



moulton niguel water district

**BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
26880 Aliso Viejo Pkwy, Suite 150, Aliso Viejo
April 9, 2020
6:00 PM
Approximate Meeting Time: 2 Hours**

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON. MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER:

**DIAL: 1-669-900-9128
MEETING ID: 878-668-484#**

1. CALL MEETING TO ORDER:

2. PUBLIC COMMENTS:

As permitted under the Brown Act, and in order to provide an equal opportunity for members of the public to provide comment without everyone talking over one another, the Board of Directors will receive all public comments, on items on or off the agenda, during the Public Comment portion of this meeting. Comments are limited to five minutes unless further time is granted by the Presiding Officer.

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

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.

3. MINUTES OF THE MARCH 10, 2020 SPECIAL BOARD OF DIRECTORS MEETING

4. MINUTES OF THE MARCH 12, 2020 BOARD OF DIRECTORS MEETING

5. MINUTES OF THE MARCH 26, 2020 BOARD OF DIRECTORS MEETING

6. PROFESSIONAL SERVICES AGREEMENT FOR EASTERN TRANSMISSION MAIN CONDITION ASSESSMENT

It is recommended that the Board of Directors approve the Professional Services Agreement with Black & Veatch in the amount of \$194,105; authorize the General Manager or Assistant

General Manager to execute the agreement; and to approve amendments up to 10% of the contract value.

ADMINISTRATIVE MATTERS (ROLL CALL VOTE):

7. TEMPORARY BILL ADJUSTMENT POLICY REVISIONS

It is recommended that the Board of Directors approve the Temporary Amendment to the Bill Adjustment Policy.

LEGAL ITEMS (ROLL CALL VOTE):

8. ADOPTION OF RESOLUTION PROCLAIMING EXISTENCE OF A LOCAL EMERGENCY (RESOLUTION 20-__)

It is recommended that the Board of Directors approve the resolution entitled, "Proclaiming Existence of a Local Emergency."

INFORMATION ITEMS:

9. MONTHLY FINANCIAL REPORT

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

PRESIDENT'S REPORT:

BOARD REPORTS:

FUTURE AGENDA ITEMS (Any items added under this section are for discussion at future meetings only.):

LATE ITEMS: (Appropriate Findings to be Made)

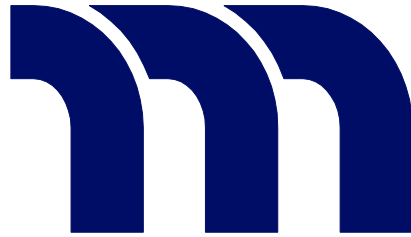
- a. Need to take immediate action; and
- b. Need for action came to District's attention after Agenda Posting. [Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

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 seventy-two (72) hours prior to the meeting, they will be available in the reception area of the District Office at the same time as they are distributed except that, if such writings are distributed immediately prior to, or during the meeting, they will be available in the Board meeting room and on the District website at www.mnwd.com.



moulton niguel water district

DRAFT
MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT

March 10, 2020

A Special Meeting of the Board of Directors of the Moulton Niguel Water District was held at the District offices, 50 Enterprise, Aliso Viejo, CA 92656, California, at 3:00 PM on March 10, 2020. There were present and participating:

DIRECTORS

Duane Cave	Vice President
Richard Fiore	Director
Donald Froelich	Vice President
Kelly Jennings	Director
Gary Kurtz	Director
Bill Moorhead	Director
Brian Probolsky	President

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Rod Woods	Director of Engineering
Gina Hillary	Director of Human Resources
Drew Atwater	Director of Finance & Water Resources
Todd Novacek	Director of Operations
Jose Solorio	Government Affairs Officer
Paige Gulck	Board Secretary
Ruben Smith	Alvarado Smith
Sherry Wanninger	CAC Member
Roger Faubel	Faubel Public Affairs

#3.

1. CALL MEETING TO ORDER

The meeting was called to order by Brian Probolsky at 3:12 p.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Donald Froelich.

3. PUBLIC COMMENTS

None.

DISCUSSION ITEMS

4. Strategic Planning Session

The Board of Directors discussed the District's goals and objectives for Fiscal Year 2019-20 and 2020-21.

ADJOURNMENT

The meeting was adjourned at 5:30 p.m.

Respectfully submitted,

Paige Gulck
Board Secretary



moulton niguel water district

DRAFT

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT

March 12, 2020

A Regular Meeting of the Board of Directors of the Moulton Niguel Water District was held at the District offices, 26880 Aliso Viejo Pkwy, Suite 150, Aliso Viejo, California, at 5:00 PM on March 12, 2020. There were present and participating:

DIRECTORS

Duane Cave	Vice President
Richard Fiore	Director
Donald Froelich	Vice President
Kelly Jennings	Director
Gary Kurtz	Director
Bill Moorhead	Director
Brian Probolsky	President

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Rod Woods	Director of Engineering
Drew Atwater	Director of Finance & Water Resources
Gina Hillary	Director of Human Resources
Jeff Ferre	Best, Best, & Krieger (General Counsel)
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Trevor Agrelius	MNWD
Matthew Brown	MNWD
Todd Dmytryshyn	MNWD
Mark Mountford	MNWD
Sherry Wanninger	CAC Member
Jayson Schmidt	Chandler Asset Management

#4.

1. CALL MEETING TO ORDER:

The meeting was called to order by Duane Cave at 5:02 p.m.

CLOSED SESSION:

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8
Property: 27500 La Paz Road, Laguna Niguel, CA
Agency Negotiator: Joone Lopez, General Manager
Negotiating Parties: TBD – Initial review of offers
Under Negotiation: Price and terms of payment for a potential sale or lease

The Board entered closed session at 5:03 p.m. and exited at 5:56 p.m.

OPEN SESSION - 6:00 PM

3. REPORT OUT OF CLOSED SESSION:

The Board entered open session at 6:05 p.m. Jeff Ferre stated that there was no reportable action.

4. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was led by Kelly Jennings.

5. PUBLIC COMMENTS:

None.

PRESENTATION ITEMS:

6. QUARTERLY INVESTMENT REPORT - CHANDLER ASSET MANAGEMENT

Jayson Schmidt from Chandler Asset Management provided the quarterly investment report.

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

7. MINUTES OF THE FEBRUARY 13, 2020 SPECIAL BOARD OF DIRECTORS MEETING

8. MINUTES OF THE FEBRUARY 27, 2020 BOARD OF DIRECTORS MEETING

9. AMENDMENT NO. 2 TO THE SPOILS REMOVAL SERVICE AGREEMENT

It is recommended that the Board of Directors approve Amendment No. 2 to the Spoils Removal Service Agreement with Goodwin Enterprises, Inc. for an amount not-to-exceed \$125,000 for a total contract amount of \$509,000; and authorize the General Manager or Assistant General Manager to execute the Amendment.

10. AMENDMENT NO. 3 TO DIVERSION AGREEMENT WITH COUNTY OF ORANGE

It is recommended that the Board of Directors approve Amendment No. 3 to the Diversion Agreement subject to non-substantive changes approved by the General Manager and Legal Counsel; and authorize the General Manager or Assistant General Manager to execute the Amendment.

11. CONSTRUCTION CONTRACT TIME EXTENSION FOR PASEO DE VALENCIA LIFT STATION REHABILITATION

It is recommended that the Board of Directors approve a construction contract time extension through August 31, 2020 to SS Mechanical; and authorize the Director of Engineering to execute the extension.

12. AMENDMENT NO. 9 TO THE SANTIAGO AQUEDUCT COMMISSION JOINT POWERS AGREEMENT

It is recommended that the Board of Directors approve Amendment No. 9 to the Santiago Aqueduct Commission Joint Powers Agreement; and authorize the General Manager or Assistant General Manger to execute the Amendment.

13. COMMENT LETTER ON NOTICE OF PREPARATION OF ENVIRONMENTAL IMPACT REPORT FOR THE DELTA CONVEYANCE PROJECT

It is recommended that the Board of Directors authorize the General Manager to sign and submit the attached comment letter to the California Department of Water Resources supporting the implementation of the Delta Conveyance Project.

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY DONALD FROELICH, ITEMS 7 THRU 13 WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, KELLY JENNINGS, GARY KURTZ, BILL MOORHEAD, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

TECHNICAL MATTERS:

14. CONSTRUCTION CONTRACT AWARD FOR REGIONAL LIFT STATION ENHANCEMENTS

It is recommended that the Board of Directors award the construction services contract to Pacific Hydrotech Corporation in the amount of \$4,035,546; authorize the General Manager or Assistant General Manager to execute the contract; and to approve change orders up to 10% of the contract value.

Rod Woods presented the construction contract award for Regional Lift Station Enhancements.

MOTION DULY MADE BY RICHARD FIORE AND SECONDED BY DUANE CAVE, ITEM 14 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, KELLY JENNINGS, GARY KURTZ, BILL MOORHEAD, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

15. AGREEMENTS FOR ON-CALL PROFESSIONAL ENGINEERING CONSULTING SERVICES

It is recommended that the Board of Directors approve the Agreements for On-Call Professional Engineering Services with Black & Veatch, Brown & Caldwell, Dudek, and Tetra Tech, each with a total not-to-exceed value of \$1,500,000 and a 3-year contract term; and authorize the General Manager or Assistant General Manager to execute the agreements.

Rod Woods presented the Agreements for On-Call Professional Engineering Consulting Services.

MOTION DULY MADE BY DUANE CAVE AND SECONDED BY GARY KURTZ, ITEM 15 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, KELLY JENNINGS, GARY KURTZ, BILL MOORHEAD, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

16. AGREEMENTS FOR ON-CALL CONSTRUCTION MANAGEMENT AND INSPECTION SUPPORT SERVICES

It is recommended that the Board of Directors approve the Agreements for On-Call Construction Management and Inspection Support Services with Butier Engineering, MWH Constructors, and Wallace & Associates, each with a total not-to-exceed value of \$800,000 and a 3-year contract term; and authorize the General Manager or Assistant General Manager to execute the agreements.

Rod Woods presented the Agreements for On-Call Construction Management and Inspection Support Services.

MOTION DULY MADE BY DONALD FROELICH AND SECONDED BY GARY KURTZ, ITEM 16 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, KELLY JENNINGS, GARY KURTZ, BILL MOORHEAD, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

INFORMATION ITEMS:

17. MONTHLY FINANCIAL REPORT

Trevor Agrelius presented the Monthly Financial Report.

18. WATER EFFICIENCY ANNUAL REVIEW

Drew Atwater provided the Water Efficiency Annual Review.

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

Joone Lopez provided the Board with an update on what precautions staff and the District is taking in response to the recent outbreak of COVID-19. Joone also stated that the District is receiving an award for CS Week.

Todd Dmytryshyn provided an update on the pipeline replacements project at I-5 and Oso Creek.

19. PIPELINE REPLACEMENTS AT I-5 AND OSO CREEK PROJECT UPDATE

Todd Dmytryshyn provided an update on the pipeline replacements project at I-5 and Oso Creek.

PRESIDENT'S REPORT:

No report.

BOARD REPORTS:

Don Froelich stated that he attended the MWDOC meeting.

FUTURE AGENDA ITEMS (Any items added under this section are for discussion at future meetings only.):

None.

#4.

LATE ITEMS: (Appropriate Findings to be Made)

None.

ADJOURNMENT:

The meeting was adjourned at 7:42 p.m.

Respectfully submitted,

Paige Gulck
Board Secretary

DRAFT



moulton niguel water district

**DRAFT
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT**

March 26, 2020

A Regular Meeting of the Board of Directors of the Moulton Niguel Water District was held via teleconference, at 6:00 PM on March 26, 2020. In an effort to prevent the spread of COVID-19 (Coronavirus), and in accordance with the Governor’s Executive Order N-29-20, there was no public location for attending this Board Meeting in person. Members of the public provided public comment by calling a posted telephone number. There were present and participating:

DIRECTORS

Duane Cave	Vice President
Richard Fiore	Director
Donald Froelich	Vice President
Kelly Jennings	Director
Gary Kurtz	Director
Bill Moorhead	Director
Brian Probolsky	President

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Rod Woods	Director of Engineering
Drew Atwater	Director of Finance & Water Resources
Gina Hillary	Director of Human Resources
Todd Novacek	Director of Operations
Jose Solorio	Government Affairs Officer
Jeff Ferre	Best, Best, & Krieger (General Counsel)
Paige Gulck	Board Secretary
Trevor Agrelius	MNWD
Matthew Brown	MNWD
Johnathan Cruz	MNWD

#5.

Medha Patel
Sherry Wanninger
Roger Faubel

MNWD
CAC Member
Faubel Public Affairs

1. **CALL MEETING TO ORDER:**

The meeting was called to order by President Probolsky at 6:02 p.m.

CLOSED SESSION:

2. **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9

Receipt of claim - Claimant: Rancho Niguel Homeowners Association

OPEN SESSION - 6:00 PM

3. **REPORT OUT OF CLOSED SESSION:**

The Board met in closed session pursuant to Government Code Section 54956.9(d)(2) to consider the receipt of a claim from Rancho Niguel Homeowners Association. Prior to consideration of the matter, Director Fiore announced that he would not be participating in this closed session in order to avoid even the appearance of a conflict due to the fact that his law firm may have done some unrelated work for the claimant in the past. After that announcement, Director Fiore disconnected from the teleconference.

MOTION DULY MADE BY DIRECTOR CAVE AND SECONDED BY DIRECTOR JENNINGS THE BOARD REJECTED THE CLAIM AS UNTIMELY AND GAVE DIRECTION TO HAVE THE APPROPRIATE NOTICE OF REJECTION SENT TO THE CLAIMANT. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, DONALD FROELICH, KELLY JENNINGS, GARY KURTZ, BILL MOORHEAD, AND BRIAN PROBOLSKY ALL VOTING 'AYE'. RICHARD FIORE WAS ABSENT.

4. **PUBLIC COMMENTS:**

None.

INFORMATION ITEMS:

5. **FISCAL YEAR 2020-21 BUDGET – CORE FUNCTIONAL AREAS AND KEY OBJECTIVES**

Matt Collings presented the Fiscal Year 2020-21 Budget Core Functional Areas and Key Objectives.

6. METROPOLITAN WATER DISTRICT BUDGET UPDATE

Johnathan Cruz presented the Metropolitan Water District Budget Update. Discussion ensued regarding the item.

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

Joone Lopez stated that the District received the 2019 GFOA Budget Award. She also provided an update on the District's response to the COVID-19 crisis.

PRESIDENT'S REPORT:

President Probolsky reminded everyone to stay safe as this coronavirus will get worse before it gets better.

BOARD REPORTS:

Director Fiore complimented staff on customer communications during the virus. Director Jennings thanked staff for their hard work and reported on the Sustain OC Board meeting. The Sustain OC conference is currently scheduled for August.

FUTURE AGENDA ITEMS (Any items added under this section are for discussion at future meetings only.):

None.

LATE ITEMS: (Appropriate Findings to be Made)

None.

ADJOURNMENT:

President Probolsky adjourned the meeting at 6:52. p.m.

Respectfully submitted,

Paige Gulck
Board Secretary

#6.

Professional Services Agreement for Eastern Transmission Main Condition Assessment
April 9, 2020
Page 2 of 2

Capistrano. The Eastern TM is approximately 5.6 miles in length and consists of five take-outs. The District is the operator of the Eastern TM by agreement with the City of San Juan Capistrano, who owns approximately 70% capacity share in the pipeline.

The ultimate objective of this project is to conduct a condition assessment of the pipeline and identify any recommended improvements. Engineering services under this proposed contract include: a detailed evaluation of available condition assessment technologies, a recommendation of the most appropriate condition assessment technology, assistance with the vendor solicitation and selection process, permit acquisition and field investigation support, and preparation of a comprehensive final report that includes recommendations for any necessary pipeline repairs, rehabilitation, and/or replacement following the condition assessment. The physical condition assessment of the Eastern TM is anticipated to be performed in FY 2021-22. A separate contract with the recommended technology vendor will be presented to the Board for consideration at a later date.

DISCUSSION:

On February 12, 2020, staff issued a request for proposals for engineering services to five qualified engineering consulting firms. Three proposals were received, and the fee estimates are summarized below:

Firm	Proposal Fee
V&A Consulting Engineers	\$172,069
Black & Veatch	\$194,105
Hazen & Sawyer	\$403,534


Staff performed a comprehensive review of the proposals received to determine the overall best value for the professional services required. Based on the consultants' specific project understanding and approach, overall proposal quality, project specific experience, proposed project team, and fee, staff recommends that the Board approve the professional services agreement with Black & Veatch.


Attachments:

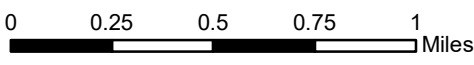
1. Exhibit A – Location Map
2. Exhibit B – Professional Services Agreement for Eastern Transmission Main Condition Assessment
3. Exhibit C – Vendor Contact List

Eastern Transmission Main



 Eastern Transmission Main

 District Boundary



Scale = 1:30,000

Exhibit "A" Location Map
Eastern Transmission Main Condition Assessment
Contract OM19-20.065

Path: G:\GIS\Projects\Projects_Ongoing\Staff_Reports\Exhibits\B_Hong\EasternTM\mxd

**PROFESSIONAL SERVICES AGREEMENT BETWEEN
MOULTON NIGUEL WATER DISTRICT AND
BLACK & VEATCH CORPORATION
MNWD PROJECT: EASTERN TRANSMISSION MAIN CONDITION ASSESSMENT
CONTRACT NO. OM19-20.065**

This Agreement (the "Agreement") is made and entered into on _____ ("Effective Date") by and between the Moulton Niguel WATER DISTRICT ("MNWD") and Black & Veatch Corporation, a corporation with its principal place of business at 800 Wilshire Blvd., Suite 600, Los Angeles, CA 90017 ("Consultant"). MNWD and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

SECTION I – PURPOSE

Consultant shall provide certain professional services required by MNWD on the terms and conditions set forth in this Agreement. Consultant represents that it has the qualifications, experience, licenses, and facilities necessary to properly perform professional engineering services in a competent and professional manner.

