

MOULTON NIGUEL WATER DISTRICT

CORE FUNCTIONS

2/13/2020

*Since fiscal year 2013-14, the District has annually reviewed and updated its key objectives associated with the District's major core functions as part of the strategic planning process and budget development with the Board of Directors. The District has identified eight core functional areas that substantially define the scope of activities executed by the District Board of Directors and staff on an annual basis. These core functional areas are: **Asset Management, Community Engagement and Outreach, Demand Management, Financial Planning, Government Affairs, Labor Relations, System Operations, and Water Reliability.***

At a future budget workshop, District staff will present key objectives associated with each core function that have been identified for the planning period to ensure focus and completion on key areas that are critical to the District's success. The necessary resources to support the identified objectives are incorporated into the annual fiscal budget for the Board to consider each year. This document provides a summary of the eight core functions and associated management strategy as a precursor to that budget workshop discussion.

1. ASSET MANAGEMENT

Management Strategy: Develop and implement a comprehensive Asset Management Program that will optimize the life-cycle management of the District's infrastructure and assets.

A comprehensive asset management strategy is critical for accurate capital improvement program planning and budgeting as well as ensuring an effective replacement/refurbishment program. Moulton Niguel developed an Asset Management Framework Plan to assist the District in implementing a comprehensive asset management program. The Plan identified many key areas necessary for a successful program, such as GIS development and integration, asset data collection and hierarchy, a robust Computerized Maintenance Management Program, data development and analytics, condition and criticality assessment programs, and key rehabilitation and replacement capital investments. The District has taken significant strides towards developing and/or implementing many of the identified programs and will continue to refine and implement programs to maximize the useful life of the District's infrastructure while maintaining a high level of service.

2. COMMUNITY ENGAGEMENT AND OUTREACH

Management Strategy: Promote the District's programs and services to our customers and general public in a positive, purposeful, and cost-effective manner, while also soliciting customer and community feedback.

The District has developed a comprehensive public outreach program which includes an integrated approach to customer communications, community engagement, public outreach, and education programs. We've seen the value of outreach and community programs as we have a record number of interactions with the public, new local and regional partners, and new communications tools in place to engage with our customers. Based on the feedback from our customers and member cities, they appreciate the increased engagement and our participation at community events.

3. DEMAND MANAGEMENT

Management Strategy: Develop new and improve existing strategies to cost effectively reduce the District's water demands. Continue the District's leadership role in implementing the Governor's Water Action Plan to make "conservation a way of life" through engagement with our customers.

The District is seen as a statewide leader in providing a portfolio of innovative tools to help our customers manage their water demands. Our water efficiency programs, partnerships with academic institutions, coordination of the statewide data collaborative and budget-based rate structure are just some of the reasons why we have been successful. It is paramount to continue developing strategies and tools to help our customers use water efficiently while ensuring reliable service and the economic health of our communities.

4. FINANCIAL PLANNING

Management Strategy: Provide actionable, timely financial information through adaptive modeling and forecasts to meet changing conditions with a view towards long-term, sustained fiscal health.

Our efforts to ensure a strong and resilient financial position continue to prove very effective. The long-range financial plan, our rate structure, and a comprehensive review/update of financial policies have positioned the District to continue to be a leader in the industry and state. Our proactive planning efforts, which were built around utilizing staff with sophisticated financial analysis/rate design/forecasting capabilities, have paid dividends and continue to be essential for maintaining the strong financial health of the organization. As the District is expected to continue to invest more resources into its infrastructure, and the State begins to implement the long-term efficiency framework, it is imperative that we use our internally developed tools to evaluate and assess the short-term and long-term financial condition of the District. We will continue to be nimble, able, innovative and conservative in our financial management and plan aggressively to ensure limited financial impact to our customers.

5. GOVERNMENT AFFAIRS

Management Strategy: Expand the District's engagement and influence on local, county, state and federal issues associated with water, wastewater, and recycled water. Engage with relevant stakeholders, including elected officials and agency staff, to advance District priorities and projects.

The Board has identified the need to be informed and engaged in local, regional, state, and federal issues that impact our communities and the District's services. The District has recognized tremendous value in pursuing interagency partnerships and grant funding opportunities. In order to identify and pursue these opportunities, the District has expanded its representation by both staff and government affairs consultants. District representatives meet with policymakers and agency staff on a regular basis to establish and strengthen relationships, as well as discuss water and other issues of mutual interest. Staff will continue to evaluate opportunities to influence policy and funding at every level.

