

RESPONSIBLE INNOVATIVE EFFICIENT

We recognize today's challenges and the uncertainty of the future. Through responsible planning, innovation and engagement with customers like you, we've built resilience to carry us through these tough times.

In 2022, Moulton Niguel Water District will continue to deliver the lowest average bill in South Orange County. Moulton Niguel is committed to providing our customers with low rates, while continuing to provide reliable service, and improving our operations and infrastructure.



RESPONSIBLE PLANNING

Top credit rating agencies, Fitch Ratings and S&P Global, affirmed AAA ratings for Moulton Niguel. According to the financial experts, the AAA credit ratings reflect strong creditworthiness, financial management, and responsible long-term planning.



INNOVATIVE THINKING

Partnerships with forward-thinking organizations and our customers have helped Moulton Niguel improve water reliability that will save our ratepayers tens of millions of dollars. Innovative programs like our state-of-the-art smart meters and customer portal will help our customers manage their water use and receive leak notifications.



EFFICIENT WITH EVERY DROP

Moulton Niguel offers an array of water efficiency programs and rebates for turf removal and devices to help our customers save money and stay within their water budgets.

We've built resiliency thanks to the ongoing partnerships with our residents and businesses.



To Our Valued Customer,

On behalf of all of us at Moulton Niguel Water District, it is an honor to serve as your public water and wastewater utility provider.

Every time you pay your monthly bill, you're making an investment in our local water and wastewater systems. Your ratepayer dollars are put to work building our robust infrastructure, financing our reliable water supply, and funding our water quality systems that keep our water safe. We know you work hard for your money. That's why we work hard to treat your dollars as our own by providing safe and reliable water service at the lowest rates possible.

In 2022, Moulton Niguel will continue to deliver the lowest average bill in South Orange County.

As a public utility agency, we rely on rates to keep our infrastructure and operations running. We are not-for-profit, and by law, must make sure that we only recover the costs of service to our customers. Strict legal requirements guide our rate-setting process to ensure compliance.

We conduct extensive analyses and financial forecasts supported by leading financial and legal experts in the industry. Our financial planning and rates have received statewide recognition for being fiscally sound and responsible, but your support is most important to us. Our proven track record of advanced planning and preparedness has positioned us well as we face the changing and unprecedented world around us.

Our rate structure incorporates feedback from our customers and stakeholders in order to meet their needs and expectations. Through a series of public meetings, our customers have the opportunity to share their input on the rate structure. We take great pride in our customers' satisfaction and confidence in our work. We seek to be transparent in how we set rates.

Through this notice, we invite you to review our rate structure, proposed changes to the rates, explanation for the calculations, potential impact to your bill with the new rates, our thought process in identifying future needs, and our efforts to anticipate and prepare for uncertain future conditions that can significantly impact you.

These are unprecedented times, and it serves as a reminder of the importance of being resilient. In our business, we can't fail. Through past crises, we have learned that we can't be successful without your help and participation. That's why our strategy for resiliency - whether it's the drought, pandemic, or other natural disasters - is to work with you to identify and implement the best solutions to keep our water flowing no matter what. Our team is available to you: to answer any questions, listen to your suggestions, and share our long-term plans. Together, we can be resilient, for today and the future. Thank you again, and we look forward to hearing from you.


Joone Lopez,
General Manager

PLANNING FOR UNCERTAINTY

Your Investments Fund Our Robust & Reliable Infrastructure

Moulton Niguel reinvests your ratepayer funds back into infrastructure projects and technological upgrades that are critical to sustaining safe and reliable water and wastewater service. Moulton Niguel's \$611 million 10-year Capital Improvement Plan invests in rehabilitating and upgrading our reservoirs, pump stations, transmission mains, valves, and treatment plants, along with the investments in water reliability projects.



ACCOUNTING FOR RECORD INFLATION

Record inflation impacts everyone, including our water agency. Moulton Niguel continues to plan and prepare for rising inflation. Both Fitch Ratings and S&P Global Ratings have each assigned Moulton Niguel the highest possible credit rating of AAA.

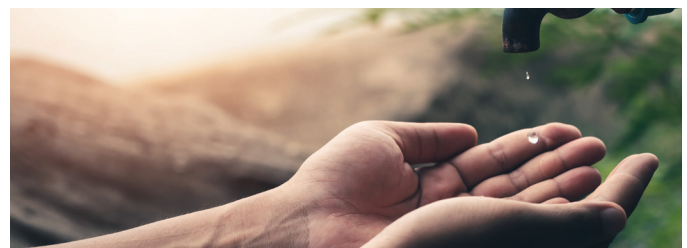


CONSERVING DURING THE DROUGHT

California is facing extreme or exceptional drought conditions. Our drinking water provider, the Metropolitan Water District of Southern California, has declared a Water Supply Alert. During a drought, we all need to do our part to use water efficiently which will help mitigate water cost increases.

PREPARING FOR NATURAL DISASTERS

From wildfires to earthquakes, we're preparing for natural disasters and public emergencies. We have made substantial investments to increase our water service reliability. In the unlikely event of a major outage we have emergency water supplies and storage to draw upon and will continue to meet your water needs.



IMPLEMENTING STATE MANDATES

To comply with state law, Moulton Niguel maintains a "Water Shortage Contingency Plan" which outlines a range of voluntary and mandatory response actions we may implement during statewide drought restrictions.

WHY IS A NEW RATE SCHEDULE BEING CONSIDERED?

