

Moulton Niguel Water District

Accountable. Responsible. Efficient.

In 2018, Moulton Niguel Water District will continue to deliver the **lowest average combined water and wastewater bill** in South Orange County. By comparison, the average bill in neighboring agencies can be more than DOUBLE our average customer bill.



ACCOUNTABLE WITH YOUR MONEY

- 💧 Moulton Niguel has earned the coveted "AAA Rating" from the independent credit ratings agency Fitch – the highest rating possible.
- 💧 Moulton Niguel has consistently received a clean audit of financial health from respected, independent accounting firms.



RESPONSIBLE FINANCIAL PLANNING

- 💧 Over the last decade, Moulton Niguel has invested more than \$75 million in local water reliability projects.
- 💧 Moulton Niguel maintains the lowest average bill in South Orange County.



EFFICIENT WITH EVERY DROP

- 💧 Moulton Niguel's partnerships with pioneering organizations has helped maximize water efficiency, deliver water reliability solutions, and save Moulton Niguel ratepayers tens of millions of dollars.
- 💧 Moulton Niguel has been recognized as the "water agency that thrived during California's drought" by a leading independent media outlet reporting on water issues and policy.

Moulton Niguel:
LOWEST AVERAGE BILL IN SOUTH ORANGE COUNTY

UNDERSTANDING YOUR BILL

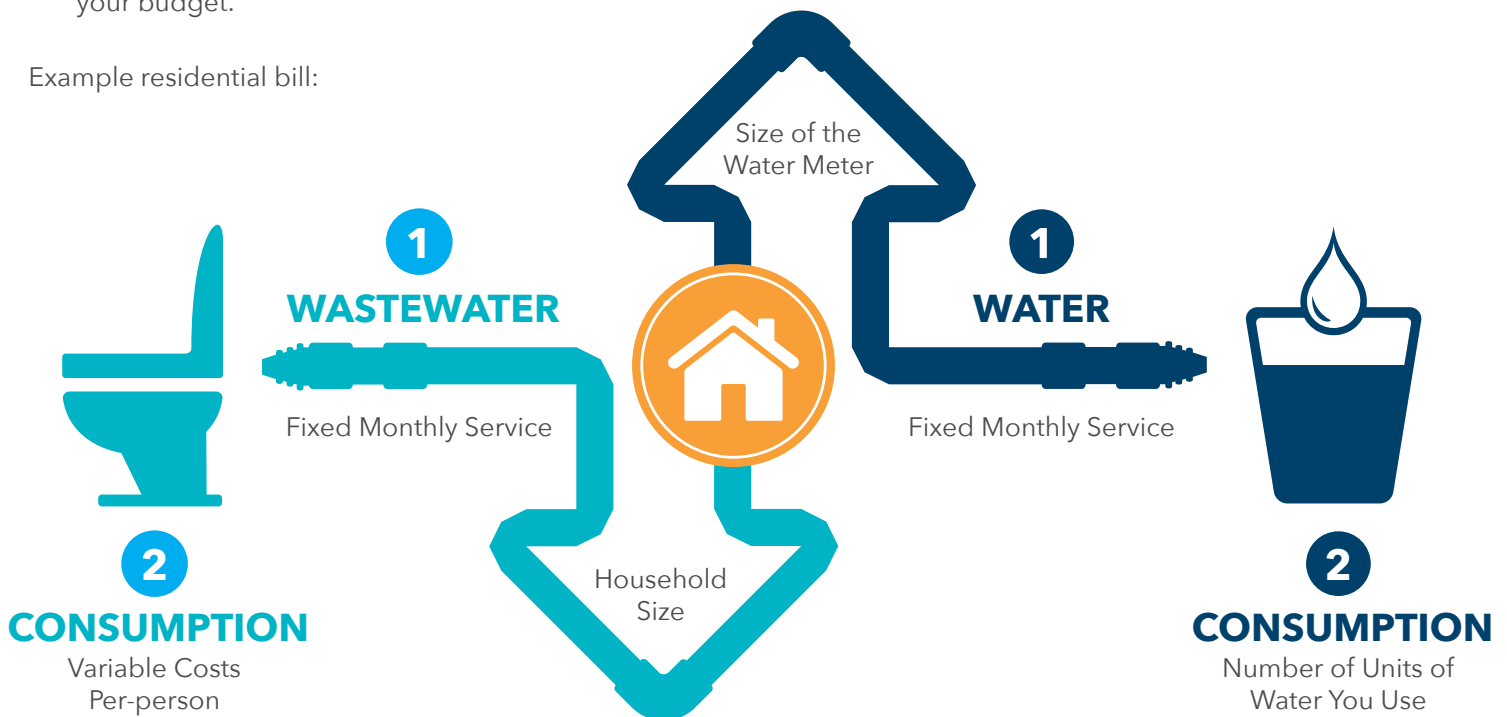
Your **wastewater** bill is proposed to be comprised of two components:

1. **A fixed monthly service charge** representing the share of the District's fixed costs associated with providing ongoing wastewater service to your property.
2. **A per-person charge** representing the share of variable costs associated with providing wastewater service to a household of your size to accurately capture the wastewater treatment cost increases from SOCWA.

Your **water** bill is comprised of two components:

1. **A fixed monthly service charge** that is designed to recover a significant portion of the District's fixed costs (e.g. facility repairs and maintenance, meter reading, billing, customer service costs) and is established based on the size of the water meter serving your property.
2. **A variable volumetric water consumption charge**, which is based on the number of units of water you use. (one unit of water is equal to one hundred cubic feet (HCF), or 748 gallons) Each billing unit of water you use is grouped into a tier based on your individualized water budget, with higher rates assessed for usage in excess of your budget.