6. LABOR RELATIONS

Management Strategy: Maintain strong employee morale and enhance organizational performance through: recruitment, selection and retention of the best qualified staff; maintenance and enhancement of staff skills through training and development; utilization of the District's benefit

programs; compliance with labor regulations; enforcement of District policies and provisions of the MOUs; and resolution of personnel matters in a timely manner with the highest standards of confidentiality, integrity, courtesy and respect.

Labor relations will always be the most critical component to determining the success of any organization, and our experience confirms this. The District continues to focus on maintaining excellent labor relations. Our current four-year MOU was developed in one day, which speaks to the trust and relationship established between the employees and the District. Having dedicated HR staff has been invaluable in building the trust through care, credibility, and performance. Recruitment and retention are a major concern as many agencies are interested in taking our highly skilled employees and are increasing compensation and benefits to attract talent.

7. SYSTEMS OPERATIONS

Management Strategy: Evaluate, implement, and continuously refine operational procedures and practices for the delivery of water, recycled water, and the collection and treatment of wastewater to protect public health, promote operational efficiencies, and ensure safe and reliable services.

The District manages the operations and maintenance of potable water, recycled water, and wastewater infrastructure. The combined infrastructure includes more than 1,300 miles of pipelines, over 150 different facilities, one wastewater treatment plant, along with the necessary fleet vehicles, mobile equipment, and information technology infrastructure needed to support the systems operations. Consistent and regular inspection and maintenance of all infrastructure and equipment is necessary to ensure regulatory compliance, staff and public safety, and high levels of service. The District has increased its focus on operational strategies to maximize the useful lives of its assets in the most efficient and cost-effective manner possible. System operations continues to be enhanced through regular education programs, implementation of new innovative strategies and tools, and updates to industry best practices.

8. WATER RELIABILITY

Management Strategy: Plan, invest and execute programs and projects to implement Board policy on water reliability and develop water resource programs to meet projected future water demands to sustain the economic health of the region.

The District has been proactive in its water resources planning efforts to meet water reliability objectives. The Long-Range Water Reliability Plan provides an adaptive management approach to planning for reliability. It is a living document that needs to be updated given changed assumptions on water demands and regional planning efforts by Metropolitan. Staff has evaluated opportunities to expand recycled water and initiated a review of water banking program opportunities. These efforts are consistent with the early action items identified in the Long-Range Water Reliability Plan. As water reuse regulations are being developed by the State, staff will monitor the potential for indirect and direct potable reuse. Other local efforts such as ocean desalination, storm water capture, and expanding local emergency transfers are also being closely evaluated to determine the District's involvement.



moulton niguel water district

Water Reliability Policy Update

Strategic Planning Workshop

February 13, 2020

Water Reliability Policy

- Future updates to Resolution No. 08-38 (Adopted November 13, 2008) to reflect:
 - Reinforce engagement with MWD to enhance reliability
 - Investment in supply storage to reduce long-term drought impacts
 - Maximize Water Reuse
 - Review system reliability criteria (currently 31-day average and objectives)



Demand Management Summary

- Cost effective progress from 2014 Reliability Plan:
 - Demand Management
 - Recycled Water Expansion
- System Reliability improved from average demand of 2 days in 2008 to 30 days in 2019
- Reduced average supply needed by over 5,000 AF/Year since 2014 Reliability Plan
 - Customer Benefits

Reliability Next Steps

- Update Water Reliability Policy based on Board direction
- Update Long Range Water Reliability Plan
 - Feeds into 2020 UWMP
- Continue evaluation of water reliability projects/programs
 - OCWD, Sulphur Creek Lake, Desal