SECTION II – TERM

The term of this Agreement shall be from the Effective Date to **December 31, 2022**, unless earlier terminated as provided herein.

SECTION III – SCOPE OF SERVICES

Section 3.1. Scope of Services. The scope of services to be provided by Consultant is set forth on Exhibit "A" attached hereto and by this reference incorporated herein ("Services"). Consultant warrants that it will perform the Services as set forth herein in a competent, professional and satisfactory manner. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules, and regulations.

Section 3.2. Schedule of Services. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines, including any schedule of services set forth in Exhibit "A."

Section 3.3. Permits, Licenses, Fees and Other Charges. Consultant shall, in accordance with applicable laws and ordinances, obtain at his/her/its expense all permits and licenses necessary to accomplish the Services. Failure to maintain a required license or permit may result in immediate termination of this Agreement.

SECTION IV – COMPENSATION

Section 4.1. Payment for Services Rendered. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto and incorporated herein by reference. The total compensation shall not exceed **One Hundred Ninety-Four Thousand One Hundred Five Dollars (\$194,105)** without written approval by MNWD. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

#6.

Section 4.2. Invoices. Consultant shall submit to MNWD a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. MNWD shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

- A. Payment shall not constitute acceptance of any work completed by Consultant.
- B. The making of final payment shall not constitute a waiver of any claims by MNWD for any reason whatsoever.

Section 4.3. Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by MNWD.

Section 4.4. Extra Work. At any time during the term of this Agreement, MNWD may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by MNWD to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization by MNWD.

SECTION V – REPRESENTATIVES OF THE PARTIES

Section 5.1. MNWD's Representative. MNWD hereby designates its Director of Engineering, or his or her designee, to act as its representative for the performance of this Agreement ("MNWD's Representative"). Consultant shall not accept direction or orders from any person other than MNWD's Representative or his or her designee.

Section 5.2. Consultant's Representative. Consultant hereby designates Jeff Neemann, or his designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

SECTION VI – RESPONSIBILITIES OF CONSULTANT

Section 6.1. Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. MNWD retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of MNWD and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income

tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

Section 6.2. Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from MNWD, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein.

Section 6.3. Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of MNWD.

Section 6.4. Substitution of Key Personnel. Consultant has represented to MNWD that certain key personnel will perform and coordinate the Services under this Agreement. The key personnel for performance of this Agreement are as follows: Jeff Neemann, Matt Thomas, Bethany McDonald, Clint McAdams. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of MNWD. In the event that MNWD and Consultant cannot agree as to the substitution of key personnel, MNWD shall be entitled to terminate this Agreement for cause. Furthermore, any personnel who fail or refuse to perform the Services in a manner acceptable to MNWD, or who are determined by MNWD to be uncooperative, incompetent, a threat to the adequate or timely completion of the Services or a threat to the safety of persons or property, shall be promptly removed from performing Services by the Consultant at the request of MNWD.

Section 6.5. Coordination of Services. Consultant agrees to work closely with MNWD staff in the performance of Services and shall be available to MNWD's staff, consultants and other staff at all reasonable times.

Section 6.6. Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold MNWD, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

SECTION VII – LABOR CODE PROVISIONS

Section 7.1. Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8,

#6.

Section 16000, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on “public works” and “maintenance” projects. If the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. A copy of these prevailing wage rates are on file with the Department of Industrial Relations and can be found online with the State of California at <http://www.dir.ca.gov/dlsr/pwd>. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant’s principal place of business and at the project site. It is the intent of the parties to effectuate the requirements of sections 1771, 1774, 1775, 1776, 1777.5, 1813, and 1815 of the Labor Code within this Agreement, and Consultant shall therefore comply with such Labor Code sections to the fullest extent required by law. Consultant shall defend, indemnify and hold MNWD, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

Section 7.2. Registration and Labor Compliance. If the services are being performed as part of an applicable “public works” or “maintenance” project, then, in addition to the foregoing, pursuant to Labor Code sections 1725.5 and 1771.1, the Consultant and all subconsultants must be registered with the Department of Industrial Relations (“DIR”). Consultant shall maintain registration for the duration of the project and require the same of any subconsultants. This project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant’s sole responsibility to comply with all applicable registration and labor compliance requirements, including the submission of payroll records directly to the DIR.

Section 7.3. Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker’s Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

SECTION VIII – INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall immediately indemnify, defend, and hold MNWD, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant’s Services or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys’ fees and other related costs and expenses. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against MNWD or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse MNWD for the cost of any settlement paid by MNWD or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for MNWD’s attorneys’ fees and costs, including expert witness fees. Consultant shall reimburse MNWD and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant’s obligation to indemnify shall

survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by MNWD, its directors, officials, officers, employees, agents, or volunteers. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

SECTION IX – INSURANCE

Section 9.1. Time for Compliance. Consultant shall not commence Work under this Agreement until it has provided evidence satisfactory to MNWD that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to MNWD that the subconsultant has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for MNWD to terminate this Agreement for cause.

Section 9.2. Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subconsultants. Consultant shall also require all of its subconsultants to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

A. Commercial General Liability. Coverage for commercial general liability insurance shall be at least as broad as Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001). Consultant shall maintain limits no less than \$1,000,000 per occurrence, or the full per occurrence limits of the policies available, whichever is greater, for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit or product-completed operations aggregate limit is used, including but not limited to form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit. The general liability policy shall include or be endorsed (amended) to state that: (1) MNWD, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the Work or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work using as broad a form as CG 20 10 11 85 or the latest versions of both CG 20 10 and CG 20 37; and (2) the insurance coverage shall be primary insurance as respects MNWD, its directors, officials, officers, employees, agents, and volunteers using as broad a form as CG 20 01 04 13, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by MNWD, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

B. Automobile Liability. Coverage shall be at least as broad as the latest version of the Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto). Consultant shall maintain limits no less than \$1,000,000 per accident for bodily injury and property damage. The automobile liability policy shall include or be endorsed (amended) to state that: (1) MNWD, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership,

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operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects MNWD, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by MNWD, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way. The automobile liability policy shall cover all owned, non-owned, and hired automobiles.

C. Workers' Compensation and Employer's Liability Insurance. Consultant shall maintain Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance in an amount no less than \$1,000,000 per accident for bodily injury or disease. The insurer shall agree to waive all rights of subrogation against MNWD, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

D. Professional Liability. Consultant shall procure and maintain, and require its subconsultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession covering Consultant's wrongful acts, negligent actions, errors or omissions. The retroactive date (if any) is to be no later than the effective date of this agreement. Consultant shall purchase a one-year extended reporting period: i) if the retroactive date is advanced past the effective date of this Agreement; ii) if the policy is canceled or not renewed; or iii) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement. Such insurance shall be in an amount not less than \$2,000,000 per claim.

E. Excess Liability (if necessary). The limits of Insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess coverage shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of MNWD (if agreed to in a written contract or agreement) before MNWD's own primary or self-Insurance shall be called upon to protect it as a named insured. The policy shall be endorsed to state that MNWD, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured at least as broad a form as CG 20 10 11 85 or the latest versions of both CG 20 10 and CG 20 37. The coverage shall contain no special limitations on the scope of protection afforded to MNWD, its directors, officials, officers, employees, agents, and volunteers.

Section 9.3. All Coverages. The Consultant is required by this Agreement to state that: (i) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to MNWD; If any of the required coverages expire or cancel during the term of this agreement, the Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement to MNWD at least ten (10) days prior to the cancellation or expiration date; and (ii) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to MNWD, its directors, officials, officers, employees, agents, and volunteers.

Section 9.4. Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to MNWD, its directors, officials, officers, employees, agents, and volunteers.

Section 9.5. Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to MNWD.

Section 9.6. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A-:VII or equivalent, or as otherwise approved by MNWD.

Section 9.7. Verification of Coverage. Consultant shall furnish MNWD with certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to MNWD. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by MNWD if requested. All certificates and endorsements must be received and approved by MNWD before work commences. In the event that the Consultant employs other consultants (sub-consultants) as part of the services covered by this agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above.

Section 9.8. Reporting of Claims. Consultant shall report to MNWD, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

SECTION X – TERMINATION

Section 10.1. Grounds for Termination. MNWD may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to MNWD, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

Section 10.2. Effect of Termination. If this Agreement is terminated as provided herein, MNWD may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

Section 10.3. Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, MNWD may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

SECTION XI – OWNERSHIP OF MATERIALS AND CONFIDENTIALITY

Section 11.1. Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for MNWD to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible

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medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement (“Documents & Data”). All Documents & Data shall be and remain the property of MNWD, and shall not be used in whole or in substantial part by Consultant on other projects without MNWD’s express written permission. Within thirty (30) days following the completion, suspension, abandonment or termination of this Agreement, Consultant shall provide to MNWD reproducible copies of all Documents & Data, in a form and amount required by MNWD. MNWD reserves the right to select the method of document reproduction and to establish where the reproduction will be accomplished. The reproduction expense shall be borne by MNWD at the actual cost of duplication. In the event of a dispute regarding the amount of compensation to which the Consultant is entitled under the termination provisions of this Agreement, Consultant shall provide all Documents & Data to MNWD upon payment of the undisputed amount. Consultant shall have no right to retain or fail to provide to MNWD any such documents pending resolution of the dispute. In addition, Consultant shall retain copies of all Documents & Data on file for a minimum of fifteen (15) years following completion of the Project, and shall make copies available to MNWD upon the payment of actual reasonable duplication costs. Before destroying the Documents & Data following this retention period, Consultant shall make a reasonable effort to notify MNWD and provide MNWD with the opportunity to obtain the documents.

Section 11.2. Subconsultants. Consultant shall require all subconsultants to agree in writing that MNWD is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subconsultants, or those provided to Consultant by MNWD.

Section 11.3. Right to Use. MNWD shall not be limited in any way in its use or reuse of the Documents and Data or any part of them at any time for purposes of this Project or another project, provided that any such use not within the purposes intended by this Agreement or on a project other than this Project without employing the services of Consultant shall be at MNWD’s sole risk. If MNWD uses or reuses the Documents & Data on any project other than this Project, it shall remove the Consultant’s seal from the Documents & Data and indemnify and hold harmless Consultant and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Documents & Data on such other project. Consultant shall be responsible and liable for its Documents & Data, pursuant to the terms of this Agreement, only with respect to the condition of the Documents & Data at the time they are provided to MNWD upon completion, suspension, abandonment or termination. Consultant shall not be responsible or liable for any revisions to the Documents & Data made by any party other than Consultant, a party for whom the Consultant is legally responsible or liable, or anyone approved by the Consultant.

Section 11.4. Intellectual Property Indemnification. Consultant shall defend, indemnify and hold MNWD, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by MNWD of the Documents & Data, including any method, process, product, or concept specified or depicted.

Section 11.5. Confidentiality. All Documents & Data, either created by or provided to Consultant in connection with the performance of this Agreement, shall be held confidential by Consultant. All Documents & Data shall not, without the prior written consent of MNWD, be used or reproduced by Consultant for any purposes other than the performance of the Services. Consultant shall not disclose, cause or facilitate the disclosure of the Documents & Data to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant that is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use MNWD's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of MNWD.

SECTION XII – ACCOUNTING, INSPECTION AND AUDIT

Section 12.1. Records. Consultant shall keep and shall preserve for four (4) years after final completion of the services, accurate and detailed records of all ledgers, books of account, invoices, vouchers, cancelled checks, and other documents or records evidencing or relating to the work, services and disbursements charged to MNWD under this Agreement (collectively, "Books and Records"). Any and all Books and Records must be maintained in accordance with generally accepted accounting principles and must be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Consultant under this Agreement. During such four (4) year period, Consultant shall give MNWD and its agents, during normal business hours, access to such Books and Records. MNWD and its agents shall have the right to make copies of any of the said Books and Records.

Section 12.2. Custody. Where MNWD has reason to believe that any of the Books and Records required to be maintained by this Article may be lost or discarded due to dissolution or termination of Consultant's business, MNWD may, by written request, require that custody of such Books and Records be given to a person or entity mutually agreed upon and such Books and Records thereafter shall be maintained by such person or entity at Consultant's expense. Access to the Books and Records shall be granted to MNWD and its Representatives.

SECTION XIII – GENERAL PROVISIONS

Section 13.1. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

MNWD:

Moulton Niguel Water District
P.O. Box 30203
Laguna Niguel, CA 92607
Attn: Director of Engineering

CONSULTANT:

Black & Veatch Corporation
5 Peters Canyon Rd., Suite 300
Irvine, CA 92606
Attn: Jeff Neemann

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

Section 13.2. Subcontracting/Subconsulting. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval

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of MNWD. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

Section 13.3. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of MNWD's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

Section 13.4. Time of Essence. Time is of the essence for each and every provision of this Agreement.

Section 13.5. MNWD's Right to Employ Other Consultants. MNWD reserves right to employ other consultants in connection with this Project.

Section 13.6. Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

Section 13.7. Assignment or Transfer. Consultant shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of MNWD. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

Section 13.8. Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to MNWD include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

Section 13.9. Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

Section 13.10. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

Section 13.11. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

Section 13.12. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

Section 13.13. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subconsultants to file, a Statement of Economic Interest with MNWD's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, MNWD shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of MNWD, during the term of his or her service with MNWD, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

Section 13.14. Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

Section 13.15. Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Orange County.

Section 13.16. Government Code Claim Compliance. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against MNWD. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against MNWD.

Section 13.17. Attorneys' Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and all other costs of such action.

Section 13.18. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

Section 13.19. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

Section 13.20. Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings

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or agreements. This Agreement may only be modified by a written amendment signed by both parties.

MOULTON NIGUEL WATER DISTRICT:

BLACK & VEATCH CORPORATION:

By: _____

By: _____

(Authorized Representative of
Consultant)

Printed Name: _____

Printed Name: _____

Title: _____




Title: _____

Dated: _____

Dated: _____

Exhibit A Scope of Services

We Understand your Goals and have an Approach to Deliver Results. True goal of the effort is to evaluate the pipeline for developing a life extension plan, identifying what do we need to inspect and what are our acceptance criteria. Using the approach shown in the table below, our inspection goals will collect data of maximum use, sufficient accuracy, and relevant to the evaluation method. We will have the ability to state whether an asset can be put back in service based on inspection results based on developed acceptance criteria and communications regarding defects.

	GOAL	ISSUES	KEY APPROACH ITEMS	HOW WE EXECUTE	BENEFITS TO MNWD
ASSESSMENT PLANNING 	Understand the market for inspection and pick the best assessment approach for the Eastern TM	<ul style="list-style-type: none"> There are many different technologies and platforms in the market Limited access to the pipeline could dictate the approach and platform You can spend a lot of money inspecting for not a lot of return 	<ul style="list-style-type: none"> Perform a market assessment and produce one-page technology summaries that MNWD can reuse Systematically narrow the field to the right technology and then pick the right platform Create a competitive RFP process that gets MNWD the right platform at the right price 	<div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px;">Kickoff & Review Data & History</div> <div style="text-align: center;">↓</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px;">Select Viable Platforms: Pipe Access, Operational Requirements, and Inspection Resolution Needs</div> <div style="text-align: center;">↓</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px;">Coordinate with MNWD to Identify and Mitigate Operational & City Impacts</div> <div style="text-align: center;">↓</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px;">Cost Estimates & Schedule for Inspection</div> <div style="text-align: center;">↓</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px;">Develop Inspection Plan & Vendor RFP</div>	<ul style="list-style-type: none"> MNWD has re-usable information on technologies that can be applied to other pipelines in their system MNWD gets the right balance of cost and risk to assess the condition of the pipeline MNWD saves money through a competitive procurement process
ASSESSMENT EXECUTION 	Execute a clear and concise plan for field inspection that is best for MNWD operations and all stakeholders	<ul style="list-style-type: none"> Need extensive coordination between cities and potentially railroad, Caltrans, and MWD Damage, shutdown, or other impact to system during inspection Potential for traffic disruption and noise impacts to local communities 	<ul style="list-style-type: none"> Develop a clear and concise plan for access that considers building permanent access locations Understanding of permitting process to develop packages that expedite review by cities Experienced field staff that know how to oversee technology vendors and inspections to get things right 	<div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px; color: #00a0e3;">Kickoff Condition Assessment Vendor</div> <div style="text-align: center;">↓</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px; color: #00a0e3;">Support Permits & Licenses</div> <div style="text-align: center;">↓</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px; color: #00a0e3;">Conduct Cathodic Protection Inspection (if required)</div> <div style="text-align: center;">↓</div> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px; color: #00a0e3;">Field Support Shutdown, Inspection, Vendor Oversight</div> <div style="text-align: center; margin: 0 10px;">→</div> <div style="border: 1px dashed black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px; color: #00a0e3;">Design Emergency repairs</div> </div> <div style="text-align: center; margin-left: 10px;">As Needed</div> <div style="text-align: center;">↓</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px; color: #00a0e3;">Support Return to Service</div>	<ul style="list-style-type: none"> MNWD will end up with better access for future inspection or maintenance Permitting process goes smoothly and maintains project schedule Inspection gets the right data and is done with minimal impacts to the community
ANALYSIS/ RECOMMENDATIONS 	Remaining life estimation and life extension plan development (if needed) that can be worked into the CIP	<ul style="list-style-type: none"> Cathodic protection system may not be performing as intended Data from inspection might not be conclusive for recommendation Rehab methods for the size and pipe material of the Eastern TM are not extensive 	<ul style="list-style-type: none"> Detailed analysis of data to determine if concern is localized or systematic issue Evaluate options to extend useful life that balances risk and cost 	<div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px; color: #008000;">Pressure & Operating Analysis</div> <div style="text-align: center;">↓</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px; color: #008000;">Detailed Condition Data Analysis</div> <div style="text-align: center;">↓</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px; color: #008000;">Develop Recommendations: Re-inspect/No Action Repair Rehab Replace</div> <div style="text-align: center;">↓</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px; color: #008000;">Update Owner Systems: GIS, Asset Management, CMSS</div> <div style="text-align: center;">↓</div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 5px; color: #008000;">Develop Condition Assessment Report</div>	<ul style="list-style-type: none"> Predictable renewal budget MNWD can feel confident that Eastern TM risk is understood and mitigated

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ASSESSMENT PLANNING - Giving you the best market information to pick the best platform for the Eastern TM inspection

DEVELOP TECHNOLOGY SUMMARY

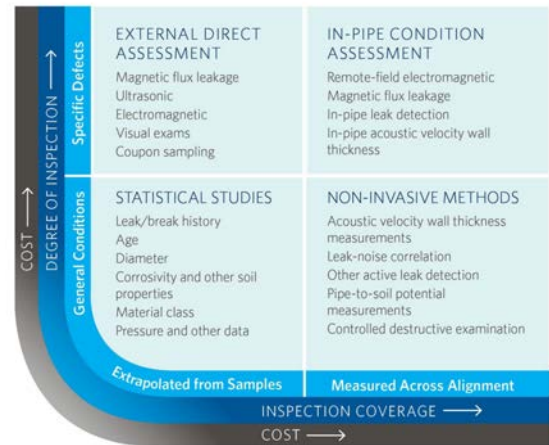
No approach can eliminate breaks. The key is to understand and mitigate risk. Our approach is to build a market understanding that will help MNWD reduce the risk of breaks occurring and respond as effectively as possible when breaks do occur. Inspection technology, technology vendor, and technology deployment platform selection are important challenges to any condition assessment project. We will give you a picture of the market and MNWD understand what can be done with statistical studies, non-invasive methods, external direct assessment, and in-pipe condition assessment.