Moulton Niguel Water District is a public agency whose rate setting is regulated by state law. The District may only charge its customers for the cost associated with providing water and wastewater services. It cannot charge rates that result in a profit. The District has identified the need for additional funds to support increasing costs in the following areas:



CAPITAL INFRASTRUCTURE IMPROVEMENTS AND MAINTENANCE

Moulton Niguel invests ratepayer funds into projects that are critical to sustaining water delivery and wastewater service to over 170,000 customers. Moulton Niguel's \$611 million 10-year Capital Improvement Plan includes ongoing rehabilitation of the District's treatment plants, reservoirs, pump stations, and transmission mains, as well as valve replacements and future water reliability projects.



WATER RELIABILITY & EFFICIENCY

Moulton Niguel encourages its customers to use water efficiently to preserve water supplies. This is particularly important during the current drought and requires an increased investment in water supply, efficiency, and conservation programs to support the District's customers and enhance local reliability.



PURCHASE AND DELIVERY OF IMPORTED WATER

Your drinking water is imported by the Metropolitan Water District of Southern California from the Colorado River and Northern California. Their cost for water is projected to steadily increase by 4-6% annually. In addition to the higher cost of water, Moulton Niguel must also pay increased energy rates to pump and deliver water throughout its entire service area.



WASTEWATER TREATMENT

Wastewater must be safely collected, treated, and disposed of to meet all permit and environmental requirements. Moulton Niguel must maintain its sewer system in order to avoid any spills, which can lead to environmental impacts and substantial fines. Wastewater costs are increasing due to investments in collection and treatment systems, inflationary impacts, and rising costs from our regional provider.

UNDERSTANDING YOUR WATER-BUDGET RATE STRUCTURE

After the 2009-2010 drought, Moulton Niguel learned that it's not about asking customers to use less water; rather, it's about *wasting* less water. To encourage efficient use, Moulton Niguel implemented its water budget-based rate structure in 2011. This tiered system provides customers with individually calculated water budgets based on their unique circumstances and preserves customer choice in how they use their water. Inefficient use places greater demands on Moulton Niguel's water supplies and is therefore subject to higher water use rates. Revenues generated from the higher rates are used to offset the increased cost of providing water at such levels including investing into alternative water supply programs, rebates and water use efficiency or conservation programs to increase the efficient use of water. Fostering this partnership with our customers and providing them with the opportunity to make informed decisions about their water usage has created significant reliability benefits: customers' response to Moulton Niguel's rate structure and water shortage planning resulted in a reduction of over 1.3 billion gallons in peak summer water use during the last drought.

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 HAVE BEEN EFFECTIVE SINCE APRIL 1, 2015		
	Single-Family, Multi-family Residential	Commercial, Potable Irrigation and Recycled Irrigation
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	



UNDERSTANDING YOUR WATER BUDGET

Every customer has a unique water budget, based on the type of water used, the number of people in your household, the number of days in your billing cycle, irrigable area per parcel, landscaping factor, and evapotranspiration rate.

Single-family and Multi-family Residential Customers

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

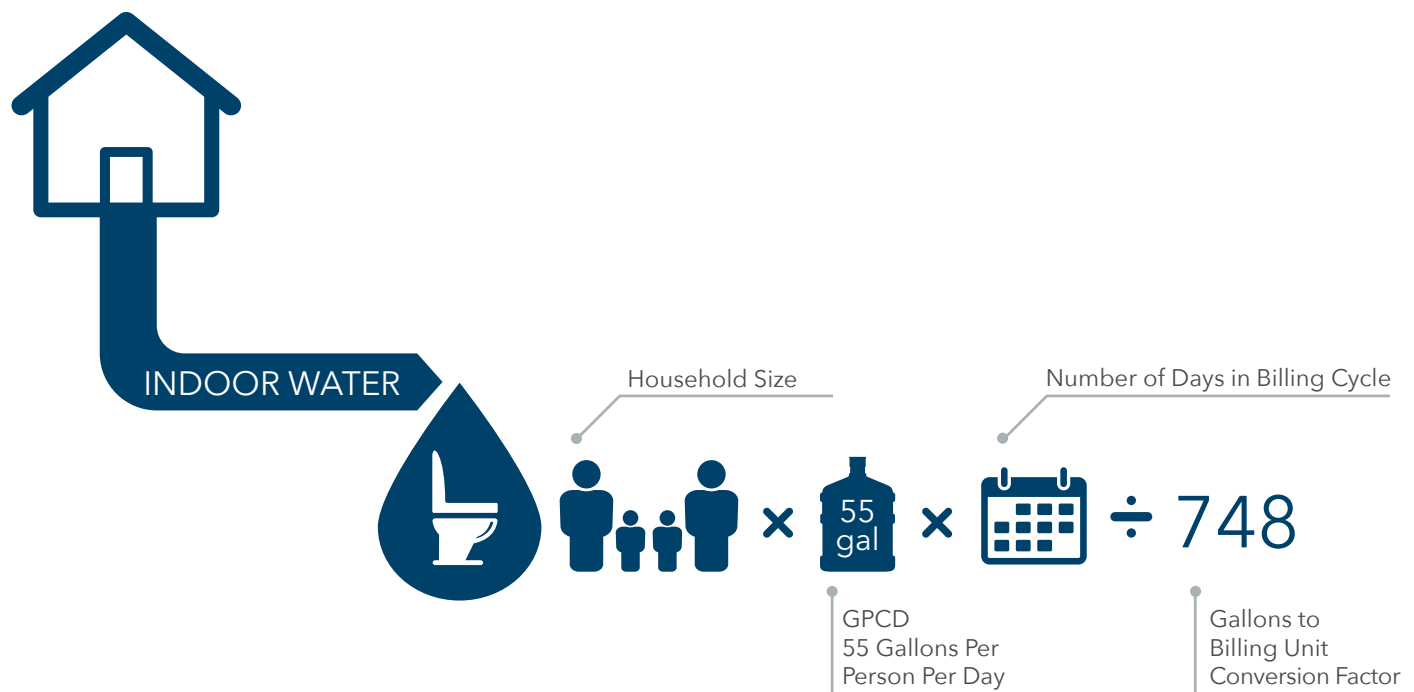
All water used by a single-family or multi-family residential customer within their calculated indoor water budget is billed at the Tier 1 rate and the outdoor water budget is billed at the Tier 2 rate.