Next Steps

March 2020

- System Reliability Recommendations



April 2020

- Supply Reliability Recommendations



May 2020

- Draft Policy Updates

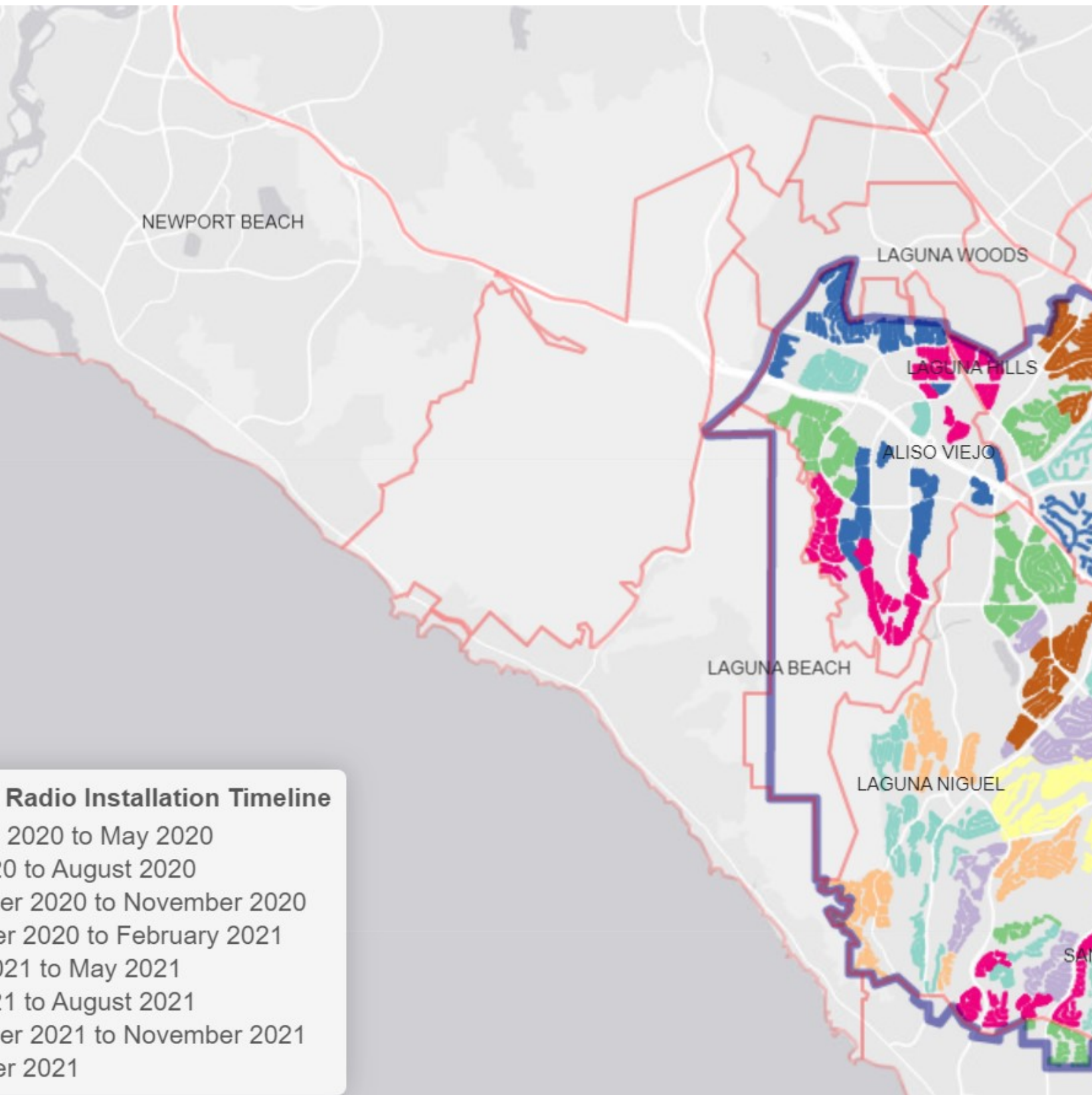


June 2020

- Board Consideration

2021 Rate Study Timeline







YOUR WATER METER RECEIVED A TECHNOLOGY UPGRADE!

Moulton Niguel Water District has upgraded your water meter technology as part of our Smart Meter Program to help you save water and money.



WHAT'S IN IT FOR YOU?



Receive Alerts About Potential Leaks
in Your Home



Access Your Hourly Water Usage



Avoid Unintentional High Water
Consumption

REGISTER FOR MYWATER MNWD

To receive leak alerts and monitor your hourly water usage, visit our customer portal online at mywater.mnwd.com or download the app through the App Store (on your Apple device) or Google Play (on your Android device).



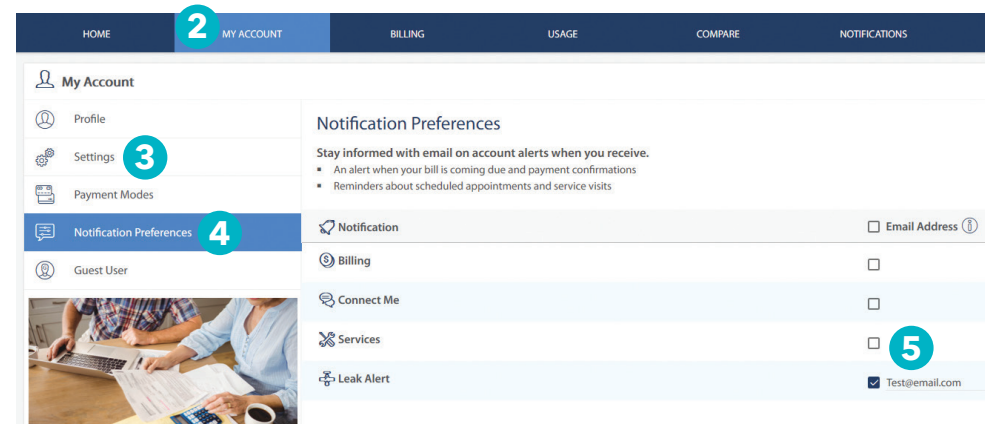
Note: To sign up, you will need your account number, zip code, and a valid email address.