Example residential bill:



Check out our Water Budget Bill Calculator www.mnwd.com/billcalculator

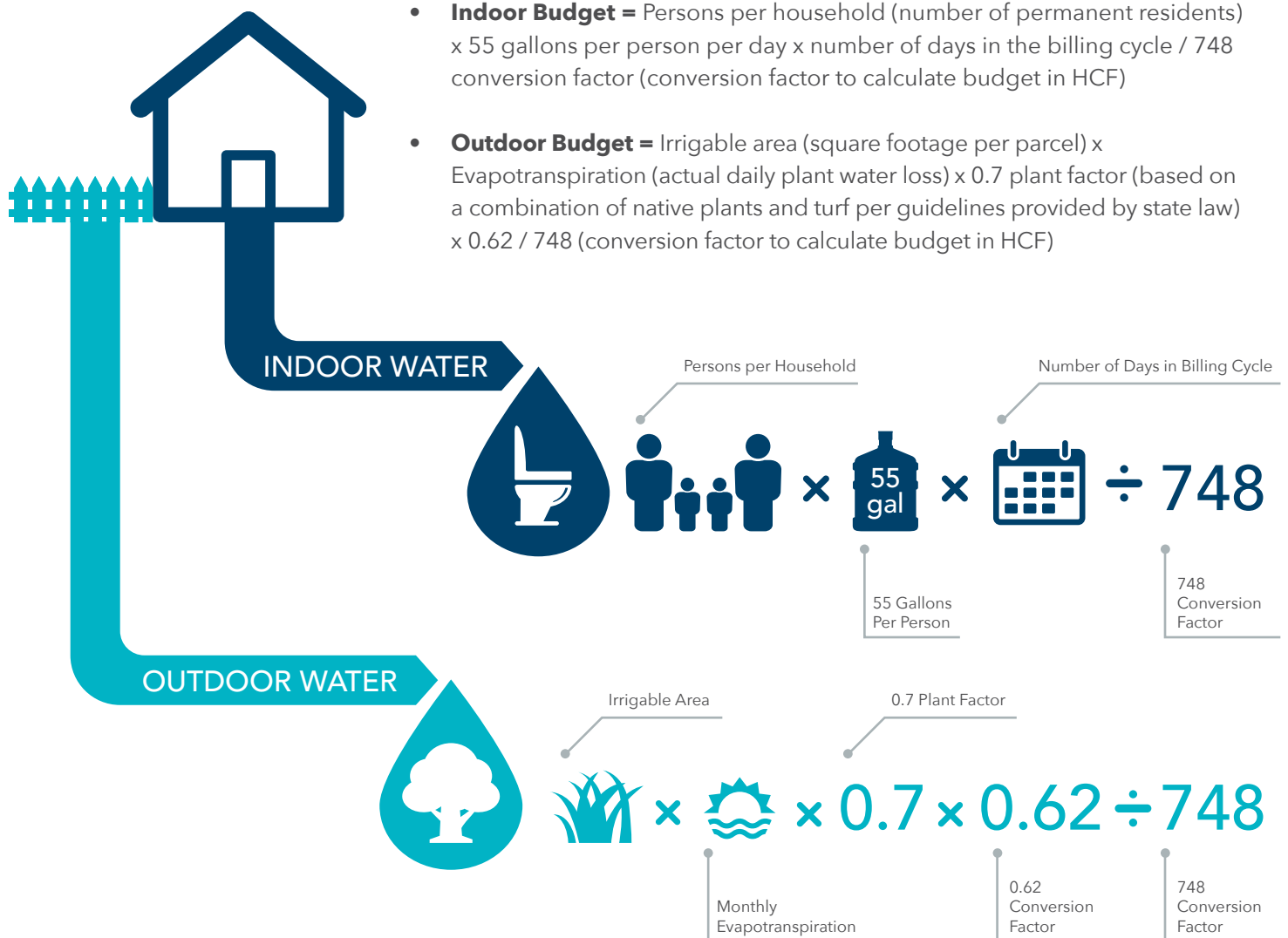
UNDERSTANDING YOUR WATER BUDGET

Every month, each customer receives a calculated “water budget” that represents an efficient volume of water that meets his or her individualized water needs. The proposed rates include an adjustment to 55 gallons per capita per day for indoor budgets to reflect current indoor water use in the District. There are five customer classes: single-family residential, multi-family residential, commercial, irrigation, and recycled water customers.

Single-family and Multi-family Residential customers:

Total Household water budget = Indoor water budget + Outdoor water budget.

All water used by a residential or multi-family customer within his or her calculated indoor water budget is billed at the Tier 1 rate and outdoor water budget is billed at the Tier 2 rate.

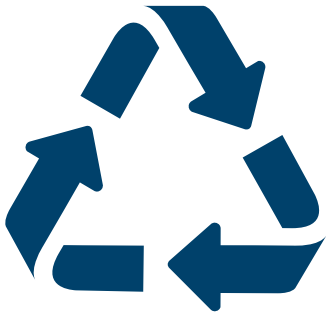




Public Spaces Irrigation Customers:

Total water budget = Irrigable area (square footage per parcel) x Evapotranspiration x 1.0 plant factor x 0.62 / 748 (conversion factor to calculate budget in HCF). All water used by a public spaces irrigation customer within his or her calculated outdoor water budget is billed at the Tier 1 rate.

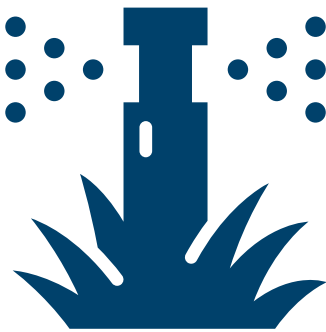
$$\begin{array}{c}
 \text{Irrigable Area} \times \text{Monthly Evapotranspiration} \times 1.0 \times 0.62 \div 748 \\
 \text{1.0 Plant Factor} \quad \text{0.62 Conversion Factor} \quad \text{748 Conversion Factor}
 \end{array}$$



Recycled Water Customers:

Total water budget = Irrigable area (square footage per parcel) x Evapotranspiration x 0.8 plant factor x 0.62 / 748 (conversion factor to calculate budget in HCF). All water used by a recycled water customer within his or her calculated outdoor water budget is billed at the Tier 1 rate.

$$\begin{array}{c}
 \text{Irrigable Area} \times \text{Monthly Evapotranspiration} \times 0.8 \times 0.62 \div 748 \\
 \text{0.8 Plant Factor} \quad \text{0.62 Conversion Factor} \quad \text{748 Conversion Factor}
 \end{array}$$



Irrigation Customers:

Total water budget = Irrigable area (square footage per parcel) x Evapotranspiration x 0.7 plant factor x 0.62 / 748 (conversion factor to calculate budget in HCF). All water used by an irrigation customer within his or her calculated outdoor water budget is billed at the Tier 1 rate.

$$\begin{array}{c}
 \text{Irrigable Area} \times \text{Monthly Evapotranspiration} \times 0.7 \times 0.62 \div 748 \\
 \text{0.7 Plant Factor} \quad \text{0.62 Conversion Factor} \quad \text{748 Conversion Factor}
 \end{array}$$



Commercial Customers:

Total water budget = Calculated as a three-year rolling average of daily water use for the respective billing cycle. All water used by a commercial customer within his or her calculated water budget is billed at the Tier 1 rate.

$$\left(\begin{array}{c} \text{2018} \\ \text{JAN} \end{array} + \begin{array}{c} \text{JAN} \\ \text{JAN} \end{array} + \begin{array}{c} \text{JAN} \\ \text{JAN} \end{array} \right) \div 3 \times \begin{array}{c} \text{JAN} \\ \text{JAN} \end{array}$$

Jan 2018 Usage + Days in Jan 2018 Bill
 Jan 2017 Usage + Days in Jan 2017 Bill
 Jan 2016 Usage + Days in Jan 2016 Bill
 Days in Jan 2018 Bill

Customers who exceed their water budget are billed at rates associated with higher tiers depending on how much excess water is used. The tiers are broken down in the chart below.

Tier Widths Effective January 1, 2018		
	Single-Family, Multi-Family Residential	Commercial, Irrigation and Recycled
Tier 1	Indoor Water Budget	Total Water Budget
Tier 2	Outdoor Water Budget	101% to 125% of Water Budget
Tier 3	101% to 125% of Total Water Budget	126% to 150% of Water Budget
Tier 4	126% to 150% of Total Water Budget	Over 150% of Water Budget
Tier 5	Over 150% of Total Water Budget	-

Exactly How Much Will My Bill Increase?

Moulton Niguel is proposing that the rates for some of its water service charges be increased annually for a four-year period. How these changes might affect your individual bill will vary based on your customer class, the size of your meter, household size, landscape area, and your in-budget water usage. The District has developed an online bill calculator to help explain what these changes might mean for your typical monthly bill based on your individual water budget factors and water use decisions.

What Happens If Wholesale Potable Water Costs Increase More?

While we worked hard to include accurate projected increases to the MWDOC rates in our 2017 Long-Range Financial Plan, to ensure we generate sufficient revenue to continue providing our customers with the best water service, the District is proposing to authorize passing through any increases in the rates for wholesale water and any other charges that MWDOC imposes on the District that are greater than those used to develop the proposed rates. This will only happen if the rate MWDOC imposes on the District is greater than the projected rate, and will only impact the rates of the Volumetric Charges for residential, multi-family, commercial and irrigation customers. If approved by the Board of Directors, the District may annually implement the MWDOC Pass Through Adjustments for a five-year period commencing January 1, 2018, through and including the calendar year beginning January 1, 2022. Provided, however, that (1) any increase in the rates described above as a result of any MWDOC Pass Through Adjustment shall not exceed 10% per year; and (2) in no event shall such rates be increased by more than the cost of providing water service.



Check out our Water Budget Bill Calculator
www.mnwd.com/billcalculator

Proposed Monthly Charges 2018-2021: Potable and Recycled Water

Rates for Monthly Water Service Charges Effective January 1, 2018 (\$/Meter)

	Residential	Multi-Family	Commercial	Potable Irrigation	Recycled Irrigation	Fire Protection [†]
5/8"	\$11.22	\$10.78	\$5.54	\$18.06	\$18.06	\$4.29
3/4"	\$11.22	\$10.78	\$5.54	\$18.06	\$18.06	\$4.29
1"	\$11.22	\$10.78	\$5.54	\$18.06	\$18.06	\$4.29
1.5"	\$37.41	\$25.20	\$18.46	\$60.21	\$60.21	\$14.31
2"	\$59.85	\$37.56	\$29.54	\$96.34	\$96.34	\$22.90
2.5"	-	-	-	-	-	\$36.50
3"	\$130.94	\$76.70	\$64.61	\$210.76	\$210.76	\$50.10
4"	\$224.46	\$128.19	\$110.76	\$361.29	\$361.29	\$85.88
6"	\$467.62	\$262.09	\$230.76	\$752.68	\$752.68	\$178.92
8"	\$673.37	\$375.38	\$332.29	\$1,083.86	\$1,083.86	\$257.65
10"	\$1,084.87	\$601.96	\$535.36	\$1,746.22	\$1,746.22	\$415.10

[†]Fire Protection Water Service Charges are assessed on the basis of connection size

Rates for Volumetric Charges Effective January 1, 2018 (\$/HCF)

	Residential/Multi-Family	Commercial/Potable Irrigation	Recycled Irrigation
Tier 1	\$1.69	\$1.94	\$1.39
Tier 2	\$1.94	\$3.32	\$2.51
Tier 3	\$3.32	\$5.12	\$4.31
Tier 4	\$5.12	\$9.59	\$8.78
Tier 5	\$9.59	-	-

Rates for Monthly Water Service Charges Effective January 1, 2019 (\$/Meter)

	Residential	Multi-Family	Commercial	Potable Irrigation	Recycled Irrigation	Fire Protection [†]
5/8"	\$10.71	\$10.59	\$4.91	\$17.24	\$17.24	\$4.42
3/4"	\$10.71	\$10.59	\$4.91	\$17.24	\$17.24	\$4.42
1"	\$10.71	\$10.59	\$4.91	\$17.24	\$17.24	\$4.42
1.5"	\$35.69	\$24.22	\$16.35	\$57.45	\$57.45	\$14.74
2"	\$57.11	\$35.91	\$26.16	\$91.93	\$91.93	\$23.59
2.5"	-	-	-	-	-	\$37.60
3"	\$124.95	\$72.93	\$57.23	\$201.11	\$201.11	\$51.60
4"	\$214.19	\$121.63	\$98.10	\$344.75	\$344.75	\$88.46
6"	\$446.23	\$248.27	\$204.38	\$718.24	\$718.24	\$184.29
8"	\$642.56	\$355.42	\$294.31	\$1,034.25	\$1,034.25	\$265.38
10"	\$1,035.24	\$569.72	\$474.17	\$1,666.30	\$1,666.30	\$427.55