Indoor Water Budget is based on these factors:

Household Size: The number of people living in your household.

Number of Days in Billing Cycle (Days Billed): The number of days you are being billed for service. This information can be found on your water bill and comes from the meter read dates.

Base Water Allocation (GPCD): Gallons per capita per day. Every residential customer receives a base water budget of 55 gallons per capita per day.



**1 billing unit of water is equal to 100 cubic feet (HCF), or 748 gallons.*

**Household sizes are assumed to be 4 for Single-Family Residential Detached Homes, 3 for Single-Family Residential Attached Townhomes or Condos, and 2 for Multi-Family Residential apartments unless otherwise specified when beginning service or through the water budget modification process.*



WATER BUDGET BILL CALCULATOR

You can use the bill calculator to see how changes in your water usage may affect your bill. Visit www.mnwd.com/billcalculator to learn more.

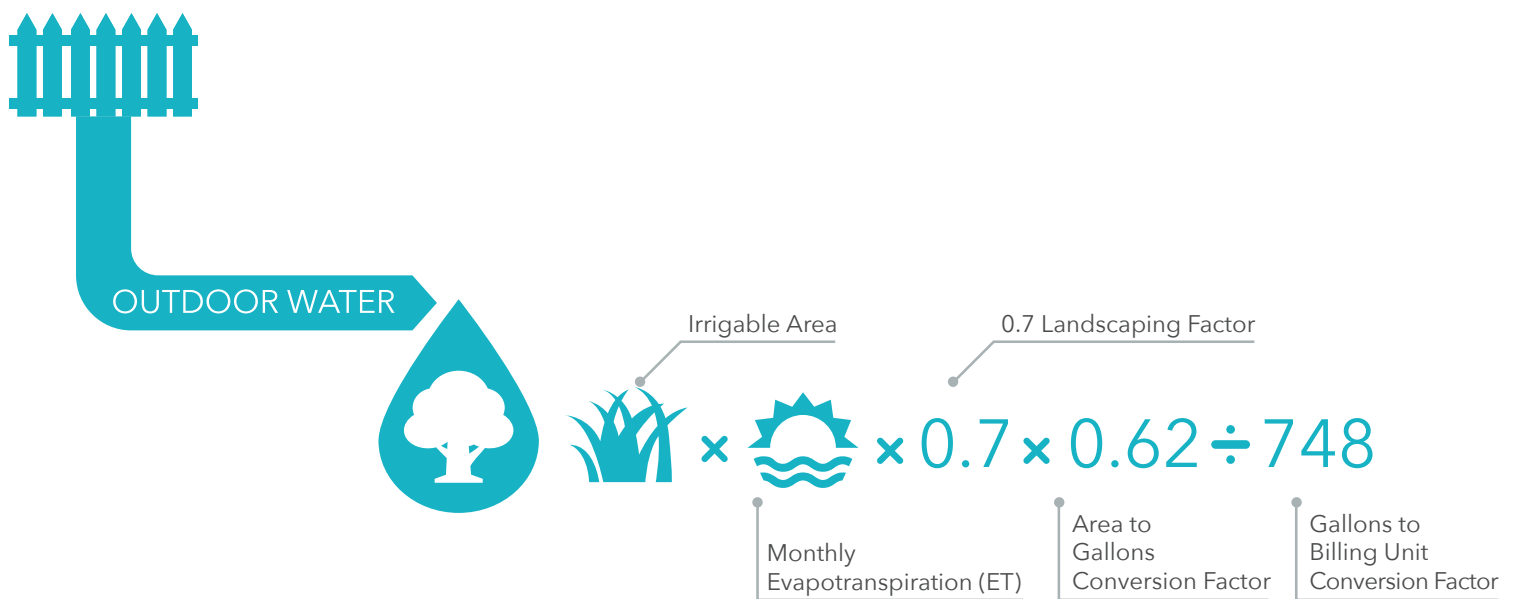
UNDERSTANDING YOUR WATER BUDGET

Outdoor Water Budget is based on these factors:

Irrigable Area: The outdoor square footage of your property requiring water. Pools and spas are also included in the irrigable area. A Geographic Information System or on-site survey data was used to determine your irrigable area.

Landscaping Factor: A factor applied to account for plant water requirements and irrigation efficiencies. Your bill uses a landscaping factor based on the type of water applied: 0.7 for single-family and multi-family residential, 0.7 for potable irrigation, 0.8 for recycled water, and 1.0 for public spaces irrigation.

Evapotranspiration (ET): The amount of water that is lost each day due to evaporation and plant transpiration. Evaporation will vary due to factors such as wind, humidity and temperature. Transpiration is the amount of water that plants lose from their leaves and plant tissue. The ET rate is measured every day in inches. For your water budget, the ET for each day in the billing cycle is added up. Moulton Niguel measures ET using weather stations that can calculate precise data for 110 distinct microclimate zones within our service area. Visit <https://gram.mnwd.com/etmap/> to see your ET rate.