The technology is the basis for excitation and response of the pipe material. The deployment platform is the means for inserting the technology into the pipe and extracting the data from the pipe. Technologies must be selected based on the pipe material being inspected. The deployment platform is selected based on pipeline diameter and access availability.

Value Added Idea: One Page Technology Summaries



There are many different technologies, platforms, and vendors in the market that make it difficult to know what really applies and what doesn't. Our value-added idea is to take our market assessment information and prepare one-page technology summaries that can be used by MNWD after this project to make decisions about future condition assessment projects and to communicate with various stakeholders. We have included a mock-up one-page technology summary in the appendix, main objectives of the summary will be:

- Overview of the fundamental technology, the different platforms available, and the potential vendors, including a representative photo
- Applicability to pipe size and material
- Key advantages and disadvantages
- Access and logistic requirements
- Resolution and data produced
- Relative costs in \$/ft or similar metric



Selecting the right assessment method is a balance of risks and costs. Our market assessment will focus on giving MNWD a complete picture of all their options.

Technology Summary

Technology:	Remote Field Electromagnetics	
Platform:	Tethered or Free-swimming	
Vendor:	Pica	Pure
Model:	 SeeSnake	 PipeDiver
Applicable Pipe Types:	PCCP, BWP, STL, CIP, DIP	PCCP, BWP, STL
Pipe Size:	3" - 36"	36" - 72"
Pressure Rating:	0 - 300 psig	0 - 250 psi
Allowable Flow Rate:	0.17 - 0.50 fps	0.50 - 3.00 fps
Run Time:	5 - 12 hours	25 hours
Logistics:	Insertion Tool: Pig launcher at cut end, rider, flange, or hot tap Min. Access Dia: full bore Length: 7' - 12' Weight: 600 lbs Pipe Wall Clearance: 0.250" - 2" Traversable Features: 90°-bends Tracking: internal kit	Insertion Tool: Pig launcher at cut end, rider, flange, or hot tap Min. Access Dia: 12" Length: 9.5' Weight: 200 lbs Pipe Wall Clearance: 1" Traversable Features: B/FV, Ball Valves, Gate Valves, Vertical Sections, Reducers, 90°-bends Tracking: internal kit
Advantages:	Internal and external flaw detection Lined and unlined pipe Semi automatic reporting	Lined and unlined pipe
Disadvantages:	Limited/costly interior access to pipeline Requires pigging	
Resolution:	Very high resolution May detect localized, deep pitting 10% wall loss in a 1'x1' area	Medium resolution May not detect localized, deep pitting 30% wall loss over a 3'x3' area
Relative Cost:	\$32/ft	\$35/ft

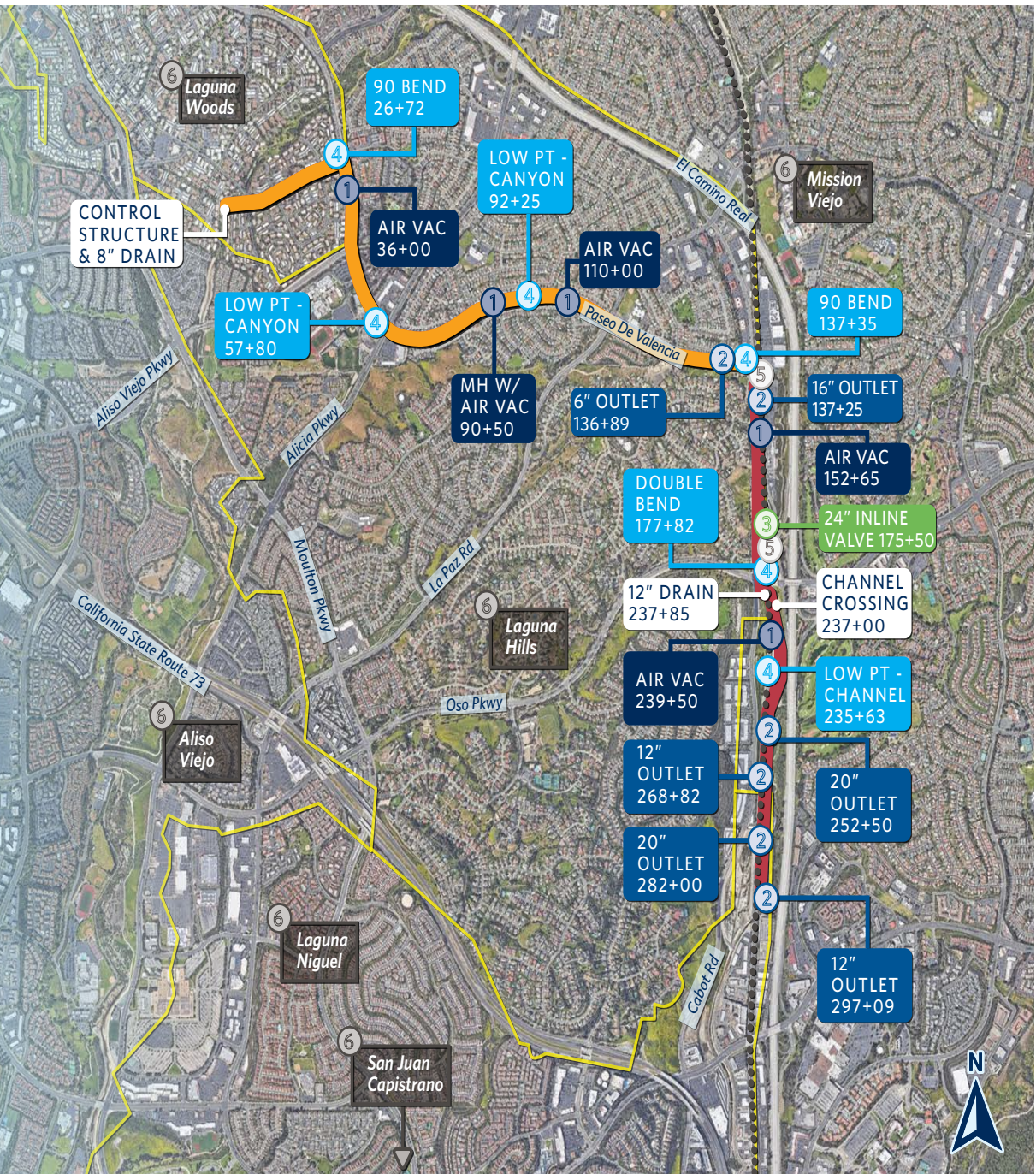
Our one page technology summaries will be structured to be used by MNWD for any pipeline assessment project and to even communicate the technology to outside stakeholders or the board of directors.

PROJECT LOGISTICS & COLLABORATION

After market assessment we will turn our focus to finding what is the **best condition assessment solution** for the Eastern TM. What will drive that evaluation are **logistics, access, and partner collaboration**. This figure captures our initial understanding and ideas to go from right technology to right platform for your project.

- 1 Air vacs may require little modification to be potential insertion points for internal leak detection tools, such as the Pure Sahara
- 2 Outlets will require modification to be potential insertion points for internal inspection tools, such as the Pure PipeDiver
- 3 Inline valve will impede internal inspection tools, such as the Pica SeeSnake
- 4 Vertical and/or horizontal bends can be navigated by internal inspection tools, such as the Pica SeeSnake and Pure PipeDiver
- 5 Potential new access point location to provide greater inspection coverage
- 6 Effective partner collaboration for successful project execution and outcomes

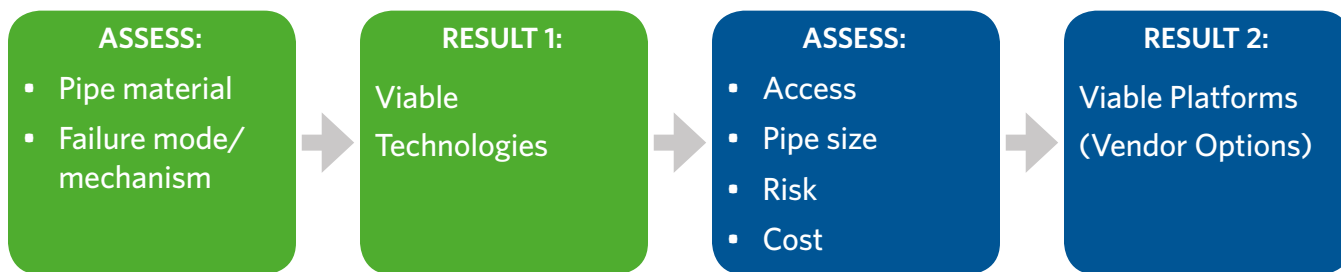
LEGEND: 33" CMLC 30" CMLC Railroads City Boundaries



#6.

NARROW THE FIELD TO THE RIGHT TECHNOLOGY AND THE RIGHT PLATFORM FOR EASTERN TM

Our approach is to utilize a repeatable, defensible, transparent process that identifies and mitigates risk. To detect and mitigate transmission main deterioration, it is critical to understand the pipe material and its damage mechanisms. Steel pipe fails when localized corrosion reduces pipe wall thickness and stress accumulates in the pipe wall, ultimately exceeding the pressure capacity of the pipe. Fully understanding failure risk requires employing technologies which can locate and quantify wall loss. Technologies which report generalized wall loss over long reaches of pipe are unlikely to find the localized pitting which causes pipes to leak and fail. However, platforms, or means of implementing the technology may limit viable vendor options. Selecting the right assessment technology requires balancing the quantity of pipe assessed and degree of inspection against available budget. Obtaining a clear understanding of the damage mechanism may allow MNWD to mitigate the damage mechanism to reduce further wear on the pipe and identify viable rehabilitation methods.



PROCUREMENT PRICING - CAPTURE MAXIMUM VALUE OF ASSESSMENTS WITH BUDGET AVAILABLE.

Our approach is to competitively bid assessment services and maximize the use of technologies with multiple providers.

We will maximize the use of technologies with multiple providers to allow the City greater flexibility in negotiations.

Steel pipe’s failure modes can be detected by leak detection and visual assessment. We propose maximizing the use of these techniques for which multiple vendors are available.

We will competitively bid assessment services to drive down costs while still meeting MNWD’s needs. Multiple vendors are available to provide leak detection or electromagnetic inspection of your pipe. For example, free-swimming leak detection now has four vendors supplying the transmission main market (Pure’s SmartBall, Hydromax’s Nautilus, PICA’s Recon+, and Aquam’s Bullet), while tethered leak detection has two (Pure’s Sahara and Aquam’s Investigator). Our knowledge of competitive market conditions will result in reduced costs without reducing level of service.

SAMPLE BID DOCUMENT IN-PIPE LEAK DETECTION			
	Mobilization Cost	Inspection Cost per foot	Reporting Cost
BASIC SERVICES:			
Leak detection (free-swimming)			
Leak detection (tethered)			
ADD-ONS:			
Joint detection			
Pipe location			
CCTV files			
Other			

TO BE FILLED OUT BY VENDOR

We know how to negotiate with subcontractors and technology vendors to get lower prices from vendors.

Our proposed Technical Director, Bethany McDonald, has previously negotiated rates with Pure Technologies’ inspection services for the City of Phoenix’s Transmission Main Inspection & Assessment Program that were approximately half of what the next major municipal client was paying.



ASSESSMENT EXECUTION - Giving you the best market information to pick the best platform for the Eastern TM inspection.

THINKING THROUGH THE LOGISTICS TO GET THE BEST PLAN

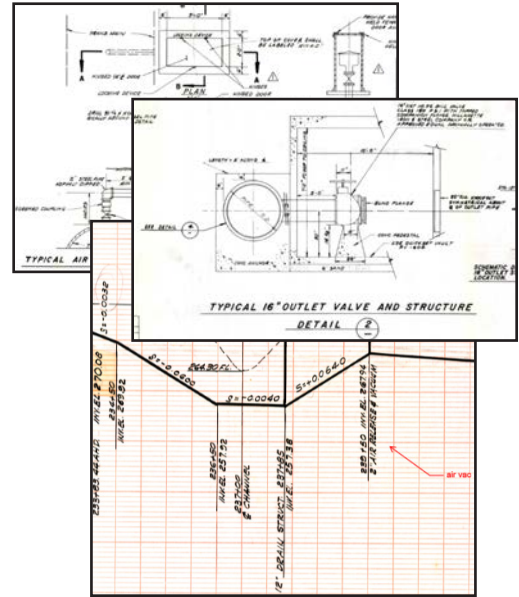
Approach: Identify or create access points for maximum inspection coverage.

Limited access and pipeline configuration present unique challenges to internally inspect the Eastern Transmission Main. **Air vacs** provide sufficient access for certain inspection technologies, such as acoustic leak detection, yet these 2-inch access points are too small for pipe wall inspection technologies and would need to be modified to gain access. The three existing air vacs along the alignment may allow distributed coverage of the entire pipeline if an internal leak detection technology was deployed. Other potential access points are outlets which are located on the southern reach of the alignment, however, these access points would only provide localized inspection coverage.

Potential hazards are still present once internal inspection technologies are within the pipeline. If **inline valves** do not already impede tools to pass, they will need to be exercised and confirmed able to fully open to prevent blockage while conducting internal inspections. There are three locations where the pipeline horizontally **bends** 90-degrees, which may be difficult for tethered technologies to pass and return without issue after already traversing vertical bends due to channel and canyon crossings.

Installing new access points is a viable alternative that will alleviate current limited access constraints and benefit future operation and maintenance or inspection and monitoring activities. Strategically placing these new access points will allow greater coverage using internal inspection technologies, such as electromagnetics to evaluate steel cylinder wall thickness. These access points will also be needed when the lining will eventually require replacement.

A potential location to install an access point is at a horizontal 90-degree bend at the intersection of Paseo De Valencia and Cabot Road. Pipe size changes from 33-inch to 30-inch diameter at this location which may require different sized internal inspection tools.



PROVEN RESULTS:

BV has designed and overseen access point installations for the Washington Suburban Sanitation Commission and will leverage this experience for this project. Access points were installed approximately 1,500 to 2,000 feet apart and considered existing access points that are difficult to utilize due to traffic issues.

#6.

COLLABORATIVE PACKAGE FOR PARTNERS

Approach: Mitigate partner impacts by planning inspections far in advance.

Coordination with partners, such as cities will be crucial to facilitate a successful inspection. We will involve the City of San Juan Capistrano, majority owner of the Eastern Transmission Main, and other partners in the inspection plan discussions to ensure buy-in and limit public impacts.

A team of Black & Veatch professionals has already begun leveraging permitting experience from similar projects, researching the necessary regulatory entities for this Project, and populating a permit matrix with the information required to obtain each permit. Upon Project Notice to Proceed, Black & Veatch will contact the governing local, regional, state, and federal regulatory entities to determine all permitting and licensing requirements to finish populating the permit matrix with permit requirements within the first 30 days of the project.

The permit matrix will be used to manage permits and licenses during inspection and will contain a description of the permit or license, reference to the specific conditions or constraints of the permit, the term of the permit, and the costs or conditions to renew the permit.

PERMIT	MAJOR REQUIREMENTS	TIMELINE
Metrolink Encroachment Permit	<ul style="list-style-type: none">ApplicationSet of Plan & Profile DrawingsWritten Scope of Work and Work PlanTraffic Control Plans	30-90 Days
BNSF Railway Pipeline Crossing Permit	<ul style="list-style-type: none">ApplicationSet of Plan & Profile DrawingsEnvironmental Compliance Plan (if applicable)	30-60 Days
OC Flood Control District Encroachment Permit	<ul style="list-style-type: none">ApplicationComplete Set of PlansTraffic Control PlanNPDES Compliance Form (if applicable)Geotechnical Reports (if applicable)Hydraulic & Hydrology (if applicable)Calculations/Reports (if applicable)SWPPP (if applicable)	<ul style="list-style-type: none">1st submittal -Max 3 weeksAll following submittals - Max 2 weeks
OC Public Works Encroachment Permit	<ul style="list-style-type: none">ApplicationComplete Set of PlansTraffic Control PlanNPDES Compliance Form (if applicable)	
City Encroachment Permit	<ul style="list-style-type: none">ApplicationFull set of Plans (including traffic control)Water Quality Management Plan (if applicable)	Varies

THE RIGHT PROJECT, DONE RIGHT

Extensive inspection and monitoring (I&M) plan experience will ensure a well-orchestrated inspection is completed on time and within budget. An I&M Plan serves as a playbook, reducing costs for planning future inspections and even serving as an emergency response plan if a future failure were to occur. Our key team members will leverage experience from developing I&M Plans for 30 of the City of Phoenix's 51 scenarios to oversee vendor inspection plans and execution. When the right project is done right not only will a safe working environment be established, proper data management practices will be fulfilled. Data management is key during all project phases, so before vendors or contractors demobilize, they will be required to verify whether there are immediate defects that need attention.