[†]Fire Protection Water Service Charges are assessed on the basis of connection size

Rates for Volumetric Charges Effective January 1, 2019 (\$/HCF)

	Residential/Multi-Family	Commercial/Potable Irrigation	Recycled Irrigation
Tier 1	\$1.82	\$2.10	\$1.47
Tier 2	\$2.10	\$3.41	\$2.69
Tier 3	\$3.41	\$5.21	\$4.49
Tier 4	\$5.21	\$9.68	\$8.96
Tier 5	\$9.68	-	-

Rates for Monthly Water Service Charges Effective January 1, 2020 (\$/Meter)

	Residential	Multi-Family	Commercial	Potable Irrigation	Recycled Irrigation	Fire Protection [†]
5/8"	\$10.22	\$10.41	\$4.29	\$16.46	\$16.46	\$4.56
3/4"	\$10.22	\$10.41	\$4.29	\$16.46	\$16.46	\$4.56
1"	\$10.22	\$10.41	\$4.29	\$16.46	\$16.46	\$4.56
1.5"	\$34.08	\$23.30	\$14.31	\$54.85	\$54.85	\$15.18
2"	\$54.53	\$34.36	\$22.90	\$87.76	\$87.76	\$24.30
2.5"	-	-	-	-	-	\$38.72
3"	\$119.29	\$69.36	\$50.10	\$192.00	\$192.00	\$53.15
4"	\$204.49	\$115.42	\$85.89	\$329.14	\$329.14	\$91.11
6"	\$426.03	\$235.16	\$178.94	\$685.71	\$685.71	\$189.82
8"	\$613.47	\$336.48	\$257.67	\$987.42	\$987.42	\$273.34
10"	\$988.38	\$539.13	\$415.14	\$1,590.84	\$1,590.84	\$440.38

[†]Fire Protection Water Service Charges are assessed on the basis of connection size

Rates for Volumetric Charges Effective January 1, 2020 (\$/HCF)

	Residential/Multi-Family	Commercial/Potable Irrigation	Recycled Irrigation
Tier 1	\$1.95	\$2.26	\$1.55
Tier 2	\$2.26	\$3.50	\$2.87
Tier 3	\$3.50	\$5.30	\$4.67
Tier 4	\$5.30	\$9.77	\$9.14
Tier 5	\$9.77	-	-

Rates for Monthly Water Service Charges Effective January 1, 2021 (\$/Meter)

	Residential	Multi-Family	Commercial	Potable Irrigation	Recycled Irrigation	Fire Protection [†]
5/8"	\$9.77	\$10.26	\$3.71	\$15.72	\$15.72	\$4.69
3/4"	\$9.77	\$10.26	\$3.71	\$15.72	\$15.72	\$4.69
1"	\$9.77	\$10.26	\$3.71	\$15.72	\$15.72	\$4.69
1.5"	\$32.56	\$22.45	\$12.36	\$52.41	\$52.41	\$15.64
2"	\$52.10	\$32.90	\$19.77	\$83.86	\$83.86	\$25.02
2.5"	-	-	-	-	-	\$39.88
3"	\$113.98	\$66.00	\$43.25	\$183.45	\$183.45	\$54.75
4"	\$195.39	\$109.55	\$74.14	\$314.48	\$314.48	\$93.85
6"	\$407.06	\$222.78	\$154.46	\$655.16	\$655.16	\$195.51
8"	\$586.16	\$318.59	\$222.42	\$943.43	\$943.43	\$281.54
10"	\$944.36	\$510.22	\$358.35	\$1,519.98	\$1,519.98	\$453.59

[†]Fire Protection Water Service Charges are assessed on the basis of connection size

Rates for Volumetric Charges Effective January 1, 2021 (\$/HCF)

	Residential/Multi-Family	Commercial/Potable Irrigation	Recycled Irrigation
Tier 1	\$2.08	\$2.42	\$1.63
Tier 2	\$2.42	\$3.59	\$3.05
Tier 3	\$3.59	\$5.39	\$4.85
Tier 4	\$5.39	\$9.86	\$9.32
Tier 5	\$9.86	-	-

PREPARING FOR ANOTHER DROUGHT

Under state law, Moulton Niguel is required to adopt a Water Shortage Contingency Plan to address specific “stages” of action to be undertaken in case of water supply shortages. Moulton Niguel’s plan establishes 6 water shortage stages to reduce unreasonable and wasteful water use and preserve our water supplies in times of shortage.

- **Stage 1:** No water use restrictions or water budget modifications will be implemented, and no penalties will be levied. However, Moulton Niguel encourages all customers to begin voluntary reduction efforts.
- **Stage 2:** A customer will be subject to a volumetric conservation penalty for each unit of water used in excess of 125% of a customer’s individually calculated water budget.
- **Stage 3-6:** A customer will be subject to a volumetric conservation penalty for each unit of water used in excess of the customer’s individually calculated water budget or modified water budget.

The conservation penalty is imposed on a volumetric basis and is in addition to volumetric consumption charges. The specific water budget modifications and conservation penalty amounts will depend on the stage of water shortage, customer class, and amount of excess water use. See the chart below for details.

Example: If a Residential customer has a monthly water budget of 20 HCF and uses 40 HCF of water, then the customer will have used 200% of his or her monthly water budget. During Stage 2, a Conservation Penalty will be applied to each billing unit of water used in excess of 125% of the customer’s monthly water budget. The following formula will be used to calculate the number of units (one unit = 1 HCF) that will be subject to a Conservation Penalty:

$$\text{Total Consumption} - (\text{Monthly Budget} \times 1.25) = \text{Units Consumed in Excess of 125\% of Monthly Budget}$$

$$40 \text{ units} - (20 \text{ units} \times 1.25) = 15 \text{ units}$$

The Conservation Penalty equals the difference between the Tier 5 and Tier 3 rates. See below for the Conservation Penalty that will be applied during any given calendar year from 2018-2021 for a Single Family/Multi-Family Residential in a **Stage 2** Scenario.