**1 billing unit of water is equal to 100 cubic feet (HCF), or 748 gallons.*

**0.62 converts inches to gallons per square foot.*

WATER BUDGET MODIFICATIONS

Moulton Niguel must assume certain billing factors, such as household size, when calculating a water budget. Customers may apply for a budget modification to update budget billing factors. Go to www.mnwd.com/budget-modification to learn more.

UNDERSTANDING YOUR BILL

Your bill is composed of fixed and variable charges for water, wastewater, recycled water, and fire protection services. State law requires water utilities to collect fees for the actual cost of services provided.



FEES & CHARGES: WATER & RECYCLED WATER

Monthly Service Charge:

The fixed fee for providing water service to your property, based on the size of your water meter. This fee recovers fixed costs, such as infrastructure repairs and maintenance.

Volumetric Charge: The variable fee based on the amount of water you use. This fee recovers the cost of each unit of water delivered to your property.



FEES & CHARGES: WASTEWATER

Monthly Service Charge:

The fixed fee for providing wastewater service to your property, based on the size of your water meter. This fee is to recover fixed costs, such as infrastructure repairs and maintenance.

Per-Person Charge: For single-family and multi-family residential customers, the fee is based on the number of people receiving service in your household.



FEES & CHARGES: PRIVATE FIRE PROTECTION

Monthly Service Charge:

The fixed fee for providing fire protection services to your property, based on the size of your connection. This only applies to customers with a dedicated private fire suppression system.

SINGLE-FAMILY RESIDENTIAL CUSTOMERS

How to Calculate Your Water Bill

Step 1: Identify Your Meter Size for Your Monthly Water Service Charge

Find your meter size on your water bill under the 'Water Meter Information' section.

Single-Family Residential Rates for Monthly Water Service Charges (\$/Meter)				
Meter Size	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
5/8"	\$9.64	\$9.93	\$10.23	\$10.54
3/4"	\$9.64	\$9.93	\$10.23	\$10.54
1"	\$9.64	\$9.93	\$10.23	\$10.54
1.5"	\$32.13	\$33.10	\$34.09	\$35.11
2"	\$51.42	\$52.96	\$54.55	\$56.18
3"	\$112.49	\$115.86	\$119.34	\$122.92
4"	\$192.83	\$198.61	\$204.57	\$210.71
6"	\$401.72	\$413.78	\$426.19	\$438.98
8"	\$578.48	\$595.83	\$613.71	\$632.12
10"	\$932.00	\$959.96	\$988.76	\$1,018.42

Step 2: Calculate Your Indoor Water Budget

Indoor Budget Formula:

$$\begin{array}{ccccccc}
 \text{Toilet Icon} & \text{Household Size Icon} & \times & \text{55 gal GPCD Icon} & \times & \text{Calendar Icon} & \div & 748 \\
 \text{Household Size} & & & \text{GPCD 55 Gallons Per Person Per Day} & & \text{Number of Days in Billing Cycle} & & \text{Gallons to Billing Units Conversion Factor}
 \end{array}$$

Step 3: Calculate Your Outdoor Water Budget

Outdoor Budget Formula:

$$\begin{array}{ccccccc}
 \text{Tree Icon} & \text{Grass Icon} & \times & \text{Sun Icon} & \times & 0.7 & \times & 0.62 & \div & 748 \\
 \text{Irrigable Area} & & & \text{Monthly Evapotranspiration (ET)} & & \text{0.7 Landscaping Factor} & & \text{Area to Gallons Conversion Factor} & & \text{Gallons to Billing Units Conversion Factor}
 \end{array}$$

Step 4: Calculate Your Volumetric Charge in Each Tier

Customers who exceed their water budget are billed at higher tiers depending on how much water is used in excess of their budget. The water rates for each tier are shown below.

Single-Family Residential Water Rates for Volumetric Charges - Per Billing Unit				
Tier	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
Tier 1	\$2.18	\$2.25	\$2.31	\$2.38
Tier 2	\$2.47	\$2.54	\$2.62	\$2.70
Tier 3	\$4.09	\$4.18	\$4.27	\$4.36
Tier 4	\$6.88	\$6.96	\$7.05	\$7.15
Tier 5	\$10.77	\$10.86	\$10.95	\$11.04

1 billing unit of water is equal to 100 cubic feet (HCF), or 748 gallons.

MULTI-FAMILY RESIDENTIAL CUSTOMERS

How to Calculate Your Water Bill

Step 1: Identify Your Meter Size for Your Monthly Water Service Charge

Find your meter size on your water bill under the 'Water Meter Information' section.

Multi-Family Residential Rates for Monthly Water Service Charges (\$/Meter)				
Meter Size	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
5/8"	\$10.04	\$10.34	\$10.65	\$10.97
3/4"	\$10.04	\$10.34	\$10.65	\$10.97
1"	\$10.04	\$10.34	\$10.65	\$10.97
1.5"	\$21.51	\$22.15	\$22.82	\$23.50
2"	\$31.34	\$32.28	\$33.24	\$34.24
3"	\$62.47	\$64.34	\$66.27	\$68.26
4"	\$103.42	\$106.52	\$109.72	\$113.01
6"	\$209.91	\$216.21	\$222.69	\$229.37
8"	\$300.01	\$309.01	\$318.28	\$327.83
10"	\$480.22	\$494.62	\$509.46	\$524.75

Step 2: Identify Your Indoor Water Budget

Indoor Budget Formula:



Step 3: Identify Your Outdoor Water Budget

Outdoor Budget Formula:



Step 4: Calculate Your Volumetric Charge in Each Tier

Customers who exceed their water water budget are billed at higher tiers depending on how much water is used in excess of their budget. The water rates for each tier are shown below.

