG-TERM LIABILITIES		
Compensated absences	339,057	289,839
Long-term debt:		
Bonds payable	55,180,000	57,170,000
Loans payable ²	-	3,805,058
Net Pension Liability	20,386,747	20,386,747
Net OPEB Liability	1,540,822	1,540,822
	77,446,626	83,192,466
TOTAL LONG-TERM LIABILITIES		
Bond Discount/Premium	10,926,327	11,116,102
	98,767,716	112,377,584
TOTAL LIABILITIES		
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		
NET POSITION:		
Net investment in capital assets	330,846,508	319,601,072
Restricted for capital projects	202,200	375,294
Unrestricted	86,212,022	101,661,014
	417,260,730	421,637,380
TOTAL NET POSITION		
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	\$ 517,227,005	\$ 535,213,523

Note: Totals may not sum due to rounding.

2. The District paid off approximately \$4.1 million in outstanding loans in September 2019, releasing approximately \$4.5 million in restricted cash reserves.

#7.

**MOULTON NIGUEL WATER DISTRICT
RESTRICTED CASH AND INVESTMENTS WITH FISCAL AGENT
As of September 30, 2019**

	Reserve Requirement	(Unaudited) Balance 9/30/2019	Over (Under) Requirement	(Unaudited) Balance 6/30/2019	Outstanding Debt Balance 9/30/2019
Restricted Cash and Investments:					
2014 Consolidated Ref Bonds	\$ -		\$ -	\$ 2	\$ -
2015 Refunding Bonds	-	71	71	15	-
2015 Refunding Reserve	1,226,500	1,314,232	87,732	1,305,064	8,565,000
2019 Revenue Bonds Reserve	4,487,500	4,515,576	28,076	4,490,894	48,605,000
2019 Revenue Bonds	-	72	72	92,882	-
Total Restricted Trust Accounts	\$ 5,714,000	\$ 5,829,952	\$ 115,952	\$ 5,888,857	\$ 57,170,000

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. Total principal includes \$5,088,318 in loans that were fully paid off during FY 19-20.

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

MOULTON NIGUEL WATER DISTRICT
NET POSITION
As of September 30, 2019

		(Unaudited)		(Unaudited)	
		Balance		Balance	
	Reserve Target	9/30/2019	Net Change	6/30/2019	
Adopted Reserve Targets ¹					
Designated for Self Insurance Reserve	\$ 250,000	\$ 251,867	\$ 10,443	\$ 241,424	
Designated for Rate Stabilization	14,299,942	14,582,931	(243,849)	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	\$ 69,994,612	\$ (4,575,373)	\$ 74,569,985	
	FY Capital				
	Budget ⁴				
Designated for Capital Projects ³					
Designated for Replacement and Refurbishment	\$ 43,624,388	5,817,604	\$ 2,791,840	\$ 3,025,764	
Designated for Water Supply Reliability	-	-	(346,493)	346,493	
Designated for Planning and Construction	21,413,204	2,855,594	(13,696,610)	16,552,204	
Total Designated for Capital Projects	\$ 65,037,592	\$ 8,673,197	\$ (11,251,264)	\$ 19,924,461	
Other amounts					
Designated for Water Efficiency (WBBRS) ⁵		\$ 7,544,213	\$ 377,691	\$ 7,166,522	
Restricted for Capital Facilities (Projects)		202,200	(173,094)	375,294	
Net Investment in Capital Assets ⁶		330,846,508	11,245,436	319,601,072	
Total Other amounts		\$ 338,592,921	\$ 11,450,033	\$ 327,142,888	
Total Net Position		\$ 417,260,730	\$ (4,376,604)	\$ 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 \$29,541,174.
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 budg
5. In addition to realized expenditures, there is approximately \$4,031,020 in project commitments, and \$28,094 in capital spending, reducing the available WBBRS reserve balance to \$3,513,193. Additionally, the District anticipates spending another \$4.1 million on Phase III of the AMI implementation in FY 20-21.
6. Net Investment in Capital Assets calculated as follows:

Total capital assets	\$ 398,551,775
Less capital related debt	(68,096,327)
Add deferred charges related to debt	391,060
Total Net Investment in Capital Assets	\$ 330,846,508

#7.

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

Summary of Disbursements in October:

General Fund Disbursements		6,158,954
<u>Restricted Fund Disbursements:</u>		
Self Insurance Fund	295	
Water Efficiency Fund	330,310	
Replacement & Refurbishment Fund	1,805,733	
Water Supply Reliability Fund	1,497	
Planning & Construction Fund	1,204,296	
Total Disbursements for all Funds	3,342,130	\$ 9,501,084

Detail of Major Expenditures in October:

1. Municipal Water District of Orange County (MWDOC)		
August Water Purchases 2565.8 AF	2,460,582	
August Readiness to Serve	98,247	
August Turf Removal, Smart Timer Rebates, and Rotating Nozzles	56,761	
August Capacity Charge	27,463	
AWIA Scope of Services Selection, Phase 1 Crosswalk	15,205	
August SCP and SAC Operation Surcharges	11,734	
August WaterSmart Residential Rebate Programs	5,800	
	2,675,792	
2. Layton Construction Company		977,741
CMAR Construction Phase Services, progress payment #5		
3. Vadnais Trenchless Services, Inc.		678,775
C #2017009 & 2017014 Portable and Recycled Pipeline Replacement, progress payment #1		
4. Advanced Industrial Services, Inc.		193,126
C #2018020 Saddleback Reservoir Rehabilitation, progress payment #4		
5. J. Colon Coatings, Inc.		118,370
C #2018019 Rehabilitation of the Bear Brand Reservoir, progress payment #5		