Vendor Field Checklist to Ensure an Effective Inspection

- Inspection plan
 - Data management plan
 - Activities to be performed
 - Access location and method
 - Flow regulation or shutdown coordination plan
 - Daily field log and debrief
- Field safety plan
 - Site hazard identification and mitigation
 - Certification check
 - PPE check
 - MSDS check
 - Equipment check
 - Emergency action plan
- Traffic control
 - Permits
 - Engineered plans

PROVEN RESULTS:

Our team has extensive experience overseeing field inspections, including over 22,000 field hours for inspections at the Coachella Valley Water District which involved zero recordable or stop work injuries. Clinton McAdams, Project Engineer, has provided engineering oversight of vendors and contractors on over 20 projects and will leverage his experience from the Coachella Valley Water District field inspections, maintaining crew safety and data quality.



#6.



ANALYSIS/RECOMMENDATIONS – Develop a plan for rehab or replacement (if needed) that can be worked into the CIP.

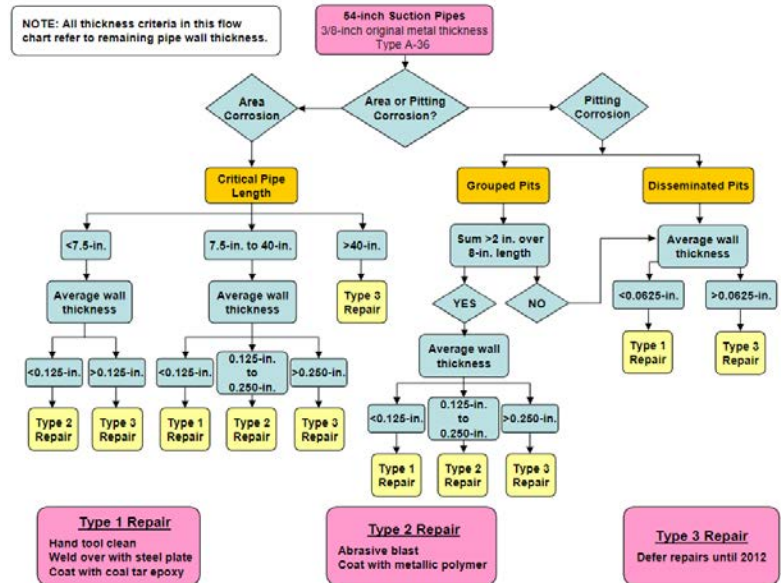
TURN DATA INTO ACTIONABLE OUTCOMES

Approach: Create protocols for repair and rehabilitation efforts.

Develop consistent guidelines to recommend repairs based on assessment results.

Similar to the decision tool we recommend for streamlining the selection of inspection technology, we also suggest the District develop a standardized decision process for assigning the recommendations category. Our Engineering Reports will provide a recommendation to reinspect, repair, rehab, or replace. With a standard decision tree, the District can be confident that recommendations are also consistent, transparent, and defensible.

The matrix will consider hydraulic and operational impacts, logistic and construction feasibility, improvements to structural integrity, and lifespan of the corrective action to plan maintenance requirements. Standards such as from AWWA and ASME along with implementation timeframes will be used to develop decision points to appropriate corrective actions. The decision matrix will prioritize types of concerns, such as corrosion due to degradation vs. cracks in welds, and determine the minimum thickness required for sections of the pipeline. We would identify the depth and size of pitting that needs to be detected and the criteria where the pipe would have to be repaired before return to service. The stress on the pipe varies thus so does wall loss tolerance per pipeline section.



PROVEN RESULTS:

The shown decision matrix for the OCSO outfall project identified appropriate correction actions based on steel thickness inspection results. This prioritization allocated repair resources for the current project and future projects.

Detailed documentation of recommendations, tracking progress of assessments and repairs performed—illustrating MNWD’s return on investment.

Condition analysis requires determining what actions are required based on existing condition to restore the needed level of service.

- Re-inspect. This category applies when no defects require intervening action. The pipe will be re-inspected at an interval consistent with its risk category.
- Repair. These types of repairs generally include localized repairs which could be performed by District staff, or possibly contracted in the case of more significant localized repairs.
- Rehab. Generally, this category applies to pipe which need a full rehabilitation to restore level of service. Our analysis will determine whether sufficient capacity remains in the host pipe to allow a semi-structural rehabilitation, or if a fully structural rehabilitation is needed. We will also recommend a timeframe to complete the work based on existing conditions and the District’s risk tolerance.
- Replace. This category is reserved for pipes which do not meet a minimum level of service and cannot be restored using any available rehabilitation method.
- Estimation of remaining useful life either with or without mitigating activities, at the District’s preference.
- Risk and condition mitigation activities. In some cases, it may be possible to hinder deterioration or damage to the pipe over time. Our analysis will seek to identify such situations and propose mitigating activities. For example, when soils-related corrosion has impacted a pipeline to the point where wall loss that has occurred is not structurally concerning, but is expected to continue and ultimately cause through-wall pipe corrosion. In this case, it is sometimes possible to retrofit pipelines with anodes to greatly limit future wall loss.
- Budgets for each recommendation in the Engineering Report

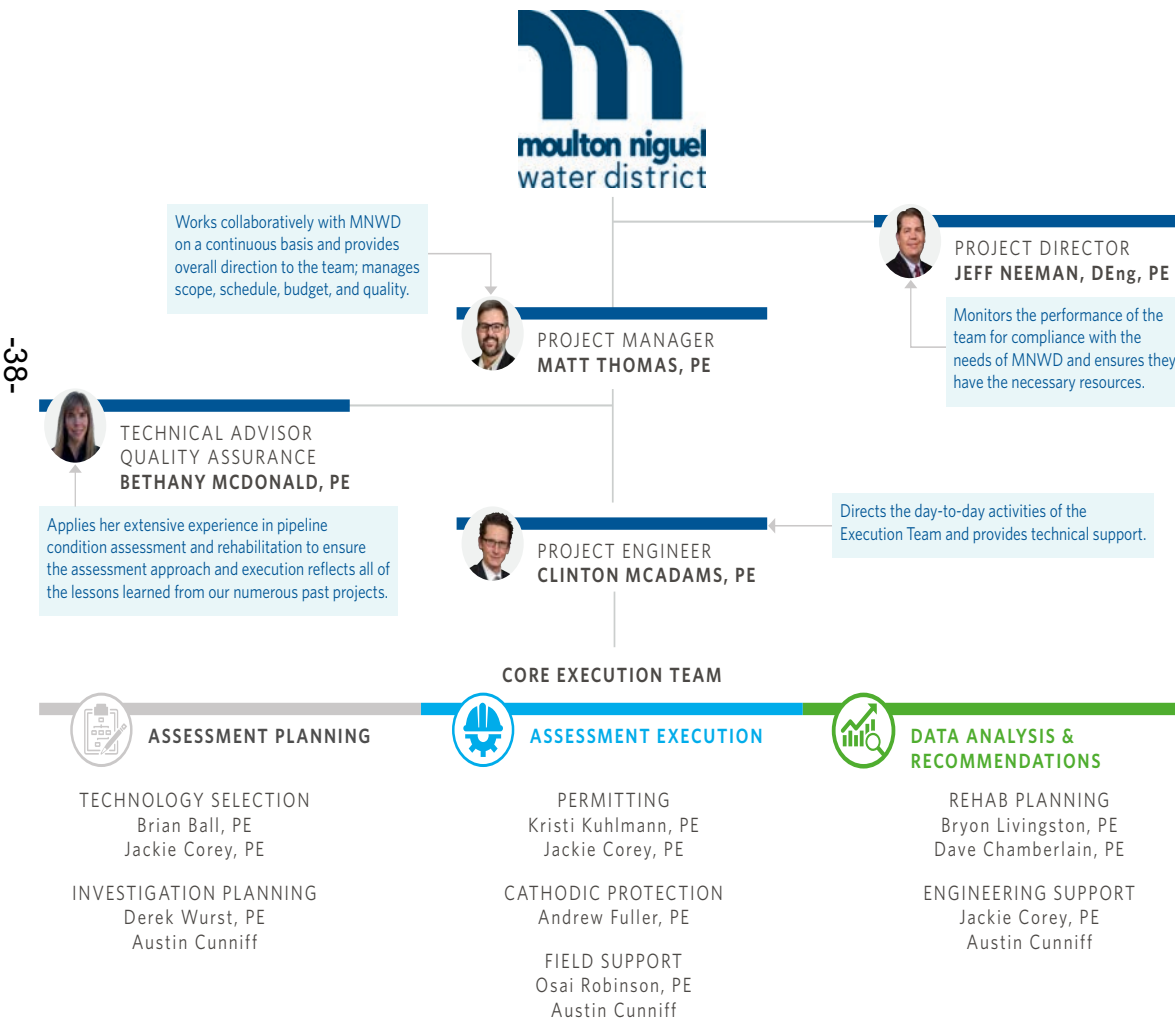
PROVEN RESULTS:

During an inspection in the City of San Diego’s Transmission Mains, our team identified a leak signature. We directed the contractor to excavate this pipe and confirmed presence of the leak. We recommended repairs and avoided an imminent failure.



Team

Black & Veatch has assembled a project team tailored specifically to the goals and objectives of your Project. Our unmatched experience in pipeline condition assessment planning, execution, and interpretation align us perfectly to execute this work. We have assembled a talented local team that will be backed by a team of subject matter experts who have executed pipeline condition assessment and rehabilitation projects similar to yours. The team brings the depth and practical project experience to place the right people in the right roles. As shown in the organizational chart below, Black & Veatch has pulled together a team that will efficiently execute this Project and deliver the recommendations that meet MNWD's priorities.



SUBJECT MATTER EXPERTS

Our subject matter experts are not just names on an org chart. While their hours are not extensive, they come in, work with the team and bring value from the years of lesson learned. The following highlights why we added them to our team to help us deliver on your goals.



REHABILITATION PLANNING EXPERT **BRIAN BALL, PE**

Will contribute to condition assessment technology evaluation and Vendor selection/ RFP development support using his 7 years of experience working for an inspection vendor and 10 years experience planning pipeline rehabilitation projects.



PIPELINE INSPECTION EXPERT **DEREK WURST, PE**

Derek is a crawl-in-the-pipe guy and will use his extensive pipeline inspection experience to provide inspection methodology recommendations as well as help identify the safest and most effective inspection access locations.



PIPELINE CIVIL EXPERT **KRISTI KUHLMANN, PE**

Living and working in South County, Kristi knows the area and how to get linear projects done. She will provide oversight for permit acquisition support, inspection location selection, and inspection access logistics.



PIPELINE REHABILITATION EXPERT **BRYON LIVINGSTON, PE**

Interprets assessment results and facilitates determination of the remaining useful life of the pipeline using his 39 years of experience in pipeline condition assessment and rehabilitation.



PIPELINE CONDITION ASSESSMENT EXPERT **DAVE CHAMBERLAIN, PE**

Dave has experience working on condition assessment in a utility and as a consultant, he will contribute to condition assessment results review and report recommendations.

#6.

The objective of this project is to conduct a condition assessment of the Eastern TM to determine the pipeline's structural condition and estimate remaining useful life. Results of this assessment will be used to determine appropriate pipeline rehabilitation, replacement, or repairs (if any).

Task 1 - Project Administration/Management

Task 1.1 - The Consultant shall include in the scope of work sufficient time and budget to administer the services provided. Administration shall include, but not be limited to, project kick-off meeting with District staff, workshops, coordination meetings, and preparation of meeting agendas and minutes for each meeting. Project administration shall also include preparation and maintenance of the project schedule. Consultant shall assume the following two (2) workshops and eight (8) meetings:

1. Kick-off Meeting – **Task 1.3**
2. Market/Technologies Workshop (*see Task 2.2*)
3. Draft RFP Review Meeting (*See Task 3.2*)
4. Coordination Meetings with each of the five (5) Cities (*See Task 4.1*)
5. Kick-off Meeting with Condition Assessment Vendor (*See Task 6.1*)
6. Findings/Recommendations Workshop (*See Task 7.3*)

Task 1.2 – Consultant will maintain appropriate quality control. The QC process will be documented in the standard B&V QC review spreadsheet. The QC reviewer will provide comments in the QC review spreadsheet. Each QC comment will require a response from the team. In addition, the QC reviewer will sign-off that the response is acceptable, and the team will assure the QC comments have been adequately addressed.

Deliverables: *Agendas and minutes for all meetings; biweekly schedule updates.*

Task 2 - Market Assessment and Evaluation of Condition Assessment Technologies

Task 2.1 - Pipeline condition assessment is a shifting marketplace with new technologies and frequent updates. The Consultant shall develop a market assessment of all currently available condition assessment technologies. A detailed summary of condition assessment technologies for pressure water pipelines shall include, but is not limited to the following:

- A. Description
- B. Advantages / benefits
- C. Disadvantages / limitations

- D. Pipe size and material suitability
- E. Logistics (e.g. pipe access, sensors, in-service vs. depressurized/dewatered)
- F. Resolution
- G. Relative cost

The Consultant shall perform a thorough review of all available District records and use this information to evaluate the various condition assessment technologies. The evaluation shall consider site conditions, site constraints, logistics, and potential impacts to District operations. Consultant shall conduct a screening process that will result in two (or three) shortlisted technologies most appropriate for the Eastern TM.

A detailed comparison of the shortlisted technologies that includes a comprehensive evaluation, cost, logistics, and operational impacts, shall be provided. Costs shall address mobilization/demobilization, installation and traffic control for sensors, pipe access, etc.

Task 2.2 - Consultant shall conduct a workshop with District staff to present findings and recommendations. During this workshop, the District intends on selecting one of the shortlisted technologies to move forward with.

Task 2.3 – Consultant shall develop a Technical memorandum summarizing evaluation and recommendation. Depending on the recommendations, potential existing or future access point installations will be identified. A draft version of the TM shall be submitted for District review. After District review, the final version of the TM shall incorporate all District comments (or an explanation of why the comment was dismissed).

Deliverables: Draft and Final technical memorandum summarizing evaluation and recommendation.

Task 2.4 – Consultant shall prepare access point installation design package to prepare for inspections. **Assumption** – effort is based on adding one permanent access manway with launch piping and a precast manhole for access.

Assumption - For the purpose of estimating level of effort for Tasks 3, 4, 6, 7, and 8, Consultant assumes electromagnetic inspection as the selected technology from Task 2.

Task 3 - RFP Development and Vendor Selection Support

Task 3.1 - The Consultant shall prepare an RFP to solicit a Vendor to perform the condition assessment. The Consultant shall prepare performance criteria, objectives, scope of work, reporting requirements, work restrictions, and other requirements needed to make decisions based on the assessment. Consultant shall prepare inspection access plans and phasing plans to support development of the RFP.

#6.

Task 3.2 - After completion of the Draft RFP, Consultant will be required to attend a coordination meeting with the District for review and comment. Consultant shall then incorporate the District's comments and prepare the Final RFP.

Task 3.3 - During the solicitation process, the Consultant shall assist with providing information and clarification of the RFP documents to prospective vendors as requested. Consultant shall assist with vendor rate negotiation.

Deliverables: Draft and Final RFP with supporting documents, and any required addenda.

Task 4 - Permit Acquisition Support

The awarded Vendor will be required to prepare all permit applications and pay applicable fees. The Consultant shall provide permit acquisition support services, including, but not necessarily limited to the following:

Task 4.1 - Attendance at coordination meeting with each of the five (5) Cities.

Task 4.2 - Providing technical support for application materials and acquisition efforts. Consultant shall prepare and provide permit matrix including requirements for entities within project site limits. **Assumption** - Assumed nine entities total.

Task 5 – Review Cathodic Protection Testing and Inspection Report

The Consultant shall review Cathodic Protection Testing and Inspection Report prepared by San Juan Capistrano's consultant. Consultant will review the findings and recommendations and advise if they are applicable to the District.

Deliverables: Letter summarizing comments.

Task 6 – Concrete Vault Condition Assessment

Task 6.1 – The Consultant shall review existing documentation to plan for field activities. Upon review of the documentation and meetings with District staff, the Consultant shall prepare a field inspection plan documenting the assessment approach and safety plan.

Task 6.2 – The Consultant shall conduct confined space entries into the accessible manholes and structures to perform a visual assessment. **Assumption** – since the awarded Vendor will access the same vaults, the RFP will include scope for the Vendor to provide traffic control and confined space entry setup and support. **Assumption** - vault condition assessments will be coordinated with Task 7 - Field Investigation Support and Vendor field investigation schedule. The Consultant will provide a 2-person field crew and necessary assessment

equipment for up to two days onsite. Visual observations of concrete and metal surfaces, such as cracking and corrosion, will be documented with notes and photographs. Locations of observations will be documented by circumferential clock position and their locations will be recorded by distance from the entry points. Observations will be documented and analyzed using standards such as American Concrete Institute (ACI) and National Association of Sanitary Sewer Companies (NASSCO) Manhole Assessment and Certification Program (MACP) along with the Consultant's experience.

Task 6.3 – The Consultant will prepare a summary of the field data collection activities, the results of the condition analysis, and recommended actions including planning level opinions of probable costs per American Association of Cost Engineering International (AACE). The information will be included in the Condition Assessment Report.

Task 7 - Field Investigation Support

Task 7.1 – Consultant shall attend a Kick-off Meeting with the selected Condition Assessment Vendor.

Task 7.2 - The Consultant shall act as technical advisor during field investigation to ensure condition assessment work is completed by the Vendor in compliance with the contract documents. The Consultant is expected to attend site visits and review vendor compliance with the contract documents.

Task 7.3 – Consultant is expected to review submittals, shop drawings, respond to requests for information (RFIs), and resolve field issues as needed.

Assumption – Consultant has assumed 5 submittals/shop drawings and 10 RFIs.