Multi-Family Residential Water Rates for Volumetric Charges - Per Billing Unit				
Tier	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
Tier 1	\$2.18	\$2.25	\$2.31	\$2.38
Tier 2	\$2.47	\$2.54	\$2.62	\$2.70
Tier 3	\$4.09	\$4.18	\$4.27	\$4.36
Tier 4	\$6.88	\$6.96	\$7.05	\$7.15
Tier 5	\$10.77	\$10.86	\$10.95	\$11.04

1 billing unit of water is equal to 100 cubic feet (HCF), or 748 gallons.

COMMERCIAL CUSTOMERS

How to Calculate Your Water Bill

Step 1: Identify Your Meter Size for Your Monthly Water Service Charge

Find your meter size on your water bill under the 'Water Meter Information' section.

Commercial Rates for Monthly Water Service Charges (\$/Meter)				
Meter Size	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
5/8"	\$3.64	\$3.75	\$3.87	\$3.98
3/4"	\$3.64	\$3.75	\$3.87	\$3.98
1"	\$3.64	\$3.75	\$3.87	\$3.98
1.5"	\$12.15	\$12.51	\$12.89	\$13.27
2"	\$19.44	\$20.02	\$20.62	\$21.24
3"	\$42.52	\$43.80	\$45.11	\$46.46
4"	\$72.89	\$75.08	\$77.33	\$79.65
6"	\$151.86	\$156.42	\$161.11	\$165.94
8"	\$218.68	\$225.24	\$232.00	\$238.96
10"	\$352.32	\$362.89	\$373.77	\$384.99

Step 2: Calculate a 3-Year Average to Determine Your Total Water Budget

For commercial customers, your water budget is based on a rolling average of the current month and the same month in the prior two years. 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. Water budgets for commercial customers shall be calculated such that a minimum budget of one billing unit shall be provided. For commercial customers with less than 3-years of data, the water budgets are calculated as follows: (a) for the first year, the customer's budget is equal to water used; and (b) for the 2nd year, it is an average of current and the previous year's usage in that month (e.g. February 2021 and February 2022) weighted by the number of days in each bill period.

$$\left(\frac{\text{Feb 2022 Usage}}{\text{Days in Feb 2022 Bill}} + \frac{\text{Feb 2021 Usage}}{\text{Days in Feb 2021 Bill}} + \frac{\text{Feb 2020 Usage}}{\text{Days in Feb 2020 Bill}} \right) \div 3 \times \text{Days in Feb 2022 Bill}$$

Step 3: Calculate Your Volumetric Charge in Each Tier

Customers who exceed their water budget are billed at higher tiers depending on how much water is used in excess of their budget. The water rates for each tier are shown below.

Commercial Water Rates for Volumetric Charges - Per Billing Unit				
Tier	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
Tier 1	\$2.47	\$2.54	\$2.62	\$2.70
Tier 2	\$4.09	\$4.18	\$4.27	\$4.36
Tier 3	\$6.88	\$6.96	\$7.05	\$7.15
Tier 4	\$10.77	\$10.86	\$10.95	\$11.04

1 billing unit of water is equal to 100 cubic feet (HCF), or 748 gallons.

RECYCLED IRRIGATION & POTABLE IRRIGATION CUSTOMERS

How to Calculate Your Water Bill

Step 1: Identify Your Meter Size for Your Monthly Water Service Charge

Find your meter size on your water bill under the 'Water Meter Information' section.

Potable Irrigation & Recycled Irrigation Rates for Monthly Water Service Charges - By Meter Size				
Meter Size	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
5/8"	\$15.58	\$16.05	\$16.53	\$17.03
3/4"	\$15.58	\$16.05	\$16.53	\$17.03
1"	\$15.58	\$16.05	\$16.53	\$17.03
1.5"	\$51.93	\$53.49	\$55.09	\$56.75
2"	\$83.09	\$85.59	\$88.16	\$90.80
3"	\$181.79	\$187.24	\$192.86	\$198.64
4"	\$311.62	\$320.97	\$330.60	\$340.52
6"	\$649.22	\$668.70	\$688.76	\$709.42
8"	\$934.87	\$962.92	\$991.81	\$1,021.56
10"	\$1,506.19	\$1,551.38	\$1,597.92	\$1,645.85

Step 2: Determine Your Water Budget Formula

All water used by a public spaces irrigation, potable irrigation, or recycled irrigation customer within your calculated outdoor water budget is billed at the Tier 1 rate.

Public Spaces Irrigation Budget:

$$\begin{array}{ccccccc}
 \text{Icon of trees and a person} & \text{Icon of grass} & \times & \text{Icon of sun and waves} & \times & 1.0 & \times & 0.62 & \div & 748 \\
 \text{Irrigable Area} & & & \text{Monthly Evapotranspiration (ET)} & & \text{1.0 Landscaping Factor} & & \text{Area to Gallons Conversion Factor} & & \text{Gallons to Billing Units Conversion Factor}
 \end{array}$$

Recycled Irrigation Budget:

$$\begin{array}{ccccccc}
 \text{Icon of recycling symbol} & \text{Icon of grass} & \times & \text{Icon of sun and waves} & \times & 0.8 & \times & 0.62 & \div & 748 \\
 \text{Irrigable Area} & & & \text{Monthly Evapotranspiration (ET)} & & \text{0.8 Landscaping Factor} & & \text{Area to Gallons Conversion Factor} & & \text{Gallons to Billing Units Conversion Factor}
 \end{array}$$