LEARN HOW TO SIGN UP
FOR LEAK ALERTS



HOW TO SIGN UP FOR LEAK ALERTS

1. Sign up or log on to our customer portal, [MyWater MNWD](#)
2. Click "My Account" on the top menu bar
3. Click "Settings" on the left menu bar
4. Click "Notification Preferences" on the left menu bar
5. Check the box next to the Leak Alert Notification option, enter your email address, and click save



Moulton Niguel is excited to provide you with the latest tools and technologies to help you save water and money. This project, which is expected to save more than 500 million gallons of water every year, is made possible as a result of more than \$2 million in federal grants.

If you have any questions about our smart meter program or how to sign up for our customer portal, please visit mnwd.com/smart-meters or call our Customer Service department at (949) 831-2500.

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If you have any questions about our smart meter program and what to expect, please visit mnwd.com/smart-meters or call our Customer Service department at (949) 831-2500.

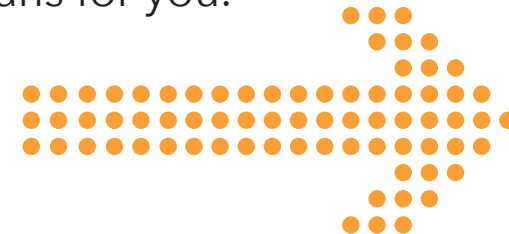
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SMART METER TECHNOLOGY COMING TO YOUR NEIGHBORHOOD!

Moulton Niguel Water District is upgrading your water meter technology. Learn what this means for you.



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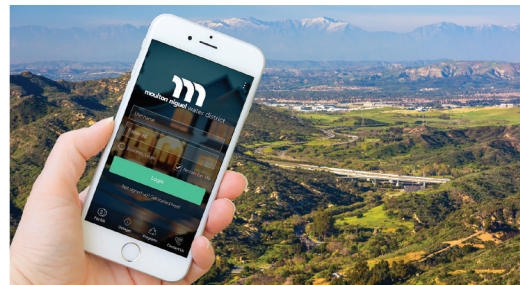
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SMART METERS, SMART WATER USE

Smart meters will help proactively detect water leaks, improve operations, and enable customers to monitor their hourly water usage through MyWater MNWD, our online customer portal.

Sign Up: mywater.mnwd.com



HOW DO SMART METERS WORK?



A customer's smart meter measures and records their hourly water usage.



The hourly usage data is wirelessly sent to Moulton Niguel Water District.



The water consumption data is updated daily and made available to customers through our customer portal, MyWater MNWD.



Customers can monitor their household's water usage and set up leak alerts.

WHAT'S IN IT FOR ME?



Receive Alerts About Potential Leaks in Your Home



Monitor Your Hourly Water Usage



Avoid Unintentional High Water Consumption

HOW DO I ACCESS THIS INFORMATION?

1. Sign up for our **FREE** customer portal, MyWater MNWD at mywater.mnwd.com or download the app.
2. Sign up to receive leak alerts. For step-by-step instructions visit mnwd.com/smart-meters

Note: You can sign up for these alerts at any time, and will receive leak notifications once your meter has been upgraded.



WHAT CAN I EXPECT? . . .

- The District has hired Ferguson Waterworks to accelerate our program and provide smart meter technology to all customers by 2022.
- **Within the next few weeks**, a Ferguson Waterworks technician will be in your neighborhood to install an upgraded radio to your current water meter that will connect to the District's network.
 - › This process is generally complete within 15 minutes.
 - › You are not required to be home during the installation.
 - › Your water service will continue and there is no expected interruption of water service during installation.
- We would greatly appreciate it if you can ensure your water meter box is clear of any clutter or landscaping before we make the upgrade.
- You will be notified via door hanger the day your installation has been completed.

Note: For your safety and security, every Moulton Niguel employee and contractor carries a picture ID card, will be wearing a company uniform, will arrive in a company vehicle, and will never ask to enter your home.