Task 7.4 – Consultant will develop an urgent repair plan that would define how to address defects identified during inspection such as repairs to the pipeline or lining. The plan will be based on MNWD repair specifications.

Task 8 - Condition Assessment Report

Task 8.1 - The Consultant shall analyze the data collected from the assessment to evaluate the physical condition of the pipeline, the estimated remaining service life of the pipeline, and possible causes of corrosion and/or pipe wall loss. Consultant shall then make recommendations for how to proceed with rehabilitation, replacement, or repairs of the pipeline in its entirety or by segments, if needed. Recommended actions shall consider:

- A. Logistical and operational impacts (e.g. hydraulics, access, etc.)
- B. Method of rehabilitation (i.e. slipline, CIPP, etc.) and/or replacement (i.e. open cut, trenchless, etc.)
- C. Conceptual costs

#6.

D. Relative priority

The goal is for the Consultant to establish future capital improvement project(s), if needed.

Task 8.2 - The results of the condition assessment of the Eastern TM and vaults shall be documented in a formal report with sections describing the methods, findings, conclusions, and recommendations. A draft version of the report shall be submitted for District review. The final version of the report shall incorporate all District comments (or an explanation of why the comment was dismissed).

Task 8.3 - Consultant shall conduct a workshop with District staff to present findings and recommendations.

Deliverables:

- Draft Report: three hard copies and one electronic pdf.
- Final Report: five hard copies and one electronic pdf.

Exhibit B Fee Schedule

STAFF TITLE	Jef Neemann, PD	Matt Thomas, PM	Clinton McAdams, PE	Berhany McDonald, Tech Adv	Brian Ball	Jackie Corey	Derek Wurst	Kristi Kuhlmann	Andrew Fuller	Osai Robinson/Austin Cunniff	Bryon Livingston/Dave Chamberlain	Project Controls/Finance	Admin	Total Labor	Labor Fee	Direct Expenses	Total Expenses	Total Fee	Notes	
	BILLING RATE	\$270	\$265	\$160	\$230	\$185	\$160	\$220	\$220	\$180	\$130	\$220	\$110	\$85						
TASK																				
Task 1 Project Management															112	\$19,030	\$500	\$500	\$19,530	
Task 1.1 Project Mangement		24										24	24	72	\$11,040	\$500	\$500	\$11,540		
Task 1.2 Quality Control				16										16	\$3,680		\$0	\$3,680		
Task 1.3 Kickoff Meeting	2	2	8	4						8				24	\$4,310		\$0	\$4,310		
Task 2 Market Assessment and Evaluation of Condition Assessment Technologies															216	\$35,880	\$500	\$500	\$36,380	
Task 2.1 Market Assessment		4	24		16	16	8				8			76	\$13,940		\$0	\$13,940		
Task 2.2 Market Assessment Workshop	2	2	8	8										20	\$4,190	\$500	\$500	\$4,690		
Task 2.3 Market Assessment Technical Memorandum		4	16			16				40			4	80	\$11,720		\$0	\$11,720		
Task 2.4 Access Point Installation Design		2	8	2		4				24				40	\$6,030		\$0	\$6,030	One access manway with precast manhole	
Task 3 RFP Development and Vendor Selection Support															96	\$15,870	\$500	\$500	\$16,370	
Task 3.1 Develop Draft and Final Vendor RFP		2	16	4		16				20			4	62	\$9,510		\$0	\$9,510		
Task 3.2 Vendor RFP Workshop	2	2	4	2										10	\$2,170	\$500	\$500	\$2,670		
Task 3.3 Support During Vendor Solicitation Process		2	16	2		4								24	\$4,190		\$0	\$4,190		
Task 4 Permit Acquisition Support															92	\$16,265	\$0	\$0	\$16,265	
Task 4.1 Attend 5 Coordination Meetings		5	10					5						20	\$4,025		\$0	\$4,025		
Task 4.2 Technical Support Materials		4	16			8		20		20			4	72	\$12,240		\$0	\$12,240		
Task 5 Review Cathodic Protection Report															10	\$2,030	\$0	\$0	\$2,030	
Task 5 Review Cathodic Protection Report		2	2	2					4					10	\$2,030		\$0	\$2,030		
Task 6 Concrete Vault Condition Assessment															130	\$20,140	\$1,000	\$1,000	\$21,140	
Task 6.1 Develop Plan		2	8				4			16				30	\$4,770		\$0	\$4,770		
Task 6.2 Perform Inspection			16							16				32	\$4,640	\$1,000	\$1,000	\$5,640		
Task 6.3 Develop Recommendations		2	16	6						32	8		4	68	\$10,730		\$0	\$10,730		
Task 7 Field Investigation Support															242	\$35,840	\$1,000	\$1,000	\$36,840	
Task 7.1 Kick-off Meeting with Condition Assessment Vendor		2	4							16				6	\$1,170		\$0	\$1,170		
Task 7.2 Site Visits and Vendor Oversight		2	40							40				82	\$12,130	\$1,000	\$1,000	\$13,130		
Task 7.3 Review Shop Drawings, RFIs, and other issues		4	20	4		4	4			80			4	120	\$17,440		\$0	\$17,440		
Task 7.4 Urgent Repair Plan			8	2		8				16				34	\$5,100		\$0	\$5,100		
Task 8 Condition Assessment Report															272	\$45,050	\$500	\$500	\$45,550	
Task 8.1 Data Review and Develop Recommendations		4	40	8		16				20	20			108	\$18,860		\$0	\$18,860		
Task 8.2 Prepare Draft and Final Report		8	40	4		8				60	8		8	136	\$20,960		\$0	\$20,960		
Task 8.3 Findings & Recommendations Workshop	2	2	8	8						8				28	\$5,230	\$500	\$500	\$5,730		
Total Hours	8	81	328	72	16	100	16	25	4	400	44	24	52	1,170						
Total Fee	\$2,160	\$21,465	\$52,480	\$16,560	\$2,960	\$16,000	\$3,520	\$5,500	\$720	\$52,000	\$9,680	\$2,640	\$4,420		\$190,105		\$4,000	\$194,105		

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moulton niguel water district

STAFF REPORT

TO: Board of Directors **MEETING DATE:** April 9, 2020
FROM: Drew Atwater, Director of Finance & Water Resources
SUBJECT: Temporary Bill Adjustment Policy Revisions

SUMMARY:

Issue: The District adopted a revised Budget Modification and Adjustment Policy as part of the Water Budget Based Rate Structure updates in 2018. Staff is proposing temporary modifications to the policy to provide customers support during this time of emergency.

Recommendation: It is recommended that the Board of Directors approve the Temporary Amendment to the Bill Adjustment Policy.

Fiscal Impact: Sufficient Water Efficiency Funds exist for the potential impacts from customer billing adjustments

Reviewed by Legal: Yes.

BACKGROUND:

The District implemented the Water Budget Based Rate Structure (WBBRS) in July 2011; the rate structure was modified by Board action in February 2015 and again in December 2017. The WBBRS calculates an individualized water budget for each customer account given certain parameters based on the type of customer class. The approach is intended to encourage the efficient use of water. The rate structure applies to all customer classes within the District. Customers that use water in excess of their water budget are charged a higher rate that funds programs to promote, educate, or implement water savings or water supply activities, such as the District's rebate program.

In concert with the adoption of WBBRS in 2011, the District adopted Variance Procedures (Procedures) by modifying the Rules and Regulations to provide a mechanism for customers to update their water budgets based on their specific needs through the variance process or to amend charges to their water bills through the bill adjustment process. The Procedures were subsequently revised in April 2015 and again in February 2018 through adopting Exhibit "H" Variance Adjustment &

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Temporary Bill Adjustment Policy Revisions

April 9, 2020

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Allocation Policy for the Moulton Niguel Water District's Water Budget Based Rate Structure.

DISCUSSION:

Staff developed a temporary amendment to the Bill Adjustment Policy given the current global pandemic and consideration that many customers face economic hardship. Under the authority granted to local jurisdictions by Government Code Section 8634 during an emergency, the District may adopt regulations and orders to protect life and property. Based on the impacts of the current pandemic, temporary amendments are proposed to streamline bill adjustments and provide broader eligibility for customers during this state of emergency. Staff recommends the Board adopt the Temporary amendment to the Bill Adjustment Policy.

Attachments:

1. Temporary Amendment to the Bill Adjustment Policy
2. 2018 Water Budget Modification and Bill Adjustment Policy

Temporary Amendment
To
Bill Adjustment Policy

Exhibit H – Water Budget Modification And Bill Adjustment Policy contains procedures and qualified events eligible for bill adjustments for each customer class that is subject to the District’s Water Budget Based Rate Structure.

In recent weeks, federal, state, county and local governments have declared states of emergency in order to respond to prevailing conditions of the COVID-19 global pandemic. For example, the Orange County Health Officer issued an Amended Order, dated March 18, 2020, which sets forth orders and guidance to be followed by residents and businesses in the county.

Government Code Section 8634 provides that during a Local Emergency, the governing body of a political subdivision, such as the District, may promulgate orders and regulations necessary to provide for the protection of life and property.

Pursuant to the authority of the District under the Government Code and the authorities provided to the District under the federal, state and county declarations of emergencies, the District’s Board of Director’s hereby adopts this Temporary Amendment to provide emergency relief to customers to provide temporary expanded provisions for customers impacted by the global health emergency.

During the existence of a declared state of emergency regarding COVID-19 by a federal, state, county or local government, the General Manager is hereby authorized to implement the additional provisions to the bill adjustment policy provided below as well as the necessary procedures to ensure excellent customer service to support the District’s customers in their time of need. During the time that this Temporary Amendment is in effect, any conflicting provisions of the Budget Modification & Bill Adjustment Policy shall be superseded but only to the extent of a conflict.

Section 3 – BILL ADJUSTMENTS

Part 1. Residential Customers

B. Qualifying Events

7. Temporary - Covid-19 Related Economic Or Public Health Hardship

- a. Customers who apply for bill adjustments due to Covid-19 hardships shall be exempt from being required to be back in their individually calculated water budget.
- b. All customer classes are eligible for Covid-19 bill adjustments.
- c. Customers with pending bill adjustments who struggle to get back in budget during the COVID-19 emergency shall be considered without being required to get back in budget
- d. 60 days after both the federal and state of California emergencies are rescinded, this amendment is rescinded.

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Part 2. Commercial Customers

B. Qualifying Events

5. Temporary - Covid-19 Related Economic Or Public Health Hardship

- a. Customers who apply for bill adjustments due to Covid-19 shall be exempt from being required to be back in their individually calculated water budget.
- b. All customer classes are eligible for Covid-19 bill adjustments.
- c. Customers with pending bill adjustments who struggle to get back in budget during the COVID-19 emergency shall be considered without being required to get back in budget
- d. 60 days after both the federal and state of California emergencies are rescinded, this amendment is rescinded.

Part 3. Potable and Recycled Water Irrigation Customers

B. Qualifying Events

5. Temporary - Covid-19 Related Economic Or Public Health Hardship

- a. Customers who apply for bill adjustments due to Covid-19 shall be exempt from being required to be back in their individually calculated water budget.
- b. All customer classes are eligible for Covid-19 bill adjustments.
- c. Customers with pending bill adjustments who struggle to get back in budget during the COVID-19 emergency shall be considered without being required to get back in budget
- d. 60 days after both the federal and state of California emergencies are rescinded, this amendment is rescinded.

EXHIBIT H
WATER BUDGET MODIFICATION AND BILL ADJUSTMENT POLICY
FOR THE MOULTON NIGUEL WATER DISTRICT'S
WATER BUDGET BASED RATE STRUCTURE

This Water Budget Modification and Bill Adjustment Policy provides details on water budget calculations, budget modification procedures, and bill adjustment policies and procedures for customers of the Moulton Niguel Water District. More specifically, Section 2 details the water budget calculations for each customer class, as well as their respective permitted budget modification procedures, while Section 3 contains the procedures and qualified events eligible for bill adjustments for each customer class.

Section 1. DEFINITIONS

For the purposes of this Water Budget Modification and Bill Adjustment Policy, the following words, terms, and phrases shall be defined as follows:

- A. Bill Adjustment – a recalculation of charges on an existing bill.
- B. Billing Unit (BU) – a unit for measuring water usage. One BU equals one hundred cubic feet (CCF) or 748 gallons of water. CCF is synonymous with BU.
- C. Budget Modification – a change in the factors used to calculate a customer's water budget.
- D. California Friendly Landscaping - vegetation meeting Water Use Classifications of Landscape Species (WUCOLS) with low or very low watering needs for the South Coastal Region.
- E. Conversion Factor – the factor used to convert Evapotranspiration, measured in inches, to gallons.
- F. Customer – a person who, according to the District's records, has an account with the District and receives water service or recycled water service to a parcel of property.
- G. Director of Planning - the Director of Planning of the District or his or her authorized designee.
- H. District – Moulton Niguel Water District.
- I. Evapotranspiration (ET) – both the evaporation of water from the land surface and the transpiration of water through plants into the atmosphere. The District measures daily local evapotranspiration at 110 micro-zones throughout its service area.
- J. GPCD – gallons per capita per day.

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- K. I9 Account customers – potable irrigation customers located in high traffic public spaces.
- L. Landscape Establishment Period – The two-month consecutive period immediately following the installation of California Friendly Landscaping.
- M. New Customer Adjustment – A one-time bill adjustment provided courtesy of the District for over-budget water consumption. Exclusively allowed for new customers within the first 12 months of service with District.
- N. Person – any natural person, firm, joint venture, joint stock company, partnership, public or private association, club, company, corporation, business trust, organization, public or private agency, government agency or institution, school district, college, university, any other user of water provided by the District, or the manager, lessee, agent, servant, officer or employee of any of them, or any other entity which is recognized by law as the subject of rights or duties.
- O. Plant Factor - a measurement of the water needs of the specific type of plant that is used to calculate each customer’s outdoor budget within the District’s service area and guidelines provided by state law and the State Water Resources Control Board’s Model Water Efficient Landscape Ordinance. The plant factor is a conversion factor to multiply with daily evapotranspiration to determine the daily watering needs per unit of surface area of plant coverage.
- P. Potable water – water furnished to a customer which complies with federal and State drinking water regulations and standards, or any other applicable standards.
- Q. Property owner (owner) – the owner of a parcel whose name and address appears on the last equalized secured property tax assessment roll, or in the case of any public entity, the representative of that public entity at the address of that entity known to the agency.
- R. Qualifying Event – A unique incident or occurrence eligible for a bill adjustment.
- S. RC9 Account customers – recycled water customers with high traffic public spaces.
- T. Recycled water – water which, as a result of treatment of waste, is suitable for a direct beneficial use or a controlled use that would not otherwise occur and is therefore considered a valuable resource.
- U. State – the state of California, including any department or regulatory agency thereof.
- V. Water Budget – the amount of water representing efficient water use for each customer calculated by the District in accordance with its Water Budget Based Rate Structure.

Section 2 – WATER BUDGET AND BUDGET MODIFICATIONS

Part 1. Residential Customers

Residential customers include single-family detached homes, individually metered condominiums, and multi-family residential customers, including master-metered condominiums and apartments.

A. Water Budgets

The residential water budget is composed of a customer's calculated indoor water budget (Tier 1) and outdoor water budget (Tier 2). The calculations for each respective tier are found below. The District's Water Budget Based Rate Structure is intended to recover the proportionate cost of providing water service and to allocate costs to customers who place the greatest demands on the District's water system. Any usage in excess of a customer's total water budget results in additional costs that their higher demand places on the system. This usage, in excess of a residential customer's total water budget, is reflected in charges in Tiers 3, 4, and 5. In certain limited circumstances, the District may grant bill adjustments for qualified reasons specified in Section 3.

1. Indoor Water Budget
 - a. Indoor water budgets for residential customers are calculated based on the total number of occupants living in a home. Residential customers may request a modification to their indoor water budget to account for a change in the number of household occupants. The indoor water budget for new residential customers will be based on the number of household occupants the customer identifies on their water service application. If the residential customer does not provide the number of household occupants on their water service application, the following values will be used to calculate the customer's indoor water budget: single family customers will be assumed to have four (4) household occupants; multi-family customers living in condominiums will be assumed to have three (3) household occupants; and multi-family customers living in apartments will be assumed to have two (2) household occupants.
 - b. Indoor Water Budget formula: 55 gallons of water per day x the number of household occupants. Each occupant increases the Tier 1 allotment of water for the indoor water budget by 55 gallons per day times the number of days in the billing cycle.
2. Outdoor Water Budget
 - a. Outdoor water budgets are calculated based on the amount of landscaped area. Residential customers may request a modification to their outdoor water budget to account for a change or increase in the amount of landscaped area (e.g. customer replaces hardscape with landscape).

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b. Outdoor Water Budget formula: Landscaped Area (Square Footage) x ET (Evapotranspiration) x 0.7 (Plant Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units.

c. Landscaped area is either determined by the District's Geographic Information System, County Assessor parcel data, site survey conducted by the District, or by customer input through the budget modification process.

B. Modifications to Water Budgets

1. General Information

a. It is the ***sole responsibility of a residential customer to contact the District*** to request a budget modification to his or her base indoor and/or outdoor water budget.

b. Unless otherwise specified in Section 2, Part 1.B.2., a residential customer must submit a Residential Budget Modification Request Form to the District to request a budget modification.

c. Acceptable proof (e.g. site plans) may be required for each budget modification request at the discretion of the District.

d. Once a budget modification is approved, it will become effective on the residential customer's next bill. An approved budget modification request will increase the calculated water budget (Tier 1 and/or Tier 2), and will be determined on a case-by-case basis.

i. No bill adjustments will be made for approved modifications to a residential customer's indoor water budget. However, a residential customer may request a bill adjustment for an approved outdoor water budget modification. For further details on the District's bill adjustment policy, see Section 3.

e. Any residential customer providing falsified information to the District may be liable for back charges. Bill calculations based on falsified information will be recalculated with corrected customer account details.