Stage 2 Conservation Penalty			
Tier 5 Water Rate - Tier 3 Water Rate = Conservation Penalty			
Calendar Year	Tier 5 Water Rate (a)	Tier 3 Water Rate (b)	Conservation Penalty (a)-(b)
2018	\$9.59	\$3.32	\$6.27/HCF
2019	\$9.68	\$3.41	\$6.27/HCF
2020	\$9.77	\$3.50	\$6.27/HCF
2021	\$9.86	\$3.59	\$6.27HCF

To calculate the total penalty amount, multiply the number of units delivered to a property in excess of 125% of the monthly budget by the Conservation Penalty. Assuming the year is 2018:

$$\text{Units Delivered in Excess of 125\% of Monthly Budget} \times \text{Conservation Penalty} = \text{Total Penalty}$$

$$15 \text{ units} \times \$6.27 = \$94.05$$

In **Stage 3** and higher, the Conservation Penalty equals the difference between the Tier 5 and Tier 2 rates. See below for the Conservation Penalty that will be applied during any given calendar year from 2018-2021 in Stage 3 - 6:

Stage 3-6 Conservation Penalty			
Tier 5 Water Rate - Tier 2 Water Rate = Conservation Penalty			
Calendar Year	Tier 5 Water Rate (a)	Tier 2 Water Rate (b)	Conservation Penalty (a)-(b)
2018	\$9.59	\$1.94	\$7.65/HCF
2019	\$9.68	\$2.10	\$7.58/HCF
2020	\$9.77	\$2.26	\$7.51/HCF
2021	\$9.86	\$2.42	\$7.44/HCF

The table below provides a summary of the 6 stages:

Stage	Excess Water Use Restriction	Modified Water budget	Conservation Penalty for Residential & Multifamily	Conservation Penalty for Commercial, Irrigation & Recycled
1	Voluntary reduction, no use restriction	not applicable	none	none
2	125% of Water Budget	not applicable	Tier 5 -Tier 3 water rates	Tier 4 -Tier 2 water rates
3	100% of Water Budget	not applicable	Tier 5 -Tier 2 water rates	Tier 4 -Tier 1 water rates
4	100% of Modified Water Budget	outdoor water budget reduced by 40% for Residential, Multifamily & Irrigation; outdoor water budget reduced by 10% for Recycled	Tier 5 -Tier 2 water rates	Tier 4 -Tier 1 water rates
5	100% of Modified Water Budget	outdoor water budget reduced by 70% for Residential, Multifamily & Irrigation; outdoor water budget reduced by 20% for Recycled	Tier 5 -Tier 2 water rates	Tier 4 -Tier 1 water rates
6	100% of Modified Water Budget	outdoor water budget reduced by 100% for Residential, Multifamily & Irrigation; outdoor water budget reduced by 30% for Recycled; in addition, Residential and Multifamily indoor water budget reduced to 40 gallons per person per day	Tier 5 -Tier 2 water rates	Tier 4 -Tier 1 water rates

For water used for construction purposes, where a temporary water meter is provided by the District, the District is proposing the following rate increases:

Rates for Water Construction Meters and Construction Water				
	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
Meter Charge (\$/Month)	\$60.95	\$62.78	\$64.66	\$66.60
Volumetric Charge (\$/HCF) Potable Water	\$2.61	\$2.69	\$2.77	\$2.85
Recycled Water	\$2.15	\$2.21	\$2.28	\$2.35

COST INCREASE PASS THROUGH FROM REGIONAL WASTEWATER PROVIDER

Moulton Niguel is a member agency of the South Orange County Wastewater Authority (SOCWA), and we have contracts with SOCWA and Santa Margarita Water District (SMWD) to treat and discharge our wastewater.

Moulton Niguel performed a detailed review of its wastewater expenses and cost increases, and reviewed its wastewater rate structure to determine the best method for estimating the amount of wastewater discharged (flow) and the amount of the constituents in the wastewater discharged (strength). Because almost all residential indoor water use is returned to the sewer system, and indoor flows are not monitored, the best information for estimating the flow contributed from each residential household is to determine the number of persons in each household based on each residential customer's indoor water budget. Hence, Moulton Niguel is proposing to reduce the rates of the wastewater fixed monthly charge imposed on residential customers for wastewater service and to introduce a new per person charge to capture the flow and strength components of costs to provide wastewater service **due to SOCWA's cost escalation**. The rate for monthly wastewater service charges are structured to recover the District's costs to operate and maintain our wastewater collection system, and to pay SOCWA and SMWD for treating, and disposing of the wastewater.



What Happens If Wastewater Treatment Costs Increase More?

Moulton Niguel anticipates that SOCWA will increase the rates of wastewater treatment and disposal service fees that it imposes on Moulton Niguel. In developing its rates, Moulton Niguel included projected increases in these costs as part of its 2017 Long-Range Financial Plan. To ensure that there are sufficient revenues to continue providing wastewater service to our customers, Moulton Niguel is proposing to authorize passing through any increases in the rates in wholesale wastewater charges imposed on Moulton Niguel by SOCWA that are greater than those projected in its 2017 Long-Range Financial Plan and any other charges that SOCWA may impose on Moulton Niguel (each a "SOCWA Pass Through Adjustment"). If approved by the Board of Directors, Moulton Niguel may annually implement the SOCWA Pass Through Adjustments for a five-year period commencing January 1, 2018, through and including January 1, 2022. Provided, however, that (1) any increase in the rates described above as a result of any Pass Through Adjustment shall not exceed 10% per year; and (2) in no event shall such rates be increased by more than the cost of providing wastewater service.

Your rate increase will depend on your customer class: residential, multi-family, and commercial. Within the commercial customer class there are four subclasses of customers, based on the type of commercial activity and the strength of the wastewater that they discharge into the wastewater system. Typical users within the four subclasses generally include the following:

Commercial Class 1 – banks, car washes, churches, department and retail stores, laundromats, professional offices, schools, and colleges

Commercial Class 2 – beauty and barber shops, hospitals, convalescent facilities, repair shops, service stations, and veterinarian hospitals

Commercial Class 3 – hotels with dining facilities, markets with garbage disposals, mortuaries, and fast-food restaurants

Commercial Class 4 – restaurants, automobile steam-cleaning facilities, and bakeries

The proposed rate increases are listed on the next pages. The proposed rates for the wastewater service fees consist of a fixed monthly charge determined on the basis of the size of the meter serving a property. Residential and Multi-Family customers also are proposed to be charged based on the number of people in the household at either the Census average value or the value updated through the variance process.