Potable Irrigation Budget:

$$\begin{array}{ccccccc}
 \text{Icon of a water meter} & \text{Icon of grass} & \times & \text{Icon of sun and waves} & \times & 0.7 & \times & 0.62 & \div & 748 \\
 \text{Irrigable Area} & & & \text{Monthly Evapotranspiration (ET)} & & \text{0.7 Landscaping Factor} & & \text{Area to Gallons Conversion Factor} & & \text{Gallons to Billing Units Conversion Factor}
 \end{array}$$

Step 3: Calculate Your Volumetric Charge in Each Tier

Recycled Water Rates for Volumetric Charges - Per Billing Unit				
Tier	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
Tier 1	\$1.73	\$1.78	\$1.84	\$1.89
Tier 2	\$3.19	\$3.25	\$3.31	\$3.37
Tier 3	\$5.98	\$6.04	\$6.10	\$6.16
Tier 4	\$9.87	\$9.93	\$9.99	\$10.05

Potable Irrigation Rates for Volumetric Charges - Per Billing Unit				
Tier	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
Tier 1	\$2.47	\$2.54	\$2.62	\$2.70
Tier 2	\$4.09	\$4.18	\$4.27	\$4.36
Tier 3	\$6.88	\$6.96	\$7.05	\$7.15
Tier 4	\$10.77	\$10.86	\$10.95	\$11.04

1 billing unit of water is equal to 100 cubic feet (HCF), or 748 gallons.

PRIVATE FIRE PROTECTION CUSTOMERS

How to Calculate Your Private Fire Protection Bill

Step 1: Identify Your Monthly Water Service Charge Based on Connection Size

Find your water meter size on your water bill underneath the 'Water Meter Information' section.

Private Fire Protection Rates for Monthly Water Service Charges - By Connection Size				
Connection Size	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
5/8"	\$5.44	\$5.60	\$5.77	\$5.95
3/4"	\$5.44	\$5.60	\$5.77	\$5.95
1"	\$5.44	\$5.60	\$5.77	\$5.95
1.5"	\$18.13	\$18.68	\$19.24	\$19.82
2"	\$29.01	\$29.89	\$30.78	\$31.71
2.5"	\$46.24	\$47.62	\$49.05	\$50.52
3"	\$63.48	\$65.38	\$67.34	\$69.36
4"	\$108.81	\$112.08	\$115.44	\$118.90
6"	\$226.69	\$233.49	\$240.50	\$247.71
8"	\$326.44	\$336.23	\$346.32	\$356.71
10"	\$525.93	\$541.71	\$557.96	\$574.70

SINGLE-FAMILY RESIDENTIAL CUSTOMERS

How to Calculate Your Wastewater Bill

Step 1: Identify Your Monthly Wastewater Service Charge

Wastewater rates are determined based on customer class, and include a monthly service charge and, in the case of Single-Family and Multi-Family Residential customers, a monthly per-person charge. For Single-Family Residential customers, the monthly service charge is a flat fee. For all other customer classes, the monthly service charge is determined based on the size of the meter serving the property.

Single-Family Residential Rates for Monthly Wastewater Service Charges

Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
\$19.05	\$20.10	\$21.20	\$22.37

Step 2: Identify Your Per-Person Wastewater Charge

The total charge is the rate below multiplied by the number of people in your household.

Single-Family Residential Rates for Per Person Wastewater Charges

Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
\$5.08 per person	\$5.36 per person	\$5.66 per person	\$5.97 per person

MULTI-FAMILY RESIDENTIAL CUSTOMERS:

How to Calculate Your Wastewater Bill

Step 1: Identify Your Monthly Wastewater Service Charge

Find your water meter size on your water bill underneath the 'Water Meter Information' section.

Multi-Family Residential Rates for Monthly Wastewater Service Charges - By Meter Size

Meter Size	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
5/8"	\$21.82	\$23.02	\$24.29	\$25.62
3/4"	\$21.82	\$23.02	\$24.29	\$25.62
1"	\$21.82	\$23.02	\$24.29	\$25.62
1.5"	\$65.84	\$69.47	\$73.29	\$77.32
2"	\$103.58	\$109.28	\$115.29	\$121.63
3"	\$223.11	\$235.38	\$248.32	\$261.98
4"	\$380.35	\$401.27	\$423.34	\$446.62
6"	\$789.20	\$832.61	\$878.40	\$926.72
8"	\$1,135.15	\$1,197.58	\$1,263.45	\$1,332.94
10"	\$1,827.05	\$1,927.54	\$2,033.55	\$2,145.40

Step 2: Identify Your Per-Person Wastewater Charge

The total charge is the rate below multiplied by the number of people in your household.

Multi-Family Residential Rates for Per Person Wastewater Charges

Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
\$5.08 per person	\$5.36 per person	\$5.66 per person	\$5.97 per person

COMMERCIAL CUSTOMERS

How to Calculate Your Wastewater Bill

Step 1: Identify Your Commercial Sub-Class

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 4 subclasses generally include, but are not limited to, 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

Step 2: Identify Your Meter Size

Find your water meter size on your water bill underneath the 'Water Meter Information' section.