2. Relevant Factors That May Support a Budget Modification

a. Number of household occupants in a dwelling unit

A residential customer may request a budget modification to change the total number of household occupants used to calculate the customer's indoor water budget.

i. The District allows indoor water budget modification requests to change the total number of household occupants. Although there is no strict limit on the number of times household occupancy can be updated in a given time period, the goal is to minimize excessive changes to household population.

ii. Requests to change the total number of household occupants will not require a formal submission of a Budget Modification Request Form. Residential customers may contact the District directly via telephone or in person to make their requests.

iii. The total number of household occupants is used to calculate the household's monthly wastewater charge. Wastewater charges are comprised of a base wastewater charge plus a per person wastewater charge. Increasing the number of residents will increase the household's monthly wastewater charges; conversely, decreasing the number of occupants will decrease the household's monthly wastewater charges.

b. Landscape Area

Any change in the outdoor water budget due to increased landscaped area will be calculated using the outdoor water budget formula:

Landscaped Area (Square Footage) x ET (Evapotranspiration) x 0.7 (Plant Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units

c. Medical Needs

Budget modification requests for medical needs are considered on a case-by-case basis. Approved medical needs budget modifications will affect the indoor water budget and may increase the calculated water budget (Tier 1).

d. Livestock (weighing over 100 pounds each)

A budget modification to a customer's indoor water budget may be requested for livestock. The District provides 15 gallons per animal over 100 pounds, per day, based on veterinary standards. A budget modification for livestock will be limited to the maximum number of animals (times 15 gallons per animal over 100 pounds) established by the applicable municipal ordinances. Approved livestock budget modifications will affect the indoor water budget and may increase the calculated indoor water budget (Tier 1).

3. Procedure

a. Unless otherwise specified in Section 2, Part 1.B.2., a Residential Budget Modification Request Form must be submitted to the District. Residential Budget

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Modification Request Forms can be obtained at the District's Main Office or online at www.mnwd.com.

- b. Additional documentation may be requested at the discretion of the District (e.g. site plans). The documentation will be for review only. The District will not retain any copies of such additional documentation.
- c. Once a Residential Budget Modification Request Form has been received, a site survey may be required by District staff to verify the customer's landscaped square footage. The site survey will be at no charge to the customer and will require the customer to be present.
- d. A response to budget modification requests will be provided by the District, either by phone or email.
- e. In the event a residential customer budget modification request is denied, the Residential Budget Modification Request Form may be resubmitted for further review. Decisions made by the Director of Planning are final.

Part 2. Commercial Customers

A. Default Water Budgets

The District's Water Budget Based rate structure is intended to recover the proportionate cost of providing water service and to allocate costs to commercial customers who place the greatest demands on the District's water system. Any usage in excess for a customer's total water budget results in additional costs that their higher demand places on the system. This usage, in excess of a commercial customer's total water budget, is reflected in charges in Tiers 2, 3 and 4. In certain limited circumstances, the District may grant bill adjustments to commercial customers for qualified reasons specified in Section 3.

1. Total Water Budget

- a. Commercial customers are given a water budget based on a three (3) year rolling average of each commercial customer's usage. To determine the water budget for commercial customers, the District uses a rolling average of the current month's usage and the usage associated with the respective month from the prior two years to determine the total water budget. Each month's usage is weighted by the number of days in that bill to account for the potential difference in meter read dates for the different years. This 3-year rolling monthly average accounts for typical monthly usage for commercial customers as well as for potential increases in business activity or recent efficiency improvements that may have been made within the current month. See below for an example calculation of the January 2018 water budget for a commercial customer:

$$\left(\frac{\text{Jan 2018 Usage}}{\text{Days in Jan 2018 Bill}} + \frac{\text{Jan 2017 Usage}}{\text{Days in Jan 2017 Bill}} + \frac{\text{Jan 2016 Usage}}{\text{Days in Jan 2016 Bill}} \right) / 3 * (\text{Days in Jan 2018 Bill})$$

b. New commercial customers who do not have a consumption history with the District will be billed at the Tier 1 rate and will not incur any over-budget charges for the first year. After the first year, new commercial customers will be billed as existing commercial customers, and their calculated water budget will be based on the monthly usage in the first year. After two (2) years of consumption history, commercial customers will be billed with a water budget that averages the usage of each respective month within the first two (2) years. After three (3) years, commercial customers will utilize a three (3) year rolling average of each respective month as their calculated water budget.

B. Modifications to Water Budgets

1. General Information

a. It is the ***sole responsibility of a commercial customer to contact the District*** to request a budget modification to its base water budget through a Commercial Budget Modification Request Form.

b. Unless otherwise specified in Section 2, Part 2.B.2., the commercial customer must submit a Commercial Budget Modification Request Form to the District to request a budget modification.

c. Acceptable proof (e.g. lease agreements, site plants) may be required for each budget modification request at the discretion of the District. Some requests may require on-site verification by the District.

d. An approved budget modification will become effective on the bill following the date the District approves the Commercial Budget Modification Request. An approved budget modification request may increase the base water budget (Tier 1) and will be determined on a case-by-case basis.

e. Any commercial customer providing falsified information to the District may be liable for back charges. Bill calculations based on falsified information will be recalculated with corrected customer account details.

2. Relevant Factors That May Support a Budget Modification

a. Changes in business or occupancy

b. Expansion of production capacity and/or new technology

c. Additional employees

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- d. Increased landscaped acreage (mixed use commercial only)
3. Procedure
- a. Unless otherwise specified in Section 2, Part 2.B.2, a Commercial Budget Modification Request Form must be submitted to the District. Commercial Budget Modification Request Forms can be obtained at the District's Main Office or online at www.mnwd.com.
 - b. Additional documentation may be requested at the discretion of the District. The documentation will be for review only. The District will not retain any copies of such additional documentation.
 - c. Once a Commercial Budget Modification Request Form has been received, a site survey may be required by District staff to verify the commercial customer's request. The site survey will be performed at no charge to the customer and will require the customer to be present.
 - d. A response to the budget modification request will be provided by the District, either by phone or email.
 - e. In the event a budget modification request is denied, the Commercial Budget Modification Request Form may be resubmitted for further review. Decisions made by the Director of Planning are final.

Part 3. Potable and Recycled Water Irrigation Customers

A. Default Water Budgets

The District's Water Budget Based Rate Structure is intended to recover the proportionate cost of providing water service and to allocate costs to potable and recycled water irrigation customers (irrigation customers) who place the greatest demands on the District's potable water and recycled water systems. Any usage in excess for a customer's total water budget results in additional costs that their higher demand places on the system. This usage, in excess of a potable or recycled irrigation (irrigation) customer's total water budget, is reflected in charges in Tiers 2, 3 and/or 4. In certain limited circumstances, the District may grant bill adjustments to irrigation customers for qualified reasons specified in Section 3.

1. Outdoor Water Budget

- a. Irrigation customers are given a water budget based on the actual square footage of landscaped area that each meter connection irrigates.

i. Potable Irrigation water budget formula is as follows: Landscaped Area (Square Footage) x ET (Evapotranspiration) x 0.7 (Plant Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units

ii. Recycled Water Irrigation water budget formula is as follows: Landscaped Area (Square Footage) x ET (Evapotranspiration) x 0.8 (Plant Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units

iii. Public Space Irrigation water budget formula for RC9 and I9 Accounts is as follows: Landscaped Area (Square Footage) x ET (Evapotranspiration) x 1.0 (Plant Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units

b. Landscaped area is either determined by the District’s Geographic Information System, site surveys conducted by the District, measurements provided by the Landscape Certification Program, or by customer input through the budget modification process.

B. Modifications to Water Budgets

1. General Information

a. It is the ***sole responsibility of an irrigation customer to contact the District*** to request a budget modification to their base water budget through a District Commercial Budget Modification Request Form.

b. Acceptable proof may be required for each budget modification request at the discretion of the District. Acceptable proof to receive a modification to the default water budget includes, but is not limited to, site plans.

c. An approved budget modification will become effective on the bill following the date the District approves the Commercial Budget Modification Request. An approved budget modification request will increase the calculated water budget (Tier 1) and will be determined on a case-by-case basis.

d. Any irrigation customer providing falsified information to the District may be liable for back charges. Bill calculations based on falsified information will be recalculated with corrected customer account details.

2. Relevant Factors That Could Support a Budget Modification

a. Landscape Area

Increases in landscape area resulting from a site measurement performed by the District or approved site drawing provided by the irrigation customer may increase

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the customer's calculated water budget (Tier 1). Any changes to the water budget due to increases in landscaped area will be calculated using the applicable outdoor water budget formula detailed in Section 2, Part 3.A.1.a.

3 Procedure

a. An irrigation customer requesting a budget modification must submit to the District a Commercial Budget Modification Request Form. Commercial Budget Modification Request Forms can be obtained at the District's Main Office or online at www.mnwd.com.

b. Additional documentation may be requested at the discretion of the District. The documentation will be for review only. The District will not retain any copies of such additional documentation.

c. Once a Commercial Budget Modification Request Form has been received, a site survey may be required by District staff to verify the irrigation customer's request. The site survey will be at no charge to the customer and will require the customer to be present.

d. A response to budget modification requests will be provided by the District either by phone or email.

e. In the event a budget modification request is denied, the Commercial Budget Modification Request Form may be resubmitted for further review. Decisions made by the Director of Planning are final.

Section 3 – BILL ADJUSTMENTS

Part 1. Residential Customers

Residential customers include single-family detached homes, individually metered condominiums, and multi-family residential customers, including master-metered condominiums and apartments.

A. Bill Adjustments

The District's Water Budget Based Rate Structure is intended to recover the proportionate cost of providing water service and to allocate costs to residential customers who place the greatest demands on the District's water system. Any usage in excess for a residential customer's total water budget, which is comprised of Tiers 1 and 2, results in additional costs that their higher demand places on the system. This usage, in excess of a residential customer's total water budget, is reflected in charges in Tiers 3, 4, and 5 on a residential customer's bill. In certain limited circumstances, the District may grant bill adjustments for the qualified events described below. The District retains the right to grant bill adjustments for extraordinary events, provided the residential customer demonstrates timely progress toward resolving issues resulting in over-budget consumption.

1. General Information

- a. It is the ***sole responsibility of a residential customer to contact the District*** to request a bill adjustment by submitting a Residential Bill Adjustment Request Form.
- b. Acceptable proof (e.g. repair receipts, parts receipts, work orders) may be required for each bill adjustment request at the discretion of the District.
- c. Bill adjustment requests must be submitted in a timely manner. Unless otherwise specified in Section 3, Part 1.B., to be eligible for a bill adjustment, the residential customer must submit a Residential Bill Adjustment Request Form to the District within one (1) month of receiving his or her affected bill.
- d. All bill adjustment requests will be determined on a case-by-case basis. Only one bill may be adjusted per qualifying event. The District may adjust either the most recent bill or the higher of the two most recent affected bills.
- e. The residential customer's water usage must be entirely within their water budget within two billing periods of the repair or resolution date of the qualifying event to receive final approval of a bill adjustment.
- f. To be eligible for a bill adjustment, a residential customer must have billed usage in Tiers 4 and/or 5. Units of water consumed in Tiers 1, 2, and/or 3 are not eligible for bill adjustments.

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- g. When a bill adjustment is granted for a residential customer, the billing units of water charged in Tiers 4 and/or 5 will be recalculated at the Tier 3 rate.
- h. The bill adjustment will be made in the form of a credit to the residential customer's account. No checks will be issued. The credit will be posted to the residential customer's account within 30-45 days following the District's approval of the bill adjustment request.
- i. Any residential customer providing falsified information to the District may be liable for back charges. Bill adjustments based on falsified information will be recalculated with corrected customer account details.

B. Qualifying Events

1. Pool Fill

- a. Adjustments to a residential customer's water bill for pool fills, partial or complete draining and refilling, due to general periodic water quality maintenance, pool equipment or plaster repair may be granted once every five (5) years.
- b. Any subsequent pool fills, partial or complete draining and refilling, required within a one year period are eligible to be considered on a case-by-case basis for a bill adjustment.
- c. Refilling due to normal evaporation does not qualify for an adjustment.

2. Leak Repair

- a. Residential customers may request a bill adjustment if they accrue any charges within Tiers 4 and/or 5 due to leaks (indoor or outdoor), stuck irrigation valves, broken pipes, etc.
- b. A residential customer is allowed a maximum of three (3) leak adjustments per year, per account, barring extenuating circumstances, to be determined at staff discretion.
- c. If a residential customer is notified by the District of an apparent leak, the customer must fix the leak within seven (7) days to qualify for a leak repair adjustment.

3. New California Friendly Landscaping – Establishment Period

- a. A residential customer re-landscaping the majority of their outdoor landscaping with new California Friendly Landscaping may request a bill adjustment if they incur usage within Tiers 4 and/or 5 for the first two (2) consecutive months of the landscape establishment period.

b. The residential customer is required to contact the District for each affected bill during the two (2) month establishment period to be eligible for the bill adjustment(s).

c. The new California Friendly Landscaping must be installed between November 1 and April 30 for a residential customer to be eligible for a bill adjustment.

d. Any residential customer's charges within Tiers 4 and/or 5 may be recalculated at the Tier 3 rate for a maximum of two (2) consecutive bills.

4. New Customer Adjustment

a. New residential customers are eligible for one (1) courtesy adjustment within the first twelve (12) months of starting water service within the District for their most recent bill at the time of notification to the District.

5. Irrigation Timer Malfunction

a. Once every three (3) years, a residential customer may be allowed one bill adjustment due to an irrigation timer malfunction.

6. District Approved Bill Modifications

a. No bill adjustments will be made for approved modifications to a residential customer's indoor water budget. See Section 2 for more details on water budget modifications.

b. Residential customers may request a bill adjustment for an approved outdoor water budget modification due to increased landscaped area.

C. Procedure for Requesting Bill Adjustments

1. A Residential Bill Adjustment Request Form must be submitted to the District. Residential Bill Adjustment Request Forms can be obtained at the District's Main Office or online at www.mnwd.com.

2. Additional documentation may be requested at the discretion of the District (e.g., site plans, repair receipts, work orders). The documentation will be for review only. The District will not retain any copies of such additional documentation.

3. Once a Residential Bill Adjustment Request Form has been received, a site survey may be required by District staff to verify the issue causing high usage has been resolved. The site survey will be at no charge to the residential customer and will require the customer to be present.

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4. A response to the bill adjustment request will be provided by the District, either by phone or email.

5. In the event a bill adjustment request is denied, the Residential Bill Adjustment Request Form may be resubmitted for further review. Decisions made by the Director of Planning or the General Manager's designee are final.

Part 2. Commercial Customers

A. Bill Adjustments

The District's Water Budget Based rate structure is intended to recover the proportionate cost of providing water service and to allocate costs to commercial customers who place the greatest demands on the District's water system. Any usage in excess of a commercial customer's total water budget, which is comprised of Tier 1, results in additional costs that their higher demand places on the system. This usage, in excess of a commercial customer's total water budget, is reflected in charges in Tiers 2, 3 and 4 on the customer's bill. In certain limited circumstances, the District may grant bill adjustments for the qualified events described below. The District retains the right to grant bill adjustments for extraordinary events, provided the customer demonstrates timely progress toward resolving issues resulting in over-budget consumption.

1. General Information

a. It is the ***sole responsibility of a commercial customer to contact the District*** to request a bill adjustment by submitting a Commercial Bill Adjustment Request Form.

b. Acceptable proof (e.g. repair receipts, parts receipts, work orders) may be required for each bill adjustment request at the discretion of the District.

c. Bill adjustment requests must be submitted in a timely manner. Unless otherwise specified in Section 3, Part 2.B., to be eligible for a bill adjustment a commercial customer must submit a Commercial Bill Adjustment Request Form to the District within one (1) month of receiving their affected bill.

d. All bill adjustment requests will be determined on a case-by-case basis. Only one bill may be adjusted per qualifying event. The District may adjust either the most recent bill or the higher of the two most recent affected bills.

e. The commercial customer's water usage must be entirely within their water budget (Tier 1) within two billing periods of the repair or resolution date of the qualifying event to receive final approval of a bill adjustment.

f. To be eligible for a bill adjustment, a commercial customer must have billed usage in Tiers 3 and/or 4. Units of water consumed in Tiers 1 and/or 2 are not eligible for bill adjustments.

g. When a bill adjustment is granted for a commercial customer, the billing units of water charged in Tiers 3 and/or 4 will be recalculated at the Tier 2 rate.

h. The bill adjustment will be made in the form of a credit to the commercial customer's account. No checks will be issued. The credit will be posted to the customer's account within 30-45 days following the District's approval of the bill adjustment request.

i. Any commercial customer providing falsified information to the District may be liable for back charges. Bill adjustments based on falsified information will be recalculated with corrected customer account details.

B. Qualifying Events

1. Pool Fill

a. Adjustments to a commercial customer's water bill for pool fills, partial or complete draining and refilling, due to general periodic water quality maintenance, pool equipment or plaster repair may be granted once a year.

b. Any subsequent pool fills, partial or complete draining and refilling, required within a one year period are eligible to be considered on a case-by-case basis for a bill adjustment.

c. Refilling due to normal evaporation does not qualify for an adjustment.

2. Leak Repair

a. Commercial customers may request a bill adjustment if they accrue any usage charges above their water budget within Tiers 3 and/or 4 due to leaks (indoor or outdoor), stuck irrigation valves, broken pipes, etc.

b. A commercial customer is allowed a maximum of three (3) leak adjustments per year per account, barring extenuating circumstances, to be determined at staff discretion.

c. If a commercial customer is notified by the District of an apparent leak, the customer must fix the leak within seven (7) days to qualify for a leak repair adjustment.

3. New California Friendly Landscaping – Establishment Period

#7.

a. A commercial customer re-landscaping its outdoor landscaping with California Friendly Landscaping may request a bill adjustment if it incurs usage with Tiers 3 and/or 4 for the first two (2) consecutive months of the landscape establishment period.

b. The customer is required to contact the District for each billing period during the two (2) consecutive month establishment period in order to be eligible to receive the bill adjustment(s).

c. The new California Friendly Landscaping must be installed between November 1 and April 30 for a commercial customer to be eligible for a bill adjustment.

d. Any charges within Tiers 3 and/or 4 may be recalculated at the Tier 2 rate for a maximum of two (2) monthly bill adjustments.