Proposed Monthly Charges: 2018-2021

Rates for Monthly Wastewater Variable Charges Effective January 1, 2018 (\$/Person in Household)[†]

	Residential	Multi-Family	Commercial 1	Commercial 2	Commercial 3	Commercial 4
	\$4.31	\$4.31	-	-	-	-

[†]Household size based on Census averages unless updated through customer variance process

Rates for Monthly Wastewater Service Charges Effective January 1, 2018 (\$/Meter Size)

Meter Size	Residential	Multi-Family	Commercial 1	Commercial 2	Commercial 3	Commercial 4
5/8"	\$14.36	\$16.94	\$20.84	\$49.92	\$107.85	\$117.98
3/4"	\$14.36	\$16.94	\$20.84	\$49.92	\$107.85	\$117.98
1"	\$14.36	\$16.94	\$20.84	\$49.92	\$107.85	\$117.98
1.5"	\$14.36	\$51.38	\$64.39	\$161.31	\$354.40	\$388.15
2"	\$14.36	\$80.91	\$101.73	\$256.81	\$565.75	\$619.76
3"	\$14.36	\$174.42	\$219.98	\$559.23	\$1,235.12	\$1,353.26
4"	\$14.36	\$297.44	\$375.55	\$957.11	\$2,115.74	\$2,318.26
6"	\$14.36	\$617.32	\$780.05	\$1,991.64	\$4,405.47	\$4,827.39
8"	\$14.36	\$887.98	\$1,122.30	\$2,866.98	\$6,342.87	\$6,950.43
10"	\$14.36	\$1,429.31	\$1,806.83	\$4,617.72	\$10,217.77	\$11,196.63

Rates for Monthly Wastewater Variable Charges Effective January 1, 2019 (\$/Person in Household)[†]

	Residential	Multi-Family	Commercial 1	Commercial 2	Commercial 3	Commercial 4
	\$4.55	\$4.55	-	-	-	-

[†]Household size based on Census averages unless updated through customer variance process

Rates for Monthly Wastewater Service Charges Effective January 1, 2019 (\$/Meter Size)

Meter Size	Residential	Multi-Family	Commercial 1	Commercial 2	Commercial 3	Commercial 4
5/8"	\$15.15	\$17.87	\$21.99	\$52.66	\$113.78	\$124.46
3/4"	\$15.15	\$17.87	\$21.99	\$52.66	\$113.78	\$124.46
1"	\$15.15	\$17.87	\$21.99	\$52.66	\$113.78	\$124.46
1.5"	\$15.15	\$54.20	\$67.94	\$170.18	\$373.89	\$409.50
2"	\$15.15	\$85.35	\$107.33	\$270.93	\$596.87	\$653.84
3"	\$15.15	\$184.01	\$232.08	\$589.99	\$1,303.05	\$1,427.69
4"	\$15.15	\$313.80	\$396.20	\$1,009.75	\$2,232.10	\$2,445.76
6"	\$15.15	\$651.27	\$822.95	\$2,101.18	\$4,647.77	\$5,092.90
8"	\$15.15	\$936.82	\$1,184.03	\$3,024.67	\$6,691.73	\$7,332.71
10"	\$15.15	\$1,507.92	\$1,906.21	\$4,871.69	\$10,779.75	\$11,812.45

Rates for Monthly Wastewater Variable Charges Effective January 1, 2020 (\$/Person in Household)[†]

	Residential	Multi-Family	Commercial 1	Commercial 2	Commercial 3	Commercial 4
	\$4.80	\$4.80	-	-	-	-

[†]Household size based on Census averages unless updated through customer variance process

Rates for Monthly Wastewater Service Charges Effective January 1, 2020 (\$/Meter Size)

Meter Size	Residential	Multi-Family	Commercial 1	Commercial 2	Commercial 3	Commercial 4
5/8"	\$15.99	\$18.85	\$23.20	\$55.56	\$120.04	\$131.31
3/4"	\$15.99	\$18.85	\$23.20	\$55.56	\$120.04	\$131.31
1"	\$15.99	\$18.85	\$23.20	\$55.56	\$120.04	\$131.31
1.5"	\$15.99	\$57.19	\$71.67	\$179.54	\$394.45	\$432.02
2"	\$15.99	\$90.05	\$113.23	\$285.83	\$629.70	\$689.80
3"	\$15.99	\$194.13	\$244.84	\$622.44	\$1,374.72	\$1,506.21
4"	\$15.99	\$331.06	\$417.99	\$1,065.29	\$2,354.87	\$2,580.28
6"	\$15.99	\$687.09	\$868.21	\$2,216.75	\$4,903.40	\$5,373.01
8"	\$15.99	\$988.34	\$1,249.15	\$3,191.03	\$7,059.77	\$7,736.01
10"	\$15.99	\$1,590.86	\$2,011.05	\$5,139.64	\$11,372.64	\$12,462.13

Rates for Monthly Wastewater Variable Charges Effective January 1, 2021 (\$/Person in Household)[†]

	Residential	Multi-Family	Commercial 1	Commercial 2	Commercial 3	Commercial 4
	\$5.06	\$5.06	-	-	-	-

[†]Household size based on Census averages unless updated through customer variance process

Rates for Monthly Wastewater Service Charges Effective January 1, 2021 (\$/Meter Size)