COMMERCIAL 1: Rates for Monthly Wastewater Service Charges - By Meter Size

Meter Size	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
5/8"	\$24.79	\$26.16	\$27.59	\$29.11
3/4"	\$24.79	\$26.16	\$27.59	\$29.11
1"	\$24.79	\$26.16	\$27.59	\$29.11
1.5"	\$75.75	\$79.91	\$84.31	\$88.95
2"	\$119.43	\$126.00	\$132.93	\$140.24
3"	\$257.77	\$271.95	\$286.90	\$302.68
4"	\$439.77	\$463.95	\$489.47	\$516.39
6"	\$912.99	\$963.21	\$1,016.18	\$1,072.07
8"	\$1,313.40	\$1,385.64	\$1,461.85	\$1,542.25
10"	\$2,114.24	\$2,230.52	\$2,353.20	\$2,482.62

COMMERCIAL 2: Rates for Monthly Wastewater Service Charges - By Meter Size

Meter Size	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
5/8"	\$57.64	\$60.81	\$64.15	\$67.68
3/4"	\$57.64	\$60.81	\$64.15	\$67.68
1"	\$57.64	\$60.81	\$64.15	\$67.68
1.5"	\$185.22	\$195.41	\$206.16	\$217.50
2"	\$294.60	\$310.80	\$327.89	\$345.93
3"	\$640.98	\$676.24	\$713.43	\$752.67
4"	\$1,096.69	\$1,157.00	\$1,220.64	\$1,287.77
6"	\$2,281.58	\$2,407.07	\$2,539.46	\$2,679.13
8"	\$3,284.15	\$3,464.78	\$3,655.35	\$3,856.39
10"	\$5,289.35	\$5,580.27	\$5,887.18	\$6,210.98

COMMERCIAL 3: Rates for Monthly Wastewater Service Charges - By Meter Size

Meter Size	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
5/8"	\$124.93	\$131.80	\$139.05	\$146.70
3/4"	\$124.93	\$131.80	\$139.05	\$146.70
1"	\$124.93	\$131.80	\$139.05	\$146.70
1.5"	\$409.51	\$432.03	\$455.79	\$480.86
2"	\$653.47	\$689.41	\$727.33	\$767.33
3"	\$1,426.09	\$1,504.52	\$1,587.27	\$1,674.57
4"	\$2,442.54	\$2,576.88	\$2,718.61	\$2,868.13
6"	\$5,085.47	\$5,365.17	\$5,660.26	\$5,971.57
8"	\$7,321.72	\$7,724.42	\$8,149.26	\$8,597.47
10"	\$11,794.34	\$12,443.03	\$13,127.40	\$13,849.41

COMMERCIAL 4: Rates for Monthly Wastewater Service Charges - By Meter Size

Meter Size	Effective February 1, 2022	Effective January 1, 2023	Effective January 1, 2024	Effective January 1, 2025
5/8"	\$141.52	\$149.31	\$157.52	\$166.18
3/4"	\$141.52	\$149.31	\$157.52	\$166.18
1"	\$141.52	\$149.31	\$157.52	\$166.18
1.5"	\$464.81	\$490.38	\$517.35	\$545.80
2"	\$741.96	\$782.77	\$825.82	\$871.24
3"	\$1,619.68	\$1,708.76	\$1,802.74	\$1,901.90
4"	\$2,774.41	\$2,927.00	\$3,087.98	\$3,257.82
6"	\$5,776.86	\$6,094.59	\$6,429.79	\$6,783.43
8"	\$8,317.32	\$8,774.77	\$9,257.38	\$9,766.54
10"	\$13,398.37	\$14,135.28	\$14,912.72	\$15,732.92

Regional Cost Drivers and Pass Through Adjustments

Moulton Niguel Water District imports all of our potable (drinking) water from Metropolitan Water District of Southern California (MWDSC) through our wholesaler, Municipal Water District of Orange County (MWDOC). MWDSC is responsible for importing water supplies from both the Colorado River and Northern California to Southern California and treating it to the necessary water quality standards. As a result, investments in infrastructure, such as treatment plants, aqueducts, and transmission mains by MWDSC will continue to drive up costs for our potable water. Additionally, imported water supply costs may increase as the State and the region develop solutions for the ongoing drought. The costs borne by MWDSC and MWDOC for importing and treating water are passed directly to its retail agencies, including Moulton Niguel.

Moulton Niguel utilizes the South Orange County Wastewater Authority (SOCWA) to treat and discharge a portion of our wastewater. Approximately 85% of all wastewater generated by our customers is treated by SOCWA, which can have a significant impact on costs for wastewater treatment and disposal services. The costs for wastewater services provided by SOCWA are passed on directly to Moulton Niguel.

Moulton Niguel's Long-Range Financial Plan includes MWDOC and SOCWA's annual cost escalation for water purchases and wastewater services. However, if their wholesale charges are greater than those projected, the Board of Directors may elect to pass through those increases. Any pass-through of MWDOC cost increases will only impact the Volumetric Charges for residential, multi-family, commercial and irrigation customers, and any pass-through of a SOCWA rate increase will impact the monthly wastewater service charge. In no event shall any MWDOC or SOCWA pass-through adjustment cause the impacted rate to increase by more than 20% for MWDOC or 10% for SOCWA in any calendar year, and, in no event shall such rates be increased more than the cost of providing the service.

Moulton Niguel may annually implement the pass-through adjustments for a five-year period commencing February 1, 2022 through calendar year beginning January 1, 2026. Prior to implementing any pass-through adjustments, Moulton Niguel will provide a notice of the adjustment at least 30 days prior to its effective date. This notice will appear in your billing statement or through a direct mail notification.