4. District Approved Bill Modifications

a. Commercial customers may request a bill adjustment for an approved outdoor budget modification. The District may adjust up to the most recent previous bill for a verified increase to the landscaped area. See Section 2 for more details on water budget modifications.

b. All billing units that were billed in Tiers 3 and/or 4 will be recalculated at the Tier 2 rate.

C. Procedure for Requesting Commercial Bill Adjustments

1. A Commercial Bill Adjustment Request Form must be submitted to the District. Commercial Bill Adjustment Request Forms may be obtained at the District's Main Office or online at www.mnwd.com.

2. Additional documentation may be requested at the discretion of the District (e.g. site plans, repair receipts, work orders). The documentation will be for review only. The District will not retain any copies of such additional documentation.

3. Once a Commercial Bill Adjustment Request Form has been received, a commercial site survey may be required by District staff to verify the issue causing high usage has been resolved. The site survey will be at no charge to the commercial customer and will require the customer to be present.

4. A response to the bill adjustment request will be provided by the District, either by phone or email.

5. In the event a bill adjustment request is denied, the Commercial Bill Adjustment Request Form may be resubmitted for further review. Decisions made by the Director of Planning or the General Manager's designee are final.

Part 3. Potable and Recycled Water Irrigation Customers

A. Bill Adjustments

The District's Water Budget Based Rate Structure is intended to recover the proportionate cost of providing water service and to allocate to potable and recycled water irrigation customers (irrigation customers) who place the greatest demands on the District's potable water and recycled water systems. Any usage in excess for an irrigation customer's total water budget results in additional costs that their higher demand places on the system. This usage, in excess of an irrigation customer's total water budget, is reflected in charges in Tiers 2, 3 and/or 4 on the customer's bill. In certain limited circumstances, the District may grant bill adjustments for the qualifying events described below. The District retains the right to grant bill adjustments for extraordinary events, provided the customer demonstrates timely progress toward resolving issues resulting in over-budget consumption.

1. General Information

- a. It is the ***sole responsibility of an irrigation customer to contact the District*** to request a bill adjustment by submitting a Commercial Bill Adjustment Request Form.
- b. Acceptable proof (e.g., repair receipts, parts receipts, work orders) may be required for each bill adjustment request at the discretion of the District.
- c. Bill adjustment requests must be submitted in a timely manner. Unless otherwise specified in Section 3, Part 3.B., to be eligible for a bill adjustment an irrigation customer must submit a Commercial Bill Adjustment Request Form to the District within one (1) month of receiving their affected bill.
- d. All bill adjustment requests will be determined on a case-by-case basis. Only one bill may be adjusted per qualifying event. The District may adjust either the most affected recent bill or the higher of the two most recent affected bills.
- e. The irrigation customer's water usage must be entirely within their individually calculated water budget (Tier 1) within two billing periods of the repair or resolution date of the qualifying event to receive final approval of a bill adjustment.
- f. To be eligible for a bill adjustment, an irrigation customer must have billed usage in Tiers 3 and/or 4. Units of water consumed in Tiers 1 and/or 2 are not eligible for bill adjustments.

#7.

g. When a bill adjustment is granted, the billing units of water charged in Tiers 3 and/or 4 will be recalculated at the Tier 2 rate.

h. The bill adjustment will be made in the form of a credit to the irrigation customer's account. No checks will be issued. The credit will be posted to the customer's account within 30-45 days following the District's approval of the bill adjustment request.

i. Any irrigation customer providing falsified information to the District may be liable for back charges. Bill adjustments based on falsified information will be recalculated with corrected customer account details.

B. Qualifying Events

1. Leak Repair

a. An Irrigation customer may request a bill adjustment if they accrue any usage charges above their water budget within Tiers 3 and/or 4 due to leaks, stuck irrigation valves, broken pipes, etc.

b. An irrigation customer is allowed a maximum of three (3) leak adjustments per year per account, barring extenuating circumstances, to be determined at staff discretion.

c. If an irrigation customer is notified by the District of an apparent leak, the customer must fix the leak within seven (7) days to qualify for a leak repair adjustment.

2. New California Friendly Landscaping – Establishment Period

a. An irrigation customer re-landscaping its property with California Friendly Landscaping may request a bill adjustment if they incur usage within Tiers 3 and/or 4 for the first two (2) consecutive months of the landscape establishment period.

b. The customer is required to contact the District for each billing period during the two (2) consecutive month establishment period in order to be eligible to receive the bill adjustment(s).

c. The new California Friendly Landscaping must be installed between November 1 and April 30.

d. Any charges within Tiers 3 and/or 4 may be recalculated at the Tier 2 rate for a maximum of two (2) monthly bill adjustments.

3. New Customer Adjustment

a. New irrigation customers are eligible for one (1) courtesy adjustment within the first twelve (12) months of starting water service within the District for their most recent bill at the time of notification to the District.

4. District Approved Bill Modifications

a. Irrigation customers may request a bill adjustment for an approved budget modification. See Section 2 for more details on water budget modifications.

C. Procedure for Requesting a Bill Adjustment

1. Irrigation customers must submit a Commercial Bill Adjustment Request Form to the District. Commercial Bill Adjustment Request Forms can be obtained at the District's Main Office or online at www.mnwd.com.

2. Additional documentation may be requested at the discretion of the District (e.g. site plans, repair receipts, work orders). The documentation will be for review only. The District will not retain any copies of such additional documentation.

3. Once a Commercial Bill Adjustment Request Form has been received, an irrigation site survey may be required by District staff to verify the issue causing high usage has been resolved. The site survey will be at no charge to the irrigation customer and will require the customer to be present.

4. A response to the bill adjustment request will be provided by the District, either by phone or email.

5. In the event a bill adjustment request is denied, the Commercial Bill Adjustment Request Form may be resubmitted for further review. Decisions made by the Director of Planning or the General Manager's designee are final.

RESOLUTION NO. 20-___

**RESOLUTION OF THE BOARD OF DIRECTORS OF
MOULTON NIGUEL WATER DISTRICT
PROCLAIMING EXISTENCE OF A LOCAL EMERGENCY**

WHEREAS, conditions of disaster or of extreme peril to the health and safety of persons and property have arisen both internationally and within the United States as a result of the introduction of the novel coronavirus (COVID-19), a novel communicable disease which led to California Governor Gavin Newsom, to proclaim a State of Emergency for California on March 4, 2020; and

WHEREAS, currently COVID-19 has spread globally to more than 70 countries, infecting hundreds of thousands of persons and causing thousands of fatalities worldwide. Due to the expanding list of countries with widespread transmission of COVID-19, and increasing travel alerts and warnings for countries experiencing sustained or uncontrolled community transmission issued by the Centers for Disease Control and Prevention (CDC), COVID-19 has created conditions that are likely to be beyond the control of local resources and require the combined forces of other political subdivisions to combat this virus; and

WHEREAS, a Local Emergency was proclaimed by the County of Orange Board of Supervisors on February 26, 2020; and

WHEREAS, the CDC confirmed person-to-person transmission of COVID-19 in the United States, raising the possibility of community transmission occurring in the general public. This has resulted in a Federal Declaration of National Emergency as declared by President Donald Trump on March 13, 2020; and

WHEREAS, under Government Code section 8634, the Moulton Niguel Water District (“District”), as a political subdivision, is authorized to promulgate orders and regulations necessary to provide for the protection of life and property; and

WHEREAS, the District Board of Directors has the authority to proclaim a local emergency and take actions as set forth in this Resolution; and

WHEREAS, as covered under the California Emergency Services Act, the Board desires to authorize any actions that the District may take to ensure the continuation of critical services to protect the safety of customers and to provide for immunities that will protect the District for actions taken; and

WHEREAS, working with the County of Orange, this proclamation authorizes the undertaking of powers and invoking and disseminating emergency orders (e.g., emergency orders, emergency spending authorities, emergency or pre-established contracting, order necessary Personal Protective Equipment, recovery, etc.) and regulations necessary to provide for the protection of life, property, and the environment; and

#8.

WHEREAS, this proclamation establishes that: (1) an emergency exists; (2) the Emergency Services Act applies; and (3) the California Master Mutual Aid Agreement and any local agreements will be utilized to provide mutual aid if mutual aid of in-county resources is needed to assist the District; and

WHEREAS, this proclamation establishes that an emergency exists, and if out-of-county assistance is needed, requests for mutual aid should follow procedures set forth by the Standardized Emergency Management System (“SEMS”) and the Governor’s Office of Emergency Services (“CalOES”), including obtaining mission numbers through the County of Orange Emergency Management Department from CalOES for responding agencies. This is particularly important for possible reimbursement of extraordinary expenses in the event of a proclaimed “State of Emergency” or in the event of a presidential declaration of disaster when state or federal disaster relief funds become available; and

WHEREAS, the District’s ability to mobilize local resources, coordinate interagency response, accelerate procurement of vital supplies, use mutual aid, and seek future reimbursement by State and Federal governments will be critical to successfully responding to COVID-19; and

WHEREAS, these conditions warrant and necessitate that the District proclaim the existence of a local emergency.

NOW, THEREFORE, the Board of Directors of the Moulton Niguel Water District does hereby **RESOLVE, DETERMINE** and **ORDER** as follows:

Section 1. That the Board of Directors of the Moulton Niguel Water District hereby proclaims the existence of a local emergency and directs District staff to take the necessary steps for the protection of life, health and safety.

Section 2. That during the existence of said local emergency, the powers, functions, and duties of the District shall be those prescribed by state law and by ordinances and resolutions of the District Board.

Section 3. That the District’s General Manager or Assistant General Manager is hereby authorized to furnish information, to promulgate orders and regulations necessary to provide for the protection of life and property pursuant to California Government Code section 8634, to enter into agreements and to take all actions necessary to obtain State emergency assistance to implement preventive measures.

Section 4. That the District’s General Manager, is hereby authorized to take any and all action which may be necessary to apply for and obtain funding and reimbursement from the applicable Federal and State agencies. Such authority includes, but is not limited to, the drafting, execution and submission of applications and other documents. It is the intent of the District to be reimbursed amounts which have been and will be expended with respect to the actions ratified and authorized under this Resolution.

Section 5. That, as determined in the District General Manager’s reasonable discretion, all departments of the District shall review and revise their department emergency and contingency plans to address the risks COVID-19 poses to their critical functions.

Section 6. That all District departments shall track costs for staffing, supplies, and equipment related to COVID-19 preparation and prevention and forward that information to the District’s finance department and complete an Initial Damage Estimate (IDE) Category B, and forward that information to the Orange County Emergency Management Department (“EMD”).

Section 7. That, as determined in the District General Manager’s reasonable discretion, the District’s internal departments shall coordinate District planning, preparedness and response efforts regarding COVID-19 with the Orange County EMD.

Section 8. If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

Section 9. That this Resolution shall take effect immediately.

Section 10. That the recitals set forth above are incorporated herein and made an operative part of this Resolution.

Section 11. That said local emergency shall be deemed to continue to exist until, the earlier of, its termination is proclaimed by the Board of Directors or both the Federal Declaration of National Emergency is terminated by the President and the Local Emergency is terminated by the County of Orange Board of Supervisors.

Section 12. That a copy of this Resolution be forwarded to the Director of California Governor’s Office of Emergency Services requesting that the Director find it acceptable in accordance with State law; that the Governor waive regulations that may hinder response and recovery efforts; that recovery assistance be made available under the California Disaster Assistance Act; and that the State expedite access to State and Federal resources and any other appropriate federal disaster relief programs.

#8.

APPROVED, SIGNED and ADOPTED this 9th day of April, 2020.

MOULTON NIGUEL WATER DISTRICT

President
MOULTON NIGUEL WATER DISTRICT
and the Board of Directors thereof

Secretary
MOULTON NIGUEL WATER DISTRICT
and the Board of Directors thereof

MOULTON NIGUEL WATER DISTRICT
Summary of Financial Results
April 9, 2020

Year to date unaudited results of operations as of February 29, 2020, are summarized below.

Total operating revenues were \$44.5 million for the month ended, which came in at 66% of the budget. Total operating expenses ended at \$48.3 million, which amounted to 61% of the approved budget. Total net Income for the month ended was \$2.3 million.

The District has recorded an unrealized gain on investments held of \$2.6 million. Interest rates have declined, so the securities held by the District that pay a higher interest rate than the going rate in the market have become more valuable. The District continues to work with Chandler investments to determine how best to manage the portfolio.

The District currently has \$3.6 million available in the Water Efficiency Fund for new projects, rebate applications or additional programs. The remaining balance considers \$3.4 million in approved water efficiency program commitments, the fiscal year spending on capital projects, and \$1.5 million in expected additional grant reimbursements for the Smart Meter project.

The District's total unrestricted cash and investments balance at January 31, 2020, was \$140.2 million. Thus far, the District has drawn down \$49.4 million of the \$68.7 million proceeds from the 2019 Certificates of Participation, or 72% of the original issuance.

The District's construction in progress balance has increased by \$29.0 million as the District continues to execute the capital program. The District has spent \$31.5 million on capital projects this fiscal year.

The District holds \$25.4 million invested in three different trustee accounts. The 2015 Revenue Refunding Bonds reserve is currently being met and has a balance of \$1.6 million. The \$4.6 million deposited in the 2019 Revenue Refunding Bonds accounts will be used to pay future debt service payments. The 2019 Certificates of Participation balance of \$19.3 million will be released to the District as the capital program is executed. Each of these accounts held with the Trustee are being actively managed by Chandler Investments.

Based on the approved FY 19/20 Budget, the Board has established a target reserve level of \$69.7 million, and as of February 29, 2020, the District held \$82.2 million in reserves. Additionally, there is \$36.9 million available in the funds designated for capital projects.

Moulton Niguel Water District
All Funds - Budget Comparison Report
Year To Date Totals February 29, 2020

	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	\$ 20,069,822	\$ 19,862,408	\$ 31,512,227	\$ 11,442,405	64%
Recycled Water Sales	3,566,298	3,733,298	6,438,316	2,872,018	55%
Sewer Sales	17,545,693	16,727,718	24,065,352	6,519,659	73%
Water Efficiency	3,052,543	3,412,606	4,764,604	1,712,062	64%
Other Operating Income	243,041	284,220	911,436	668,395	27%
A Total Operating Revenue	44,477,397	44,020,251	67,691,935	23,214,539	66%
<u>Operating Expenses</u>					
Salaries ¹	9,267,414	8,616,684	14,413,800	5,146,386	64%
PERs Employer Contributions ¹	1,679,765	1,477,063	2,547,924	868,159	66%
Defined Contribution 401A ¹	165,317	153,891	265,601	100,284	62%
Educational Courses	36,268	24,772	85,934	49,666	42%
Travel & Meetings	229,793	181,569	387,140	157,347	59%
Recruitment & Employee Relations	6,806	18,127	93,813	87,007	7%
General Services	232,933	232,719	490,292	257,359	48%
Annual Audit	25,073	22,963	62,500	37,427	40%
Member Agencies O&M	231,495	307,334	541,714	310,219	43%
Dues & Memberships	176,509	157,361	253,082	76,573	70%
Consulting Services	1,659,453	1,370,371	3,238,300	1,578,847	51%
Equipment Rental	39,891	32,955	66,500	26,609	60%
District Fuel	183,843	179,231	315,000	131,157	58%
Insurance - District	343,120	206,908	532,850	189,730	64%
Insurance - Personnel	318,105	254,904	469,692	151,587	68%
Insurance - Benefits ¹	2,553,100	2,589,667	3,799,415	1,246,315	67%
Legal Services - Personnel	9,314	17,848	50,000	40,686	19%
Legal Services - General	125,950	1,373,670	770,000	644,050	16%
District Office Supplies	568,705	400,685	840,305	271,600	68%
District Operating Supplies	955,245	310,406	1,295,269	340,024	74%
Repairs & Maintenance - Equipment	785,283	455,053	1,074,550	289,267	73%
Repairs & Maintenance - Facilities	2,073,721	3,274,282	3,950,249	1,876,529	52%
Safety Program & Compliance Requirements	277,863	322,404	366,898	89,035	76%
Wastewater Treatment	6,398,626	7,001,859	9,471,915	3,073,289	68%
Special Outside Assessments ²	27,290	27,412	33,600	6,310	81%
Utilities	1,713,580	1,412,451	2,992,102	1,278,522	57%
Water Purchases	17,396,047	17,061,300	28,997,811	11,601,764	60%
Meter / Vault Purchases	-	107,315	-	-	-
Water Efficiency	830,455	586,690	1,883,000	1,052,545	44%
B Total Operating Expenses	48,310,963	48,179,805	79,289,255	30,978,292	61%
A-B Operating Income (Loss)	(3,833,566)	(4,159,554)	(11,597,320)	(7,763,754)	33%
<u>Non-Operating Revenues (Expenses)</u>					
Property Tax Revenue	16,987,719	16,469,488	28,599,883	11,612,164	59%
Investment Income ³	4,122,158	2,819,111	2,108,233	(2,013,925)	196%
Property Lease Income	1,288,441	1,178,250	1,800,265	511,824	72%
Interest Expense	(2,726,578)	(3,219,209)	(3,027,210)	(300,632)	90%
Misc. Non-Operating Income (Expense)	611,548	2,171,731	933,435	321,887	66%
Capacity and Demand Offset Fees	127,120	132,901	36,000	(91,120)	353%
C Total Non-Operating Revenue (Expenses)	20,410,408	19,552,272	30,414,606	10,004,198	67%
A-B+C Change in All Funds	\$ 16,576,842	\$ 15,392,718	\$ 18,817,286	\$ 2,240,445	
<u>Other Non Cash Expenses</u>					
Depreciation	14,294,049	13,029,000	-	(14,294,049)	n/a
D Total Change in Net Position	\$ 2,282,793	\$ 2,363,718	\$ 18,817,286	\$ 16,534,494	

Note: Totals may not sum due to rounding.