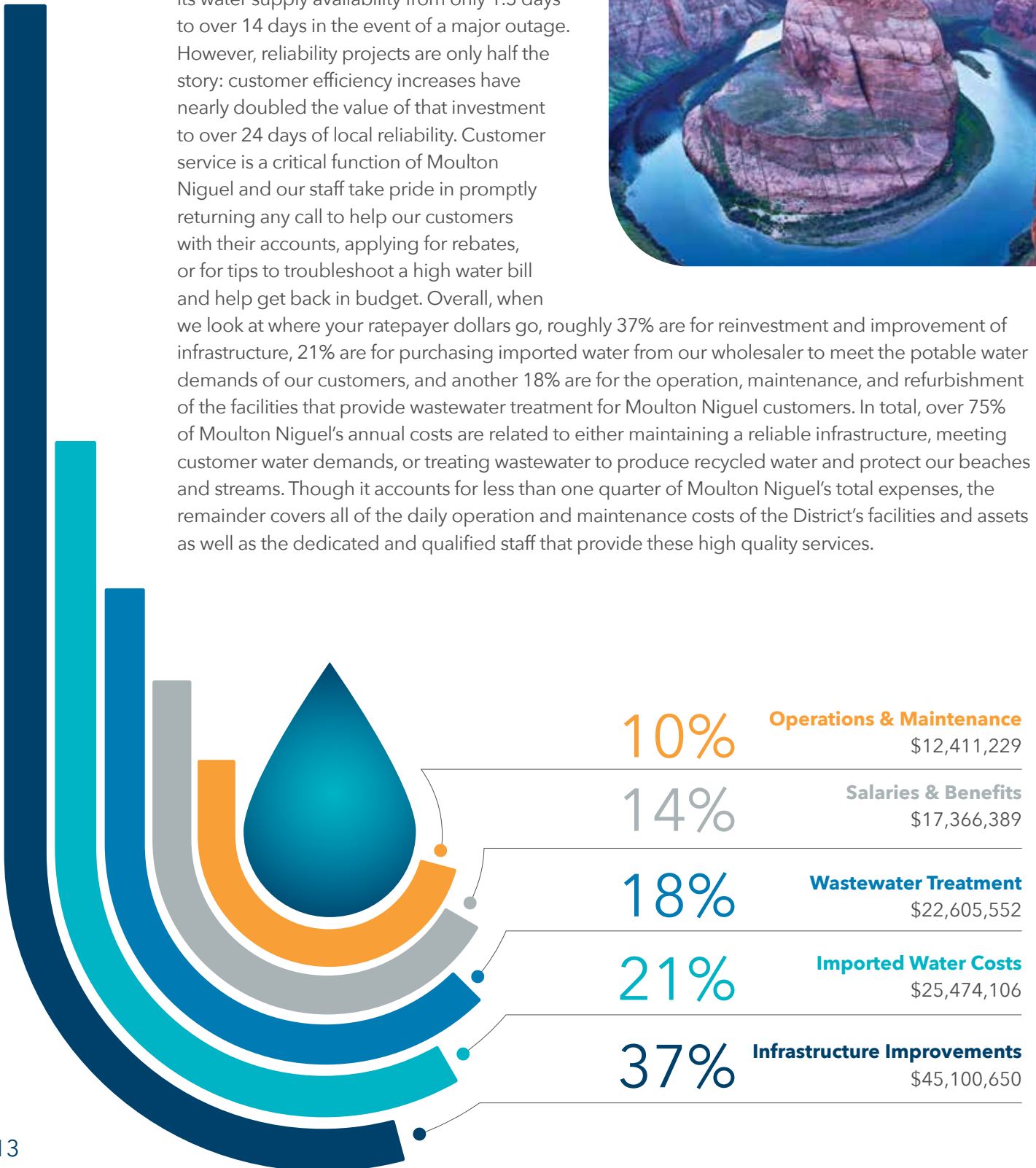
Meter Size	Residential	Multi-Family	Commercial 1	Commercial 2	Commercial 3	Commercial 4
5/8"	\$16.86	\$19.89	\$24.47	\$58.62	\$126.64	\$138.53
3/4"	\$16.86	\$19.89	\$24.47	\$58.62	\$126.64	\$138.53
1"	\$16.86	\$19.89	\$24.47	\$58.62	\$126.64	\$138.53
1.5"	\$16.86	\$60.33	\$75.62	\$189.42	\$416.15	\$455.78
2"	\$16.86	\$95.00	\$119.46	\$301.55	\$664.33	\$727.74
3"	\$16.86	\$204.81	\$258.31	\$656.68	\$1,450.33	\$1,589.06
4"	\$16.86	\$349.27	\$440.98	\$1,123.88	\$2,484.39	\$2,722.20
6"	\$16.86	\$724.88	\$915.96	\$2,338.67	\$5,173.08	\$5,668.52
8"	\$16.86	\$1,042.70	\$1,317.85	\$3,366.53	\$7,448.06	\$8,161.49
10"	\$16.86	\$1,678.35	\$2,121.66	\$5,422.32	\$11,998.13	\$13,147.55

Where Your Dollar Goes

For over 50 years, Moulton Niguel has been dedicated to cost-effectively providing safe and reliable water, recycled water, and wastewater services that protect the water resources and the public health of our community of more than 170,000 residents living within the cities of Aliso Viejo, Laguna Niguel, Laguna Hills, Mission Viejo, San Juan Capistrano, and Dana Point. Moulton Niguel has remained committed to providing these essential services at a great value to customers like you. Over the last decade, Moulton Niguel has invested over \$75

million in local reliability projects to increase its water supply availability from only 1.5 days to over 14 days in the event of a major outage. However, reliability projects are only half the story: customer efficiency increases have nearly doubled the value of that investment to over 24 days of local reliability. Customer service is a critical function of Moulton Niguel and our staff take pride in promptly returning any call to help our customers with their accounts, applying for rebates, or for tips to troubleshoot a high water bill and help get back in budget. Overall, when

we look at where your ratepayer dollars go, roughly 37% are for reinvestment and improvement of infrastructure, 21% are for purchasing imported water from our wholesaler to meet the potable water demands of our customers, and another 18% are for the operation, maintenance, and refurbishment of the facilities that provide wastewater treatment for Moulton Niguel customers. In total, over 75% of Moulton Niguel's annual costs are related to either maintaining a reliable infrastructure, meeting customer water demands, or treating wastewater to produce recycled water and protect our beaches and streams. Though it accounts for less than one quarter of Moulton Niguel's total expenses, the remainder covers all of the daily operation and maintenance costs of the District's facilities and assets as well as the dedicated and qualified staff that provide these high quality services.