PREPARING FOR THE DROUGHT

The State of California, and the western region of the United States as a whole, is experiencing another drought. The past two summers have seen record temperatures with very dry conditions. As of October 19, 2021, a drought state of emergency has been declared for the state prompting the Governor to issue a request for Californians to voluntarily reduce water use by 15%. Fortunately, Moulton Niguel, in partnership with our customers, local water wholesaler, and neighboring water agencies, have taken actions to prepare for drought conditions. However, there is no way to know how long this drought will last or how severe it may become, and what future actions will be necessary. We all need to continue to work together to use water efficiently. Together, we will continue to remain resilient against future challenges.



Following the last drought, state laws were updated to require all water agencies to develop and adopt a Water Shortage Contingency Plan (WSCP). Moulton Niguel's WSCP establishes six escalating water shortage stages focused first on reducing unreasonable and wasteful water use to preserve limited water supplies during times of shortage. Should the State or our water wholesaler implement mandates to reduce water use, Moulton Niguel may need to activate one or more stages of its WSCP.

The WSCP was developed to minimize impacts to our customers' ability to choose how and when they use water at their home or business, while encouraging them to use water efficiently. Moulton Niguel does not implement watering day restrictions in any stage of the WSCP. Instead, volumetric conservation penalties are assessed on specific volumes of water to discourage unreasonable and wasteful water use during a declared emergency water supply shortage. In the event Moulton Niguel does experience severe shortages, the WSCP is designed to encourage reductions in outdoor water use first, so your family or business will continue to receive the water needed to meet your daily indoor needs. Only in the most extreme circumstances would Moulton Niguel ask customers to reduce indoor water use and even then, water necessary to preserve health and human safety would never be subject to penalty. If implemented, these conservation penalties are assessed in addition to the charges for water usage in each tier and any revenues collected from these conservation penalties are put directly towards increased water efficiency programs and rebate funding. Customers who continue to use water efficiently will continue to pay the lowest bills. The specific conservation penalties, and thresholds of water use triggering application of the conservation penalties, will depend on the stage of water shortage, customer class, and amount of excess water use. For a detailed explanation of how specific stages may impact your bill, please visit www.mnwd.com/reports-publications/



NOTICE OF PUBLIC HEARING

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

PUBLIC HEARING:

The Board of Directors of the Moulton Niguel Water District invites the public to attend a public hearing to be held on **January 13, 2022, at 6:00 P.M.** in the Boardroom of the Moulton Niguel Headquarters at 26161 Gordon Road, Laguna Hills, CA 92653, to consider all oral testimony and written protests to, and the adoption of, increases and adjustments in the rates for its potable water, recycled water, and wastewater services. Should public health concerns, protocols, or regulations require that the public hearing be held with a virtual option, or entirely virtually, information will be posted to the Moulton Niguel website as soon as available.

LOWEST AVERAGE BILL:

Under the proposed rates, Moulton Niguel customers will continue to have the lowest monthly bills in South Orange County. This notice includes information on service charges, the reasons for the proposed rate adjustments, the basis upon which the rates are calculated, how to calculate your bill under the new schedules, and details on the public hearing where the rates will be considered. If you have any questions regarding this notice, or your rates, call **(949) 425-3596**.

NECESSARY CAPITAL INVESTMENTS:

Moulton Niguel strives to control costs, reinvest in capital infrastructure, and provide the highest level of customer service. Moulton Niguel has developed a \$611 million, 10-year capital improvement program for its potable water, recycled water, and wastewater systems. Rate increases are necessary to continue funding these investments in critical system infrastructure and capital projects to maintain water, recycled water, and wastewater systems.

HIGHER COSTS FOR WASTEWATER TREATMENT:

Moulton Niguel is a member agency of the South Orange County Wastewater Authority, which operates and maintains three of the District's wastewater treatment facilities. Moulton Niguel has also dedicated resources to operating, repairing and rehabilitating Plant 3A, a fourth wastewater treatment facility. Higher rates are necessary to fund the facilities to enhance service levels, fund critical capital investments, meet regulatory requirements, and evaluate expansion of reuse programs to increase water supply reliability and reduce discharges of treated wastewater to the ocean.



HIGHER COSTS FROM WHOLESALE PROVIDERS:

100 percent of Moulton Niguel's drinking water (potable water) is imported from the Sacramento Bay Delta and Colorado River by the Metropolitan Water District of Southern California (MWDSC). Moulton Niguel purchases the imported drinking 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 estimates that it will be increasing its wholesale water rates between 4-6% per year.

PROTEST SUBMISSION PROCEDURE:

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 potable 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 potable 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 potable water, recycled water or wastewater service water fees; (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 26161 Gordon Road, Laguna Hills, CA 92653. Written protests may also be submitted at the public hearing on January 13, 2022, at 6:00 P.M. in the Boardroom of the Moulton Niguel Headquarters at 26161 Gordon Road, Laguna Hills, CA 92653. 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.**

BOARD AUTHORIZATION:

The Board of Directors will consider all written protests timely submitted as well as 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. If adopted, please also be aware that there is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge for water and wastewater rates proposed herein.





26161 Gordon Road
Laguna Hills, CA 92653

NOTICE OF PUBLIC HEARING

January 13, 2022, at 6:00 P.M.
Location: 26161 Gordon Road, Laguna Hills, CA 92653



— **LOWEST AVERAGE BILL IN SOUTH ORANGE COUNTY** —

In 2022, 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.

DATE SCHEDULED FOR PUBLIC HEARING

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

Date & Time: January 13, 2022 at 6:00 P.M.

Location: 26161 Gordon Road, Laguna Hills, CA 92653

Questions: Call (949) 425-3596



Check out our
Water Budget
Bill Calculator

**[www.mnwd.com/
billcalculator](http://www.mnwd.com/billcalculator)**