1. The District has capitalized \$1,321,030 in salaries and benefits year-to-to date 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 \$1,505,891 and unrealized income of \$2,616,267.

**Moulton Niguel Water District
All Funds - Budget Comparison Report
Year To Date Totals February 29, 2020
Legal Services - General**

Firm	Water Use		Capital ²	Total
	General ¹	Efficiency ¹		
Alvarado Smith APC	\$ 25,944	\$ -	\$ -	\$ 25,944
Best Best & Krieger LLP	89,988	10,018	55,497	155,503
Total	115,932	10,018	55,497	181,447
Budget Amount	750,000	20,000	-	770,000
Budget Balance	\$ 634,068	\$ 9,982	n/a	\$ 644,050

Note: Totals may not sum due to rounding.

1. Legal Services - General on the previous page is made up of the General balance of \$115,932 and the \$10,018 Water Use Efficiency balance, for a total of \$125,950.
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	\$ 22,000	\$ 93,500
West Yost Associates ³	26,711	166,620
Grants Received ⁴	(2,000,000)	(2,000,000)
Totals	\$ (1,951,289)	\$ (1,739,880)

3. West Yost compiled the AMI WaterSmart final closeout documents for Phase I and II and prepared documents for additional grant applications, including the AMI Phase II and III projects, 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 February 29, 2020

	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	\$ 20,069,822	\$ 11,442,405	64%
Recycled Water Sales	6,438,316	3,566,298	2,872,018	55%
Sewer Sales	24,065,352	17,545,693	6,519,659	73%
Other Operating Income	911,436	243,041	668,395	27%
A Total Operating Revenue	62,927,331	41,424,854	21,502,477	66%
<u>Operating Expenses</u>				
Salaries	13,073,384	8,529,560	4,543,823	65%
PERs Employer Contributions	2,374,048	1,562,492	811,557	66%
Defined Contribution 401A	240,739	152,813	87,926	63%
Educational Courses	79,934	27,170	52,764	34%
Travel & Meetings	347,140	206,519	140,621	59%
Recruitment & Employee Relations	93,813	6,806	87,007	7%
General Services	490,292	232,933	257,359	48%
Annual Audit	62,500	25,073	37,427	40%
Member Agencies O&M	541,714	231,495	310,219	43%
Dues & Memberships	189,857	104,749	85,108	55%
Consulting Services	1,453,300	1,149,320	303,980	79%
Equipment Rental	66,500	39,891	26,609	60%
District Fuel	315,000	183,843	131,157	58%
Insurance - District	532,850	343,120	189,730	64%
Insurance - Personnel	439,306	301,659	137,647	69%
Insurance - Benefits	3,267,475	2,364,490	902,985	72%
Legal Services - Personnel	50,000	9,314	40,686	19%
Legal Services - General	750,000	115,932	634,068	15%
District Office Supplies	493,680	434,243	59,437	88%
District Operating Supplies	1,294,654	952,199	342,455	74%
Repairs & Maintenance - Equipment	969,300	767,498	201,802	79%
Repairs & Maintenance - Facilities	3,950,249	2,073,721	1,876,529	52%
Safety Program & Compliance Requirements	364,548	277,253	87,294	76%
Wastewater Treatment	9,471,915	6,398,626	3,073,289	68%
Special Outside Assessments	33,600	27,290	6,310	81%
Utilities	2,992,102	1,713,580	1,278,522	57%
Water Purchases	28,997,811	17,396,047	11,601,764	60%
B Total Operating Expenses	72,935,710	45,627,635	27,308,075	63%
A-B Operating Income (Loss)	(10,008,379)	(4,202,781)	(5,805,598)	42%
<u>Non-Operating Revenues (Expenses)</u>				
Property Tax Revenue	28,599,883	16,987,719	11,612,164	59%
Investment Income	2,076,671	2,320,654	(243,983)	112%
Property Lease Income	1,800,265	1,288,441	511,824	72%
Misc. Non-Operating Income (Expense)	250,812	134,452	116,361	n/a
C Total Non-Operating Revenue (Expenses)	32,727,631	20,731,266	11,996,365	63%
A-B+C Change in General Fund	\$ 22,719,252	\$ 16,528,485	\$ 6,190,767	67%
<u>Other Non Cash Expenses</u>				
Depreciation	-	14,294,049	(14,294,049)	n/a
D Total Change in Net Position	\$ 22,719,252	\$ 2,234,436	\$ 20,484,816	

Note: Totals may not sum due to rounding.

Moulton Niguel Water District
Water Efficiency Fund - Budget Comparison Report
Year To Date Totals February 29, 2020

	1	2	=1-2	=2/1
Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
WATER EFFICIENCY FUND				
<u>Projected Operating Revenue</u>				
Water Efficiency	\$ 4,764,604	\$ 3,052,543	\$ 1,712,062	64%
A	4,764,604	3,052,543	1,712,062	64%
<u>Projected Operating Expenses</u>				
Labor	2,101,479	1,076,481	1,024,998	51%
Educational Courses	6,000	9,098	(3,098)	152%
Travel & Meetings	40,000	23,274	16,726	58%
Dues & Memberships ¹	63,225	71,760	(8,535)	113%
Consulting Services	1,935,000	510,133	1,424,867	26%
Legal Services	20,000	10,018	9,982	50%
Conservation supplies	347,240	137,508	209,732	40%
Repairs and Maintenance - Equipment	105,250	17,785	87,465	17%
Safety Program & Compliance Requirements	-	610	(610)	n/a
Water Efficiency	1,883,000	830,455	1,052,545	44%
B	6,501,194	2,687,122	3,814,072	41%
A-B	(1,736,590)	365,421	(2,102,010)	-21%
<u>Projected Non-Operating Revenue</u>				
Demand offset fees	36,000	56,673	(20,673)	157%
Grants received ²	-	298,542	(298,542)	n/a
Investment Income	31,562	142,912	(111,350)	453%
C	67,562	498,127	(430,565)	737%
A-B+C	\$ (1,669,028)	\$ 863,548	\$ (2,532,575)	

Note: Totals may not sum due to rounding.

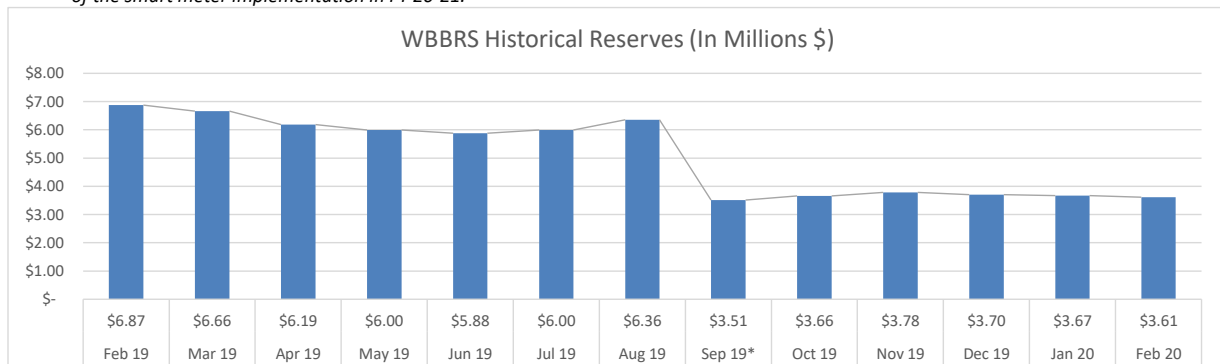
¹ The District participated in the water research foundation this year.

² The District received \$300k in grants related to the Smart Meter project.

Water Efficiency Available Net Position ³

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)	863,548	(2,532,575)
Project Commitments		\$ (3,369,430)	
Capital Spending	(4,742,500)	(1,047,917)	
Fund Net Position, Year To Date Totals February 29, 2020	\$ 754,994	\$ 3,612,723	

3. In addition to realized expenditures, there is approximately \$3,369,430 in project commitments, and \$1,047,917 in capital spending, reducing the available WBBRS reserve balance to \$3,612,723. Additionally, the District anticipates spending another \$4.1 million on Phase III of the smart meter implementation in FY 20-21.



*Note: The District awarded two contracts for the implementation of the Smart Meter project totaling \$5.9 million.

MOULTON NIGUEL WATER DISTRICT
STATEMENT OF NET POSITION

	(Unaudited)	
	February 29, 2020	June 30, 2019
CURRENT ASSETS:		
Cash and investments ¹	\$ 50,710,552	\$ 17,470,320
Accounts receivables:		
Water and sanitation charges	3,640,863	3,761,531
Property taxes	-	309,158
Other accounts receivable	472,356	1,851,349
Interest receivable	600,263	802,315
Inventory	1,414,221	1,054,341
Prepaid expenses	1,844,234	750,393
TOTAL CURRENT ASSETS	58,682,489	25,999,407
NONCURRENT ASSETS:		
Investments ¹	89,515,275	100,897,457
Restricted cash and investments with fiscal agent	25,438,883	5,888,857
Retrofit loans receivable	480,087	490,468
Capital assets, net of accumulated depreciation	369,548,858	381,319,918
Capital assets not being depreciated:		
Land	1,091,910	1,091,910
Construction in progress ¹	42,535,399	13,508,163
TOTAL NONCURRENT ASSETS	528,610,412	503,196,773
TOTAL ASSETS	587,292,901	529,196,180
DEFERRED OUTFLOW OF RESOURCES:		
Deferred Charges on Refunding	350,325	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	5,952,167	6,017,343
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES \$	593,245,068	\$ 535,213,523

1. Total cash and investments has changed \$41,408,076 during this fiscal year. The District issued \$64,570,000 of 2019 Certificates of Participation in November 2019. Additionally, \$31,507,302 has been spent on capital projects and \$11,174,896 has been spent on debt service.

MOULTON NIGUEL WATER DISTRICT
STATEMENT OF NET POSITION

	(Unaudited)	
	February 29, 2020	June 30, 2019
CURRENT LIABILITIES:		
Accounts payable	\$ 6,570,887	\$ 11,487,184
Interest payable	2,047,942	1,069,054
Compensated absences	899,866	869,518
Current portion of long-term debt:		
Bonds payable	1,990,000	3,360,000
Loans Payable ²	-	1,283,260
Certificates of participation	910,000	-
	12,418,695	18,069,016
TOTAL CURRENT LIABILITIES		
LONG-TERM LIABILITIES		
Compensated absences	299,955	289,839
Long-term debt:		
Bonds payable	55,180,000	57,170,000
Loans payable ²	-	3,805,058
Certificates of participation ¹	63,660,000	-
Net Pension Liability	20,386,747	20,386,747
Net OPEB Liability	1,540,822	1,540,822
	141,067,524	83,192,466
TOTAL LONG-TERM LIABILITIES		
Bond Discount/Premium	14,640,090	11,116,102
	168,126,309	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	296,462,272	319,601,072
Restricted for capital projects	254,947	375,294
Unrestricted	127,202,981	101,661,014
	423,920,200	421,637,380
TOTAL NET POSITION		
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	\$ 593,245,068	\$ 535,213,523

Note: Totals may not sum due to rounding.

1. Total cash and investments has changed \$41,408,076 during this fiscal year. The District issued \$64,570,000 of 2019 Certificates of Participation in November 2019. Additionally, \$31,507,302 has been spent on capital projects and \$11,174,896 has been spent on debt service.

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

MOULTON NIGUEL WATER DISTRICT
RESTRICTED CASH AND INVESTMENTS WITH FISCAL AGENT
As of February 29, 2020

	Reserve Requirement	(Unaudited) Balance 2/29/2020	Over (Under) Requirement	Balance 6/30/2019	Outstanding Debt Balance 2/29/2020
Restricted Cash and Investments:					
2015 Refunding Bonds Reserve	\$ 1,226,500	\$ 1,555,233	\$ 328,733	\$ 1,305,081	\$ 8,565,000
2019 Revenue Bonds	-	4,567,780	4,567,780	4,583,776	48,605,000
2019 Certificates of Participation	-	19,315,870 ¹	19,315,870	-	64,570,000
Total Restricted Trust Accounts	\$ 1,226,500	\$ 25,438,883	\$ 24,212,383	\$ 5,888,857	\$ 121,740,000

Note: Totals may not sum due to rounding.

¹ Money available to fund capital projects. Will be drawn down as capital projects are executed.

FY	Remaining Payoff Schedule		
	Principal	Interest	Totals
2019*	\$ -	\$ 826,155	\$ 826,155
2020	2,900,000	5,012,276	7,912,276
2022	3,465,000	4,643,706	8,108,706
2023	3,640,000	4,466,081	8,106,081
2024	3,460,000	4,288,581	7,748,581
2025	3,630,000	4,111,331	7,741,331
2026	3,815,000	3,925,206	7,740,206
2027	4,005,000	3,728,806	7,733,806
2028	4,210,000	3,524,331	7,734,331
2029	4,415,000	3,308,706	7,723,706
2030	4,640,000	3,082,331	7,722,331
2031	4,865,000	2,854,581	7,719,581
2032	5,090,000	2,646,406	7,736,406
2033	5,280,000	2,448,097	7,728,097
2034	5,485,000	2,238,513	7,723,513
2035	5,705,000	2,010,088	7,715,088
2036	5,945,000	1,768,925	7,713,925
2037	6,185,000	1,522,738	7,707,738
2038	6,440,000	1,265,613	7,705,613
2039	6,700,000	995,594	7,695,594
2040	2,490,000	819,600	3,309,600
2041	2,565,000	743,775	3,308,775
2042	2,645,000	665,625	3,310,625
2043	2,725,000	585,075	3,310,075
2044	2,805,000	502,125	3,307,125
2045	2,890,000	416,700	3,306,700
2046	2,975,000	328,725	3,303,725
2047	3,065,000	238,125	3,303,125
2048	3,155,000	144,825	3,299,825
2049	3,250,000	48,750	3,298,750
	\$ 121,740,000	\$ 67,974,222	\$ 189,714,222

*Note: Total principal of \$3,360,000 was paid on 9/1/19. Only \$826,155 in interest payments remain in FY 2020.

MOULTON NIGUEL WATER DISTRICT
NET POSITION
As of February 29, 2020

	Reserve Target	(Unaudited)		Balance 6/30/2019
		Balance 2/29/2020	Net Change	
Adopted Reserve Targets ¹				
Designated for Self Insurance Reserve	\$ 250,000	\$ 239,297	\$ (2,127)	\$ 241,424
Designated for Rate Stabilization	14,299,942	14,825,987	(793)	14,826,780
Designated for Emergency Reserves	35,300,000	35,300,000	-	35,300,000
Designated for Operating Reserves ²	19,859,814	31,824,795	7,623,014	24,201,781
Total Adopted Reserve Targets	\$ 69,709,755	\$ 82,190,079	\$ 7,620,094	\$ 74,569,985
	FY Capital Budget ⁴			
Designated for Capital Projects ³				
Designated for Replacement and Refurbishment	\$ 43,624,388	24,756,428	\$ 21,730,664	\$ 3,025,764
Designated for Water Supply Reliability	-	-	(346,493)	346,493
Designated for Planning and Construction	21,413,204	12,151,791	(4,400,413)	16,552,204
Total Designated for Capital Projects	\$ 65,037,592	\$ 36,908,220	\$ 16,983,759	\$ 19,924,461
Other amounts				
Designated for Water Efficiency (WBBRS) ⁵		\$ 6,982,153	\$ (184,369)	\$ 7,166,522
Restricted for Capital Facilities (Projects)		254,947	(120,347)	375,294
Net Investment in Capital Assets ⁶		296,462,272	(23,138,800)	319,601,072
Total Other amounts		\$ 303,699,372	\$ (23,443,516)	\$ 327,142,888
Total Net Position		\$ 422,797,670	\$ 1,160,336	\$ 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 \$45,360,691.

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 \$71,729,693.

5. In addition to realized expenditures, there is approximately \$3,369,430 in project commitments, and \$1,047,917 in capital spending, reducing the available WBBRS reserve balance to \$3,612,723. Additionally, the District anticipates spending another \$4.1 million on the Smart Meter implementation in FY 20-21.

6. Net Investment in Capital Assets calculated as follows:

Total capital assets	\$ 413,176,167
Less capital related debt	(117,064,220)
Add deferred charges related to debt	350,325
Total Net Investment in Capital Assets	\$ 296,462,272

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

Summary of Disbursements in March:

General Fund Disbursements	\$ 4,127,052
<u>Other Fund Disbursements:</u>	
Water Efficiency Fund	807,743
Replacement & Refurbishment Fund	1,881,249
Planning & Construction Fund	153,571
Total Disbursements for all Funds	<u>2,842,563</u>
	6,969,615

Detail of Major Expenditures in March:

1. Municipal Water District of Orange County (MWDOC)		
January Water Purchases 1450.7 AF	1,312,173	
January Readiness to Serve	113,051	
January Capacity Charge	28,851	
January Turf Removal, Smart Timer Rebates, and Rotating Nozzles	9,759	
January SCP and SAC Operation Treated Surcharges	7,039	
January WaterSmart Residential Rebate Programs	6,600	
January SCP and SAC Operation Untreated Surcharges	857	1,478,330
2. Vadnais Trenchless Services, Inc.		
C #2017009 and C#2017014 Portable and Recycle Water Pipeline Replacement, progress payment #6		958,862
3. Aqua-Metric Sales, Co.		
6000 MXU Single Ports for AMI project		701,234
4. Ferreira Construction Co. Inc.		
C #2010001 650-zone Niguel Road Intertie, progress payment #1	55,835	
Emergency Repair at multiple Locations	<u>134,925</u>	190,761
5. Iflow Energy Solutions, Inc.		
Meters Inventory		130,346
6. Southern Contracting Company		
C #2017001 17-18 Electrical System Improvements, progress payment #2		113,285
7. Hardy & Harper, Inc.		
C #2018010 Valve Replacements	15,373	
C #2019024 Portable Water Service Line Repair	94,462	
Asphalt Paving service at multiple locations	<u>3,068</u>	112,903