NOTICE OF PUBLIC HEARING

Concerning Proposed Rate Increases and Adjustments to Moulton Niguel Water District Water, Recycled Water, and Wastewater Service Fees

The Board of Directors of the Moulton Niguel Water District (Moulton Niguel) invites the public to attend a public hearing to be held on December 11, 2017, at 6 p.m. in the Boardroom of the Moulton Niguel Headquarters at 27500 La Paz Road, Laguna Niguel, CA 92677, to consider all oral testimony and written protests to, and the adoption of, increases and adjustments in the rates for its water, recycled water, and wastewater service fees.

With the proposed rate schedule, Moulton Niguel customers will continue to enjoy the lowest monthly bills for water and wastewater services when compared to their South Orange County neighbors who receive water and wastewater services from neighboring utilities. This notice and brochure provide information on the essential community services that are funded by Moulton Niguel's service charges, the reasons for the proposed rate increase and adjustments, the basis upon which the rates are calculated, how to calculate your bill under the new schedules, and information on the public hearing where the rates will be considered. If you have any questions regarding the information provided in this notice, or the rates applicable to your property, please contact **Drew Atwater, Director of Planning, at (949) 448-4027**.

Moulton Niguel constantly strives to control costs and make prudent investments to provide the highest level of service and value to our customers. To do so, we maintain a Long Range Financial Plan that is updated on a regular basis to capture all of Moulton Niguel's costs, identify opportunities for mitigating cost increases, and ensure that sufficient revenues are available to continue providing essential utility services to our customers. As part of these efforts and our fiduciary responsibility to our customers, Moulton Niguel has rigorously identified opportunities to cost-effectively reinvest in our capital infrastructure and continue to expand upon the exceptional level of service we provide to our customers. Moulton Niguel has developed a ten-year capital improvement program that will invest approximately \$300 million in critical system infrastructure and essential capital projects necessary to maintain the system and supply reliability our customers enjoy today. In addition to the necessary and cost effective investment in our capital infrastructure, Moulton Niguel faces increasing cost pressures from our wastewater treatment and water wholesaler providers.

A direct contributor to the rate increases for Moulton Niguel's wastewater service fees is the large increase in the costs imposed on Moulton Niguel by the South Orange County Wastewater Authority (SOCWA), a Joint Powers Authority that was initially formed to consolidate small or isolated wastewater treatment plants and instead provide wastewater treatment opportunities on a regional scale. Today, Moulton Niguel pays SOCWA to operate and maintain three of the District's four regional wastewater treatment facilities. As SOCWA's rates to treat wastewater increase, Moulton Niguel to review opportunities for ensuring cost-effective wastewater treatment services.

Currently, 100 percent of Moulton Niguel's potable water (i.e. drinking water) supply is imported from the Sacramento Bay Delta and the Colorado River by the Metropolitan Water District of Southern California (MWDSC). Moulton Niguel purchases the imported potable water from the Municipal Water District of Orange County (MWDOC), a regional water wholesaler that collectively purchases water on behalf of its retail agencies from MWDSC. MWDSC will be increasing its wholesale water rates by an average of 4.5 percent each year for the next 10 years.

Any record owner of a parcel upon which the fees are proposed for imposition, or any tenant who is directly responsible for the payment of water, recycled water, or wastewater service fees (i.e., a customer of record who is not a property owner), may submit a written protest to the proposed rate increases to Moulton Niguel's water, recycled water, and wastewater service fees; provided, however, only one protest will be counted per identified parcel. Each protest must: (1) be in writing; (2) state whether the protest is submitted in opposition to the rate increases to the water, recycled water, wastewater service fees, or the MWDOC Pass Through Adjustments, or SOCWA Pass Through Adjustments; (3) provide the location of the identified parcel (by street address, assessor's parcel number, or service address number); and (4) include the name and signature of the person submitting the written protest. Written protests may be submitted by mail or in person to Moulton Niguel's office at 27500 La Paz Road, Laguna Niguel, CA 92677. Written protests may also be submitted at the public hearing (see date, time and location above). All written protests must be received by Moulton Niguel prior to the conclusion of the public input portion of the Public Hearing. Please identify on the front of the envelope for any protest, whether mailed or submitted in person, that the enclosed protest is for the Public Hearing on Proposed Rate Increases. Any protest submitted via e-mail or other electronic means will not be accepted as a formal written protest.

The Board of Directors will consider all written protests timely submitted and hear and consider all public comments made at the public hearing. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. At the conclusion of the public hearing, the Board of Directors will determine whether to adopt the proposed rate increases, rate adjustments, and Pass Through Adjustments described in this notice.

If, after the close of the public hearing, written protests against the proposed rate increases, rate adjustments, and Pass Through Adjustments as outlined above are not presented by a majority of the record owners or customers of record of the identified parcels upon which they are proposed to be imposed, the Board of Directors will be authorized to impose the rate increases, rate adjustments, and Pass Through Adjustments.


moulton niguel water district
27500 La Paz Road
Laguna Niguel, CA 92677

Presorted Standard
U.S. Postage
PAID
San Bernadino, CA
Permit No. 3238

NOTICE OF PUBLIC HEARING

Date & Time: December 11, 2017 at 6 PM
Location: 27500 La Paz Road, Laguna Niguel, CA 92677



moulton niguel water district

LOWEST AVERAGE BILL IN SOUTH ORANGE COUNTY

In 2018, the Moulton Niguel Water District will continue to provide our customers with high-quality water and reliable service - with the **lowest average bill** in South Orange County.

Under Moulton Niguel's proposed rate schedule, our customers will still pay **less than half** the cost of neighboring communities in South Orange County.

DATE SCHEDULED FOR PUBLIC HEARING

Proposed Increases and Adjustments to Water, Recycled Water, and Wastewater Rates and Service Charges

Date & Time: December 11, 2017 at 6 PM
Location: 27500 La Paz Road, Laguna Niguel, CA 92677
Questions: Call Drew Atwater, Director of Planning, 949-448-4027



Check out our Water
Budget Bill Calculator
[www.mnwd.com/
billcalculator](http://www.mnwd.com/billcalculator)